SENATE—*Thursday, May 9, 1996*

The Senate met at 9:15 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, ultimate Judge of us all, free us from the condemnatory judgments that elevate ourselves and put others down when they do not agree with us. Sometimes, we think our disagreement justifies our lack of prayer for them. Often we self-righteously neglect in our prayers the very people who most need Your blessing. Give us the prophet Samuel's heart to say, "Far be it from me that I should sin against the Lord in ceasing to pray for you."—I Samuel 12:23. Awaken us to the danger for our spiritual lives that results from neglect of prayer for our adversaries. Make us intercessors for all those You have placed on our hearts—even those we previously have castigated with our judgments. We accept Your authority: "Judgment is mine, says the Lord." I pray this in the name of Jesus, who taught us, "Judge not, and you shall not be judged. Condemn not, and you shall not be condemned. Forgive, and you will be forgiven."—Luke 6:37. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Montana is recognized.

Mr. BURNS. I thank the Chair.

SCHEDULE

Mr. BURNS. Mr. President, today there will be a period for morning business until the hour of 10 a.m.

Following morning business, the Senate will resume consideration of H.R. 2937, the White House Travel Office legislation. A cloture motion was filed on the pending Dole amendment to that measure, with that cloture vote occurring on Friday, unless agreement can be reached otherwise. Rollcall votes are, therefore, possible during today's session. Leader time shall be reserved.

AMERICAN FAMILIES NEED HELP

Mr. BURNS. Mr. President, I come to the floor this morning, again, with America on my mind and American families on my mind. Today, they are working harder and they are worrying more about job stability, and they are wondering about what the future holds, especially when this Government wants to call all of the rules and regulations from here throughout the country.

Most families live from paycheck to paycheck, and they struggle every month just to make ends meet. They are frustrated because the money they used to be able to live on does not get to the end of the month. Some would say, "There is a lot of month left over at the end of the money." Families, from Montana to Maine, want freedom from Washington and the crushing burden it puts on the backs of all Americans.

Let us talk about taxes first, as we have been doing all week. We need to give some of the 1993 tax increases back to families. That is what repeal of the 4.3-cent gas tax would do.

I thought a lot of the comments yesterday of my friend from Missouri, when he says, "Let us give it back to the people." This really stresses people who have to go to work every day, and it goes to people that will not work. That is not fair. These are the people that are trying to make America work.

Tax freedom day is now after 128 days because of that big tax increase in 1993. Total taxes are now running around 38.2 percent on family income. This repeal starts to at least give some of the money back to American families and also helps them along with their savings, and with the education of their young folks.

Also, let us talk a little bit about Government regulation this morning.

Flextime. What we have been talking about is the ability—and the TEAM Act—of people, of employers and employees, sitting down and ironing out some of the factors in a workplace that make a company go. That is what we are doing here, and talking about what is wrong with this communication between an employee and an employer. What is wrong with some of them setting some rules and some parameters which help not only the employee but the employer and also help the company to survive?

Home office deduction telecommuters. We fought very hard for that. I think back in 1991 or 1992, we put an amendment in the Transportation Act that says we ought to study the impact of folks who stay home and do their work because they have new technology such as computers, such as fax machines, such as telephones. So we said, do a study and see what impact that has on our transportation system and on our highways because right now we know we cannot outbuild the roads to stay ahead of America's love for the automobile.

So what is wrong with having a designated spot in a home in telecommuting maybe where even the employees here in Washington who did not want to come up I-395—as you know, I-395 from 6 o'clock in the morning until about 9 o'clock in the morning has been termed the world's largest parking lot. What is the impact on the environment? What is the impact on our fuel consumption, and on energy consumption?

Why can we not look at our tax bracket and say, "OK. Maybe you can stay home maybe 1 or 2 days out of every week and still get your work done, still be in contact, still communicate with everybody in the office and your customers or people in other places."

What is wrong with the TEAM Act? What is wrong with making these kinds of agreements for a better workplace? Where I come from, the people I am talking to sure want higher wages. The Government got their increase. In 1993, it was taken away from you; stagnated wages. If you look at a State like Montana, everybody wants to put the miners out of business where the best blue-collar jobs in Montana are in natural resources and the management of natural resources.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BURNS. So this morning, Mr. President, I ask that we take a long look at the total picture of families and what makes them tick. How do we secure their wages? How do we give them some permanence, and how do we contribute to a better life for families in all of America?

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Connecticut has reserved 15 minutes.

Mr. LIEBERMAN. I thank the Chair. I thank my colleague.

ARMS SHIPMENTS TO BOSNIA FROM ISLAMIC COUNTRIES

Mr. LIEBERMAN. Mr. President, a few days ago, on Tuesday of this week, a number of colleagues rose to express criticism of the actions of the Clinton administration with regard to arms shipments from Islamic countries, including Iran, across Croatia to supply the Bosnian Army and the decision made not to intervene by this administration in April 1994. Yesterday, our colleagues in the other body voted to appropriate $1 million to conduct a formal investigation of this incident, which has been referred to as Iran-Bosnia.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. President, as far as I am concerned, the suggestion here that what happened in April 1994 with the Clinton administration bore any resemblance to the Iran-Contra affair is wrong. There is simply no connection between the two. As my colleagues in the Senate know, for quite a long time—1993, 1994, 1995—I was very critical of this administration's inability to lift the arms embargo multilaterally, preferably, but unilaterally if necessary. But for the very reasons that led me to work, on a bipartisan basis, with the Senate majority leader and others to urge this administration to mandate finally that the arms embargo against Bosnia be lifted, I find the criticism of the administration and the President with regard to the decision made in April 1994 to be way off base, to be unfair, to be a bum rap. It is, in fact, quite the opposite of what was implied and expressed by all of us who worked so hard to convince our colleagues and this administration to lift the arms embargo against the Bosnian Government. I want to explain why I come to the conclusion that what the President did in April 1994 was not simply not wrong, but, in fact, I believe it was the right and moral decision to make.

Let me go back to that time in early 1994. In January 1994, we passed an amendment, supported by the majority leader and myself and many others on both sides of the aisle, which expressed the sense of the Senate—because it is all we could manage to convince our colleagues to support—a sense of the Senate that we should lift the arms embargo on the Bosnian Government by an 87-to-9 vote. That was a vote here in this Chamber. That vote expressed the growing disgust, fury, and frustration by most of us here in this Chamber, if not people throughout the country and the world, that acts of aggression and genocide were occurring, primarily by the Serbs against the Bosnian people, and not only was the world just standing by, but we were prohibiting the Bosnian people from receiving the arms necessary to exercise their fundamental right of self-defense. That was in January of 1994 that the Senate spoke.

In the spring of 1994, Bosnia was in dire straits. The newly established federation joining the Bosniacs and the Croats was in a very precarious state. The Bosnian Moslems in Gorazde, Sarajevo, and elsewhere were under siege, and not just casual siege but siege that threatened wide-scale death, destruction, and defeat. The Bosnians again, confronted by a foe with immense advantage and heavy weaponry, were, under an embargo passed in 1992 before the war broke out to try to stop the war from breaking out, denied by the international community the means to defend themselves.

I said then repeatedly, as others did in this Chamber, that that embargo was unjust and immoral. Major cities in Bosnia were threatened with being overrun by the Serbs. In fact, the Bosnian-Croat Federation was on the edge of defeat and annihilation.

Against that backdrop, in April 1994, the Croatian Government asked the United States, through diplomatic channels, whether the United States Government would object if Croatia were to allow arms shipments to go through its country, Croatia, to the Bosnian Government from other countries, primarily Islamic countries, including Iran. In fact, as I mentioned Islamic countries, there is some reason to believe that not just Iran, although that for understandable reasons concerns us, but also Turkey, perhaps Malaysia, perhaps including, with the support of our allies, Saudi Arabia, supplied arms to the Bosnians in transit through Croatian territory. The question then posed to the Clinton administration by this diplomatic query from Croatia was, should the United States at that point have acted forcefully to require the Croatians to stop those arms from going to the Bosnians?

President Clinton decided that the United States would neither approve nor object to such shipments. American diplomats told the Croatian Government in response to their question that they had "no instructions" on the matter. That, I feel very strongly, was the right decision diplomatically and morally, for to have done otherwise would have meant that the United States was not simply refusing to supply arms itself to the Bosnian Government, was not simply at that point enforcing to the extent it was able the embargo against the Bosnians, but was in fact demanding that other countries that wanted to allow arms to go to the Bosnians not be allowed to do so.

Some critics now insist that in making that decision the administration undertook covert action without reporting to Congress. That is a quasi-legal argument invoking, I suppose, memories of Iran-Contra, and I wish to explain why I feel there was not covert action here. In fact, it was neither covert nor was it action.

Let me make clear, too, that unlike the Iran-contra episode, there was here no mandate from Congress not to supply aid as there was in the case of aid to the contras. In fact, here there was growing support in Congress to have the United States Government either supply arms to the Bosnians or at least, as happened later in the year, to stop enforcing this immoral embargo.

Why do I say this was neither covert nor was it action? In legal terms, the administration decided to take no position, give no instruction on the delivery of arms through Croatia to Bosnia from Islamic countries including Iran. That does not constitute action. The State Department has made it very clear that the United States had no contact with Iran on this matter and took absolutely no action to facilitate these shipments. So I do not see how this can be construed as action by our Government which would require formal reporting to Congress under relevant law.

Second, and very importantly, this decision was by no means covert. While my colleagues who have been critical of late of the decision have acted, I presume, on the basis of an article which appeared early in April of this year, 1996, in the Los Angeles Times about the President's decision, the fact is that the decision made by the President and the administration in 1994 to give no instructions to the Croatians on the question of Islamic shipments of arms to the Bosnians across their territory should have been known to all of us and certainly should not be construed as news.

The leadership of the Congress and the relevant committees and their staffs have and at that time and from the beginning of the war in Bosnia had routine access to the very same intelligence information about the Islamic arms shipments that was seen by administration officials early in 1994, and, in fact, before. No one, to my knowledge, urged the administration to take any steps at that time to stop the arms from reaching the Bosnians.

Arms shipments from Iran and the other countries to Bosnia, facilitated by Croatia, which incidentally took its share of these weapons, in fact, became public knowledge in a Washington Post article on May 13, 1994, approximately 1 month after the administration made the decision to give no instructions to the Croatians. Again, we heard, and the record shows, no calls from anyone to stop those shipments of arms.

In June 1994, 1 month later and 2 months after the decision made by the administration, our colleague from Arizona, Senator MCCAIN, speaking forcefully for the lifting of the arms embargo denying the Bosnian Government the right to self-defense, shared with us all—and it is printed in the CONGRESSIONAL RECORD—a June 24, 1994, Washington Times story entitled "Iranian Weapons Sent Via Croatia—Aid to Moslems Gets U.S. 'Wink.'" The whole story was told 2 years ago, 2 months after the administration's decision. I urge my colleagues to look at that article. Thus, the Congress and the public not only knew of Iranian arms shipments to Bosnia, but we also knew of President Clinton's decision not to act to stop those shipments nearly 2 years ago.

On April 14 and 15, 1995, a little more than a year ago, a year after the decision was made by the administration, the Washington Post reported extensively on the President's decision not to stop arms shipments destined to the Bosnian Government, and still, I think for understandable reasons, there was

no clamor for the United States to stop those shipments. In fact, the Washington Post, in an editorial on April 16 of 1995 entitled "Arms For Bosnia," endorsed President Clinton's decision saying that the risk of Iranian influence was "A risk worth taking to serve what ought to be regarded as the political and moral core of American policy to render as much support as possible to the Bosnian Muslims."

So there can be no doubt that we all knew or should have known about the Iranian arms shipments to Bosnia and the shipments from other Islamic countries 2 years ago, and we all knew or should have known of the President's decision not to try to stop those shipments in the spring of 1994. And during that whole time the Senate and the House of Representatives did not call for U.S. action to stop those shipments.

Therefore, Mr. President, I conclude that these shipments were by no means covert. In fact, not only were they not covert, they were not wrong, and shortly thereafter we in Congress expressed our agreement with that conclusion.

Later, in 1994—in fact, in August 1994, on August 11, 1994—with pressure building here for support of the resolution that Senator DOLE and I and others were advancing to lift the arms embargo, unilaterally if necessary, the Senate adopted an amendment offered by the Senator from Georgia, Mr. NUNN, and then Senate majority leader, Senator Mitchell, as an amendment to the fiscal year 1995 Defense authorization bill which called for multilateral lifting of the arms embargo but, more relevant to the present controversy, mandated the end of any American involvement in enforcing the international arms embargo on the Bosnian Government.

In October 1994, Senator DOLE and I and our cosponsors, unfortunately, could not gain enough votes to pass our legislation mandating unilateral lifting of the arms embargo, but in response to our efforts the Congress adopted the Nunn-Mitchell provision as part of the fiscal year 1995 National Defense Authorization Act. So we in this body and our colleagues in the other body made it illegal, against the law, for the United States to use appropriated funds to enforce the arms embargo.

So since November 1994, the Clinton administration has been prohibited from acting to intercept arms shipments to Bosnia from Iran or anybody else, exactly the decision made in April 1994 by the administration. In that sense, the decision was ratified by the Congress.

Mr. President, let me make clear that I share the concern expressed by my colleagues who spoke the other day, and other times, about the continued Iranian presence and influence in Bosnia. In fact, the Senate majority leader and I raised this concern in a letter we sent a few months ago to President Izetbegovic of Bosnia. I believe there has been a response to that letter. But, of course, what I am saying here is that we need to see the results and the content of the administration's decision of April 1994 beyond the unfortunate but, after all, very limited, continued presence of Iran in Bosnia.

The supply of arms to Croatia and Bosnia by Islamic countries in 1994 and before in fact changed the military balance in the former Yugoslavia. As a result, the Bosniacs and Croats were able to defend their people and their territory and even reverse Serb gains.

I certainly—and I am sure most of my colleagues—would much rather have seen the arms embargo lifted and the arms supplied to the Bosnian Government by the United States or other friendly countries other than Iran. It is clear to me—it was then—that the Bosnian Government would have preferred that outcome, but just as a drowning person cannot be particular about who has thrown him a life jacket, a dying nation, a nation under death siege, as Bosnia was at that time, cannot be particular about who gives it arms. Without the supply of those arms, the Serbs, in my opinion, would have completed their campaign of territorial aggression, ethnic cleansing. With these arms, the Bosniacs and Croats cooperated to hold the Serbs in place—in fact, to reverse some Serb gains.

Then we came to 1995, growing concern about the course of the war, and finally Senator DOLE and I, and our cosponsors, were able to receive majority support here in this Chamber and in the other body for mandating a unilateral lifting of the arms embargo against the Bosnians. Srebrenica fell; a slaughter occurred there. With that in the public's mind, and being able to say to our allies in Europe that Congress was about to force him to lift the arms embargo unilaterally, the President was able to gain the allies' support for the NATO airstrikes which brought the Serbs to the negotiating table at Bosnia, which stopped the war and then led to the 60,000-person implementation force now there in Bosnia, with 20,000 Americans, whose presence, incidentally, was ratified in a bipartisan vote here in which the Senate majority leader, in an extraordinary act of bipartisanship, nonpartisanship, gave his support to that presence.

So I say, in conclusion, that to criticize the Clinton administration, President Clinton, for their decision not to protest the flow of arms to Bosnia in April 1994 is unfair and inconsistent with the position that so many of us took that, in fact, the arms embargo should be lifted. The decision the President made was, in my opinion, moral. It would have been outrageously immoral to have watched aggression and genocide continue in Bosnia and have done nothing—in fact, not only to have done nothing, but to have acted to stop others from doing something to help the victims of that aggression and that genocide.

Finally, in the struggle many of us made here on a bipartisan, nonpartisan basis to change the course of this war, I think we had a substantial effect. It was, in my opinion, some of the finest hours of this Chamber in affecting the course of foreign policy and world events, stopping aggression and genocide, and preserving stability in Europe.

I hope we will not sully that extraordinary record of nonpartisanship with a kind of partisanship in hindsight, which is unjustified by the facts and inconsistent with the bipartisan leadership of this Chamber on this matter.

I thank my colleagues, and I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I am wondering, could we extend the time for morning business. We have more time requested than time allotted for morning business. So I would ask that we extend morning business.

The PRESIDING OFFICER. The Senator can ask unanimous consent to extend morning business.

Mr. REID. I ask unanimous consent that we extend morning business for an additional 10 minutes.

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

The PRESIDING OFFICER. The Senator from Nevada [Mr. REID] is recognized for 5 minutes.

Mr. REID. Mr. President, the Democratic floor leader is in the Chamber. He has 25 minutes reserved.

I ask unanimous consent that I have 10 minutes of the 25 minutes the floor leader has reserved.

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

Mr. REID. I also ask the Parliamentarian to inform me when I have used 10 minutes.

A HEALTHY ECONOMY

Mr. REID. Mr. President, I quote from the majority leader of the U.S. Senate in late February of this year, when he stated, "It is also true"—said Senator DOLE—"as some have said, that our economy is the strongest it has been in 30 years."

The business publication, Barron's magazine, that is looked upon with favor by the business community and has been for many, many years says:

> In short, Clinton's economic record is remarkable. Clinton rightfully boasted that our economy is the healthiest it's been in 30 years.

This came, Mr. President, late in March of this year. DRI McGraw-Hill, late March of this year:

The normal economic indicators suggest that the economy is in its best shape in decades.

Mr. President, the statements that I have given here, the quote from the majority leader of the U.S. Senate, from Barron's magazine, and from DRI McGraw-Hill are not publications of the Democratic National Committee. We could not go further from the Democratic National Committee than the majority leader of the U.S. Senate, Barron's magazine, and McGraw-Hill, yet each of these state that the economy is the best it has been in decades.

I am the first to acknowledge that we can do better. But we are doing pretty good. We are doing real well. The reason I want to talk about `this this morning is I understand from listening and watching very closely what has transpired in this Chamber, especially on the other side of the aisle, that there is some tendency to talk about how bad we are doing.

The economy is on fire. The economy is doing well. These are not statements. They are based upon statistics. The smallest deficit share of our economy since 1979. This will be the fourth year in a row where we have had a declining deficit. I, Mr. President, last year with pride talked about it was the third year in a row where we had a declining deficit, the first time in 50 years we had 3 years in a row with a declining deficit.

I said then, as I say now, it should be smaller, but 3 years in a row, the first time in 50 years, a declining deficit. This next year will be 4 years in a row with a declining deficit; the first time since the years of the Civil War that we have had 4 years in a row with a declining deficit.

The lowest combined rate of unemployment and inflation since 1968. Strongest job growth. In fact, it is a stronger job growth than any Republican administration since the 1920's. Nearly 8.5 million new jobs added in just over 3 years. That is a faster annual rate of growth than from any Republican administration since the 1920's.

Mr. President, we have heard a lot of talk in years gone by about the Federal employment being too high. President Reagan, when he was Governor, used to rail about how big the Government was. Yet while he was Governor of California, the government of California got bigger and bigger. When he got off his job of being Governor, he had a radio program, and about one out of every two programs dealt with how big the Federal Government was. It is interesting to note, when President Reagan was President, the Government got bigger and bigger.

Vice President GORE, in this administration, was given the job to cut back the size of Government. The Government has been cut back. It is not talked about. We have over 200,000 fewer Federal jobs than we had 3 years ago. That is a cutback that is staggering. The smallest work force since the days of President Kennedy. Highest share of jobs in the private sector again since the 1920's. And 93 percent of all new jobs have been created by the private sector.

We have had the lowest inflation during any administration since the days of Kennedy, the strongest industrial production growth in 30 years. The industrial production has grown almost 4 percent annually. That is faster than any administration since the days of Lyndon Johnson.

Strongest business investment growth for an administration since the days of John Kennedy. Business investment has grown almost 11 percent annually. As I have indicated, that is a faster rate of business investment growth than any administration since John Kennedy was President.

Lowest mortgage rates in 30 years. Strongest stock market growth since World War II. Highest home ownership in 15 years. Strongest construction growth since Truman was President. Almost 900,000 new construction jobs have been created in just over 3 years. That is the fastest annual rate of construction since Harry Truman was President.

It is no wonder that Barron's magazine says:

Clinton has rightfully boasted that our economy is the healthiest it's been in 30 years.

Mr. President, we have had 10 Presidents since the Second World War. If we listed the Presidents, we would find we have had five Republican Presidents and five Democrat Presidents. But if you looked at job growth during the years of those 10 Presidencies, you would find that Nos. 1, 2, 3, 4, and 5 were Democrats. The bottom five were Republican Presidents.

If you want to look at that same list of Democratic Presidents, you would find that they also led from 1 to 5 in economic growth. I think it is important that we here on the Senate floor make sure the record is clear and not try to frighten the American public.

We acknowledge that we need to do better. We acknowledge that we have problems that need to be looked into. We believe that the minimum wage should be raised. We believe that it is not a question of making sure that teenagers that work at McDonalds get paid more, because the vast majority of the people who earn minimum wage are not teenagers. Sixty percent of the people who earn minimum wage are women, and for 40 percent of those women, that is the only money they get for them and their families.

We believe one of the ways we can make the economy better is to raise the minimum wage. Why? Because it will tend to force people off welfare and cause people not to go on welfare. We need to do better, but we are doing well. The so-called misery index, the combined rate of unemployment and inflation, is at its lowest level since 1968. We think that is good.

Car manufacturing. The United States is in the world lead. In 1994, the United States surpassed Japan as the world leader in automobile production. The last time the United States was No. 1 was way back in 1979. In 1995 and 1996, America has and will retain its status as the world's largest producer of cars. There have been times in the history of our country when the business sector has done as well, but never have they done any better. Economic numbers point to the business community as being very happy with what is going on.

We can look at areas where not everyone can enjoy this, but a family that invested money in the stock market——

The PRESIDING OFFICER. The Chair informs the Senator he has reached the 8-minute mark.

Mr. REID. I thank the Chair.

A family that invested money in the stock market, under the Clinton administration, for example, if they invested $10,000, they would get almost a 50-percent return on that money, in fact a little over 50-percent return.

Jobs have been added, as I have indicated, and the fact of the matter is, Mr. President, they have been good jobs, high-wage jobs. Over 60 percent of the jobs added have been high-wage jobs.

So we have work to do. We have a lot more that we can do. There are a lot of people not enjoying the success of the economy that is doing so well. We have to try to make sure that we do a better job in allowing people to succeed in this great country that we have.

But I want everyone within the sound of my voice to appreciate the fact that we as an economy, we as a country, are doing extremely well. We have to feel good. We have to have confidence in our economy, confidence in our Government. We can only do that by understanding that we need to work together in a bipartisan fashion to move the country along.

We can do that by, first of all, allowing up-or-down votes on the minimum wage, repeal of the gas tax, and if the majority leader wants to bring forward the TEAM Act, let us have a debate on that like we have done in the Senate for over 200 years.

NUCLEAR WASTE

Mr. REID. Mr. President, I also say that my friend, my colleague from the State of Nevada, Senator BRYAN, is also going to address the Senate on a very important issue dealing with nuclear waste. I underscore and underline his statement and join with him in recognizing that we have some serious

problems in transporting nuclear waste across this country. It can be avoided if we follow what, again, the President wants to do and not have the interim storage of nuclear waste.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. DORGAN] is recognized.

Mr. BRYAN. Mr. President, I wonder if my friend and colleague will yield for the purpose of a unanimous consent request.

EXTENSION OF MORNING BUSINESS

Mr. BRYAN. Mr. President, I ask unanimous consent that at the conclusion of the remarks of the distinguished Senator from North Dakota, that morning business be extended for a period of 10 minutes so I might be permitted to address the Senate.

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

Mr. BRYAN. I thank my colleague, and I thank the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 10 minutes.

NOT GRIDLOCK, BUT A GAG RULE

Mr. DORGAN. Mr. President, it has been kind of an interesting couple of days in the Senate, and I noticed in the newspaper this morning in the headlines the word "gridlock," which I am sure will please some in this Chamber, because yesterday they were trying to persuade the press to use the word "gridlock." They said what is happening in the Senate is gridlock.

What happened yesterday was quite interesting. Those who suggest this is gridlock in the Senate came to the floor of the Senate yesterday, offered a piece of legislation and then, prior to any debate beginning on that legislation, the same people who offered the legislation filed a cloture motion to shut off debate that had not yet begun on a piece of legislation that had been offered only a minute before.

Someone who does not serve in the Senate or does not understand the Senate rules might scratch their head and say, "How on Earth could someone do that with a straight face? How could someone, without laughing out loud, offer a piece of legislation before debate begins, file cloture to shut off debate on a piece of legislation they have just now filed, and then claim that the other side is guilty of causing gridlock?"

Only in the Senate can that be done without someone laughing out loud at how preposterous that claim is.

This is not gridlock. It is more like a gag rule, where you bring a piece of legislation to the Senate because you control the Senate floor and you say, "Here's what we want to do, and, by the way, we're going to use parliamentary shenanigans to fill up the parliamentary tree so no one has an opportunity to offer any amendments of any kind, and then we are going to file a motion to shut off debate before you even get a chance to debate."

No, that is not gridlock, that is a gag rule. From a parliamentary standpoint, it can be done. It was not done when the Democrats were in control in the 103d Congress. We never did what is now being done on the floor of the Senate: filling the legislative tree completely and saying, "By the way, you have no opportunity, those of you who feel differently, to offer amendments."

But we will work through this, and we will get beyond this. I will say to those who claim it is gridlock, it is clear the Senate is not moving and the Senate is not acting, but at least the major part of that, it seems to me, is because we have people who decide that it is going to be their agenda or no agenda, and they insist on their agenda without debate, their agenda without amendments.

What we have are three proposals that have been ricocheting around the Chamber the last couple of days, and there is a very simple solution. We have a proposal called the minimum wage. Many of us feel there ought to be some kind of adjustment in the minimum wage. It has been 5 years. Those working at the bottom of the economic ladder have not had a 1-penny increase in their salaries. Many of us feel there ought to be some adjustment there.

The second issue is, the majority leader wants to cut or reduce the gas tax by 4.3 cents a gallon.

And the third issue is a labor issue called the TEAM Act.

The way to solve this, instead of linking them together in Byzantine or strange ways, is simply to bring all three measures to the floor one at a time, allow amendments to be offered and then have an up-or-down vote. This is not higher math; it is simple arithmetic. Bring the bills to the floor.

Our side has no interest, in my judgment, in filibustering on any of those bills, at least not that I am aware of. I do not think we ought to filibuster any of those bills. Bring the bills to the floor, have a debate, entertain amendments, have a final vote, and the winner wins. That is not a very complicated approach. It is the approach that would solve this problem.

I listened carefully yesterday to a speech on the Senate floor that was essentially a campaign speech—hard, tough, direct. It was a Presidential campaign speech. You have a right to do that on the Senate floor. I do not think it advances the interests of helping the Senate do its business. I almost felt during part of that speech yesterday there should be bunting put up on the walls of the Senate, perhaps some balloons, maybe even a band to put all this in the proper perspective.

The Senate is not going to be able to do its work if it becomes for the next 6 months a political convention floor. I hope that we can talk through that in the coming days and decide the Senate is going to have to do its work. We have appropriations bills we have to pass. We have other things to do that are serious business items on the agenda of this country. I do not think that we can do this if the Senate becomes the floor of a political convention from now until November.

I want to speak just for a moment about the proposed reduction in the gasoline tax. Gasoline prices spiked up by 20 to 30 cents a gallon recently. When gasoline prices spiked up and people would drive to the gas pumps to fill up their car, they were pretty angry about that, wondering, "What has happened to gasoline prices?"

Instead of putting a hound dog on the trail of trying to figure out who did what and why, what happened to gas prices, immediately we had some people come to the floor of the Senate and say, "OK, gas prices spiked up 20, 30 cents a gallon. Let's cut the 4.3-cent gas tax put on there nearly 3 years ago."

I do not understand. I guess the same people, if they had a toothache, would get a haircut. I do not see the relationship. Gas prices are pushed up 20 to 30 cents so they are going to come and increase the Federal deficit by cutting a 4.3-cent gas tax.

I would like to see lower gas taxes as well, but I am not going to increase the Federal deficit. The Federal deficit has been cut in half in the last 3 years. Why? Because some of us had the courage to vote for spending decreases and, yes, revenue increases to cut the deficit in half.

The central question I have is this: If you cut the gas tax, who gets the money? There are a lot of pockets in America. There are small pockets, big pockets, high pockets, and low pockets. You know who has the big pockets and small pockets. The oil industry always had the big pockets. The driver has always had the small pockets.

Guess what? When you take a look at what is going to happen when you see a gas tax reduction and have some people talk to the experts, here is what you find.

This is yesterday's paper: "Experts say gas tax cut wouldn't reach the pumps. Oil industry called unlikely to pass savings on to consumers."

Energy expert Philip Verleger says:

> The Republican-sponsored solution to the current fuels problem . . . is nothing more and nothing less than a refiners' benefit bill. . . . It will transfer upwards of $3 billion from the U.S. Treasury to the pockets of refiners and gasoline marketers.

The chairman of ARCO company says:

> My concern is, quite frankly, how the public will react to what the Senate does.

He said:

Some Democrats have already said 'before we pass the gas tax, we want to make sure we see it at the pump.'

He said:

I'll tell you, market forces are going to outstrip the 4 cents a gallon. You're not going to be able to find a direct relationship between moving that and 4 cents. Then prices could go up, go down, could stay the same, and there you have the question of how the public is going to perceive that.

The majority leader's aides in the paper today said they had:

. . . received assurances from the oil companies that the full extent of any cut in the gas tax will be passed on to consumers.

However, officials at several major oil companies said yesterday that no such assurances had been or could be given.

"Even asking for them represented a mistaken return to direct government involvement in setting prices," several energy experts said. . . .

Bruce Tackett, a spokesman for Exxon Co. USA in Houston, said, "We have not made any commitments to anyone 'regarding a 'future' price. Not only have we not made a commitment, we can't. In a competitive market, the market will set the price."

An Amoco Corp. spokesperson said:

We've received no official request, and we haven't spoken to anyone about this.

Mobil Corp. said:

Mobil doesn't believe that a reduction in the tax will automatically mean a reduction in the pump price. . . In the end, it will be the marketplace that sets the price at the pump.

The point is this gas tax reduction sounds like an interesting thing, but if you take $3 billion out of the Federal Government and increase the deficit, which you will do—I think the so-called offset is a sham—but increase the Federal deficit, take $3 billion, put it in the pockets of the oil industry and the drivers are still going up to the same pumps paying the same price for their gas, who is better off? The taxpayer? No. Is the Federal deficit better off? No, that is higher. The oil industry is better off.

I guess my hope is that we will decide for a change here in the U.S. Senate to do the right thing. The right thing, it seems to me, is for us to proceed on the agenda. Yes, the majority leader and the majority party have the majority, they have the right to proceed down the line on their agenda. We are 47 Members in the minority. We are not pieces of furniture. We are people that have an agenda we care deeply about. We also intend to exercise our right in the Senate to offer amendments and to try to affect the agenda of the Senate.

For those who say we have no right to offer amendments, that we will be thwarted in any attempt at all to offer our agenda, we say it will be an awfully long year because we intend to advance the issue of the minimum wage. The minimum wage ought to be adjusted. People at the top rung of the economic ladder have a 23-percent increase in the value of their salaries and their stock benefits last year; the people at the bottom of the economic ladder, those people out there working for minimum wage, have for 5 years not received a one-penny increase, and lost 50 cents of the value of their minimum wage. We are not asking to spike it way up. We are just asking for a reasonable, modest adjustment of the minimum wage. We ought to do that.

Gas tax, bring that to the debate. I do not intend to vote to reduce the gas tax. I would like to. I would like to see people pay less taxes in a range of areas, but I do not intend to vote to increase the Federal deficit. I have been one, along with others, who care and continue to ratchet that Federal deficit downward. I do not intend in any event to transfer money from the Federal Treasury, so the deficit increases, to the pockets of the oil industry, and leave drivers and taxpayers stranded high and dry.

The TEAM Act that has been introduced in the last day or so, bring that to the floor, entertain amendments, have a vote on that. That is the way the Senate ought to do its business. It is probably not the most politically adept way. It does not most easily advance an agenda of someone, but a way for the Senate to advance these issues, have a vote, and determine what the will of the Senate is.

I yield the floor.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Nevada.

Mr. BRYAN. I thank the Chair.

NUCLEAR WASTE

Mr. BRYAN. Mr. President, there has been, as my colleague from North Dakota has pointed out, a number of disappointments in terms of things that have reached the floor, and with the overhang of Presidential politics in this year. One of the most disturbing things to me is the power of special interests at work in this Congress and their effort to bring a piece of legislation to the floor, S. 1271, which we are told will reach the floor sometime in the next few weeks. That is the effort of a powerful lobby, well financed, very effective, the nuclear power lobby, to bring a proposal to locate an interim storage of high-level nuclear waste in my State of Nevada.

One can hardly open a newspaper or one of the many Capitol Hill newsletters these days without seeing one of the nuclear power industry's many misleading, and in my view, intellectually dishonest advertisements urging Members of this body, of this Congress, to support S. 1271, which is the latest nuclear power industry's piece of legislation.

There are many things wrong with S. 1271, Mr. President. The obvious reason for my strong interest in the bill is an utter and complete disregard for the rights and interests of public health and safety of the men and women who I represent, my fellow Nevadans. Contrary to the wishes of the great majority of Nevadans—Democrats, Republicans, independents, those who choose no political affiliation—the overwhelming majority are strongly opposed to this so-called interim storage facility.

The problems with this legislation are more than a question of unfairness, which I will have occasion to speak to at some length during the debate on this issue. It is much more than unfairness, because most of the mistruths that are being spread about this legislation in the nuclear waste program in general affect not only my own State but many other States, as well.

First and foremost, I think it is important to emphasize that this piece of legislation is unnecessary. It is unnecessary. I have served in this body long enough to know that on many pieces of legislation, it is a very difficult balance. Some things that you like, some changes that you do not, there are some pluses and minuses. But always there should be at least some overriding necessity for that piece of legislation to be acted upon. In this instance, there is absolutely no need at all.

The scientific experts, experts independent of the nuclear power industry, independent of the environmental community, independent and in no way connected with my fellow constituents in Nevada, have concluded that there simply is no problem with leaving the high-level nuclear waste where it currently resides, and that is at the reactor sites. Most recently, the Nuclear Waste Technical Review Board, a Federal agency created by the Congress for the sole purpose of monitoring and commenting on the high-level nuclear waste program, that Nuclear Waste Technical Review Board recently stated, "There is no compelling technical or safety reason to move spent fuel to a centralized storage facility for the next few years."

Mr. President, that view has been endorsed by the Clinton administration as well because they can see through the transparency of the nuclear power industry's scare tactics. They have indicated that if this legislation should pass this Congress it will be vetoed.

Let me say for those who have watched this issue over the years, scare tactics have become the kind of conduct that we expect from the industry. More than a decade ago we were told that without some type of interim storage, then called away-from-reactor storage, that nuclear reactors around America would have to close down. In fact, their prediction was by 1983, 13 years ago. Well, the Congress wisely rejected the overture by the nuclear power industry more than a decade ago, and not a single reactor has closed because of the absence of storage for the spent nuclear fuel rods.

It is, in my judgment, a wiser policy and a more sensible policy that we make a determination only after we have a judgment as to the location of a permanent repository. That is what the language currently says, Mr. President, that there will be no decision to force a State or any jurisdiction to accept an interim storage until after the permanent repository program has made its own judgment. That, Mr. President, has not yet been done.

This sensible approach, accepted by those who have independent judgment and are members of the scientific community, endorsed by this administration and by many others, does not satisfy the nuclear power industry. They are furious that their bluff has been called, that its scare tactics over the years have been sufficiently transparent, that most have been able to see through them, and they have been frustrated in their goal of establishing an interim storage facility.

The risk that would be created by caving in to these special interest demands are substantial. In addition to creating overwhelming risk for those of us in Nevada, particularly because of its geographical proximity to the metropolitan area of Las Vegas, which is now home to 1 million people, this legislation would result in over 16,000 shipments of dangerous high-level nuclear waste to 43 States.

Mr. President, I apologize to my colleagues and staff who are watching this issue and I apologize to America that we do not have the resources to have full-page ads in major newspapers across America and all of the various bulletins and pieces of literature issued covering and commenting on the operation of the Congress. I see the very able and distinguished Senator from Kansas, and I assure her I will not be long in my comments. I take the occasion to make her aware, as I do the distinguished occupant of the chair, we are talking about 43 different States that will be affected, 16,000 shipments. Much of that is located in the Midwest. The State of Kansas, if I might cite for my colleague's edification since she is on the floor, is a major transshipment corridor. The red indicates highway. The blue indicates rail. We have one, two, three, four major shipment routes to the State of Kansas, exposing communities—we will talk more about this when this issue comes to the floor—exposing communities to a great deal of risk if indeed an accident happens.

We all hope that an accident does not happen. But most pencils in America are still made with an eraser. Mistakes occur—human error. We know that. Whether it is Three-Mile Island, Chernobyl, or whatever the nuclear disasters have been in recent years, there are human failures, mistakes, neglect, all of those things, and they are not likely to change as a result of anything that we have done or are likely to do on the floor of the Senate.

I know that the chairman of the Energy Committee spoke yesterday at some length about that. I can understand why he does not share the concerns. Alaska is not a transshipment corridor, so that none of his constituents would be exposed to the risk, as 43 States and some 50 million of us that live along one of these transportation routes might be affected.

I might say—and I believe the occupant of the chair served at the municipal level of government—there is no assurance in this legislation that any financial assistance is provided to communities who are placed at risk. None. No assurance whatsoever. So these communities exposed to this risk will have to bear that responsibility on their own.

Let me just say that for some of us—and the occupant of the chair and I are from two States that have no nuclear reactors at all; yet, we will bear the burden of those transshipments—all unnecessary, all unnecessary because our States will be affected. In the great State of Oklahoma, there are at least three rail shipment routes that will pass through that great State. I can cite State after State, and I will have occasion to do so later.

The chairman of the Energy Committee, in addressing this yesterday, tended to dismiss any concerns about safety. "Nothing to worry about. This is all under control." Mr. President, I have said many times on the floor that I was in the eighth grade in early 1951 when the first nuclear atmospheric test was conducted at Frenchman Flats in Nevada, about 60 to 70 miles from my hometown of Las Vegas. We were assured at the time, "There are no risks. There is nothing to worry about. The scientific community has this under control." Indeed, people were invited to go up to observe this great scientific phenomenon. Benches were established so you could go up, if you were part of the press corps. Those of us who were in school, as part of science programs, were invited to rise early in the morning and see the great flash from the nuclear detonation, see the cloud, and wait for the seismic shock to hit us, and calculate with some precision how far from ground zero we were from the place where the shot took place. Community reaction was overwhelming. Stores, retail establishments, all embraced this new nuclear phenomenon.

Well, it is now 45 years later. Nobody buys that argument anymore. No scientist worthy of his or her degree would ever suggest with absolute certainty that we can detonate a nuclear blast in a 70-mile range of a major community. Nobody will assert that.

Do you know what the consequences of that trust us is? Today, every Member of this Congress, every taxpayer in America is paying for those poor, innocent victims downwind of where those atmospheric shots occurred, who suffer from cancer and other genetic effects as a result of those experiments. Trust us, you need not worry. We are talking about something that is lethal. And those of us who would bear the burden of this do not have the same sense of safety and assurance that the chairman of the Energy Committee has.

Mr. President, I know that this debate has been framed largely as a result of the special interests of the nuclear power lobby. Many of my colleagues, I am sure, have not heard from their constituents. Today, I take the opportunity to acquaint Americans and my colleagues and staff, who are watching our discussion, that this is not just a Nevada issue. Obviously, we feel powerfully aggrieved at this outrageous conduct that suggests that not only are we to be studied for a permanent repository, but an interim facility will be placed there as well.

My point is that ours is a lonely voice, a small State of 1.6 million people and 4 Members of Congress. We cannot match the nuclear power industries' finances, the phalanx of lobbyists that they have from one end of Capitol Hill to the other. But there is much at risk. It is not just Nevada; it is 43 States, 50 million people. I urge my colleagues to get engaged in this debate and understand what is at risk.

I thank the Chair and the Senator from Kansas for allowing me to extend my remarks.

I yield the floor.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, a lot of folks don't have the slightest idea about the enormity of the Federal debt. Ever so often, I ask groups of friends, how many millions of dollars are there in a trillion? They think about it, voice some estimates, most of them wrong.

One thing they do know is that it was the U.S. Congress that ran up the enormous Federal debt that is now over $5 trillion.

To be exact, as of the close of business yesterday, May 8, 1996, the total Federal debt—down to the penny—stood at $5,094,597,203,341.08. Another sad statistic is that on a per capita basis, every man, woman, and child in America owes $19,238.98.

So, Mr. President, how many million are there in a trillion? There are a million million in a trillion, which means that the Federal Government owes more than $5 million million.

Sort of boggles the mind, doesn't it?

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

WHITE HOUSE TRAVEL OFFICE LEGISLATION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 2937, which the clerk will report.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2937) for the reimbursement of attorney fees and costs incurred by former employees of the White House Travel Office with respect to the termination of their employment in that office on May 19, 1993.

The Senate resumed consideration of the bill.

Pending:

Dole amendment No. 3952, in the nature of a substitute.

Dole amendment No. 3953 (to amendment No. 3952), to provide for an effective date for the settlement of certain claims against the United States.

Dole amendment No. 3954 (to amendment No. 3953), to provide for an effective date for the settlement of certain claims against the United States.

Dole motion to refer the bill to the Committee on the Judiciary with instructions to report back forthwith.

Dole amendment No. 3955 (to the instructions to the motion to refer), to provide for an effective date for the settlement of certain claims against the United States.

Dole amendment No. 3960 (to amendment No. 3955), to provide for the repeal of the 4.3 cent increase in fuel tax rates enacted by the Omnibus Budget Reconciliation Act of 1993, to clarify that an employer may establish and participate in worker-management cooperative organizations to address matters of mutual interest to employers and employees, and to provide for an increase in the minimum wage rate.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

AMENDMENT NO. 3960

Mrs. KASSEBAUM. Mr. President, I rise to discuss, again, legislation that has been before us, which is support for the Teamwork for Employees and Management Act, the TEAM Act.

During the past couple of days, we have had some lengthy debate on this legislation, as well as, of course, repeal of the 4.3-cent gas tax, and raising the minimum wage. I thought it might be useful at this point to review some of the debate back and forth on the TEAM Act, what it does and does not do, and dispel some of the myths that have surfaced over the course of the debate.

The TEAM Act responds to a series of decisions by the National Labor Relations Board that invalidated numerous employee involvement programs. The NLRB decisions that have been made regarding employee-employer relationships have been very broad. They found that the National Labor Relations Act of 1935 prohibited supervisors from meeting with workers in committees to discuss workplace issues like health and safety, working conditions, family leave, and other important areas of mutual concern.

The TEAM Act simply establishes a safe harbor in Federal labor law to permit these types of employee involvement programs, where workers meet with supervisors to discuss issues of mutual concern, to continue to exist without running afoul of Federal labor law. Under the TEAM Act, workers may discuss quality, productivity, efficiency, health and safety, or any other issues that are important to them.

It seems to make so much sense, Mr. President, and it is very hard for me to understand why this is being so vigorously challenged and fought by the unions in this country, particularly the chairman of the NLRB, William Gould, who does not support the TEAM Act, but does say that we need a clarification of the law so that there can be the ability of employers and employees to come together with a clearer understanding of what is within the parameters of the law.

I believe that workers have important contributions to make to improve the quality of their work life and the quality of the product or service their company delivers. America needs to harness workers' ideas and put them to good use. They are the ones who are there making the day-to-day effort, who best know the whole condition of workplace health and the safety of the atmosphere—on the line, perhaps, in a factory—and can come up with innovative suggestions.

The legislation also has important worker protections. For instance, teams may not have, claim, or seek authority to negotiate collective-bargaining agreements, or amend existing collective-bargaining agreements, and the TEAM Act also clearly prohibits employers from bypassing an existing union if the workers have chosen to be represented by a union.

I do not fault the NLRB for the breadth of their decisions invalidating employee involvement. I think they did the best job they could under the circumstances. Our Federal labor laws were written in the 1930's at a time when employers had used company unions to avoid recognizing and bargaining with unions after workers had selected union representation. So the Congress wrote our Federal labor laws very broadly to prohibit that type of activity.

In fact, the law was written so broadly that it invalidated the legitimate employee-involvement programs that we see today. So the TEAM Act permits these legitimate employee-involvement programs to move forward, while requiring firms to recognize and negotiate with independent unions if that is what the workers want.

Why do we need the TEAM Act? This has been mentioned many times. Because it has worked very successfully in the union businesses where the union shops exist. There have been many times effective employee-management teamwork. But we have, I think, also heard compelling cases of why there is great uncertainty.

During the debate over the last 2 days, some of my colleagues have asked, if there are so many employee-involvement programs going on right now, why then is it necessary and why do we need the TEAM Act? I will respond to my colleagues that the NLRB interpreted the law so broadly that it has cast great uncertainty on the legality of all employee-involvement programs. Some companies have disbanded their teams, either by order of the NLRB or because they are concerned with whether they are legal and fearing they might not feel it is worth the effort to even try, and other companies are not expanding their existing teams.

For example, during our committee hearings on the TEAM Act, we heard from David Wellins, a senior vice president of a human resource consulting firm in Pittsburgh, PA. Mr. Wellins' firm assists clients, from Fortune 500 companies to small nonprofits, to establish high-performance work organizations.

Mr. Wellins testified:

On manufacturing plant floors and in corporate offices across this country, work teams are making employees and their companies more productive than at any other time in the history of this country. . . The second point I want to make [is that the NLRB decisions] have dramatically dampened the enthusiasm for teams. Many of the Nation's leading companies, both union and nonunion, are confused about which aspects of teams are allowable and correspondingly reluctant to proceed with team initiatives.

Mr. Wellins then cited several examples, including a large Midwest bank, a major beverage manufacturer, and a consumer product packaging plant that eliminated their employer involvement program due to the uncertainty which has been caused by the NLRB's interpretation of Federal labor law. It is clear from Mr. Wellins' testimony that we need a legislative solution to this problem.

Some of my colleagues have also asked whether the TEAM Act permits employers to establish company or sham unions. The answer is absolutely not. This is very clear, and has been very misleading in the debate so far that has gone back and forth for a couple of days.

The TEAM Act permits workers to choose independent union representation at any time. The TEAM Act does not replace traditional unions, and once workers select union representation, the employer must recognize and then negotiate with the union.

Moreover, the Team Act specifically states that employee teams may not "have, claim, or seek authority to negotiate or enter into collective bargaining agreements with the employer or to amend existing collective bargaining agreements." It does not in

any way interfere with the collective bargaining agreements that are in place and working and clearly understood. So the TEAM Act does not permit employers to create company or sham unions.

Mr. President, one of the other issues that has come forth also during the debate is who selects team members? This has been debated in our committee hearings as well. Some of the colleagues have asked whether the TEAM Act promotes true employee involvement because the legislation does not mandate that workers select all team members. I respond to my colleagues who have questioned this that the TEAM Act avoids mandating a one-size-fits-all for the employee-involvement program. Instead, it recognizes that there are a variety of worker teams that exist and would encourage workers and managers to develop flexible teams that best suit their needs.

Sometimes workers select team members, sometimes the team members volunteer, and sometimes the whole company is run on the team concept. So the question of team member selection is moot. At other times, particularly if a worker has a necessary job skill required by the team, such as appointing an EMT to a safety team, the employer may choose team members.

Focusing on team member selection really misses the point because the real issue is management commitment to employee involvement. Workers are not stupid. They know when management values employee involvement, and workers quickly tire of making suggestions if management will not follow through on them; therefore, it is not going to succeed. It really has to be a management commitment even more than a worker commitment. So it would be useless for managers to limit teams to their favorite workers, because the value of those employee ideas would be limited. It really has to be a commitment that is on both sides, recognizing the changes that are taking place in our work force today, not in an attempt to undermine the unions but in an attempt to strengthen the initiative, the productivity, and the constructive environment instead of a suspicious, adversarial environment that can occur in the workplace. I think it has a very positive benefit.

Ironically, the whole idea of team member selection reveals how narrowly critics are viewing employee involvement. They are assuming that there should be only one type of program, where the employees select their team representative. But many times, team members do not represent their coworkers on teams. Many times, the whole plant is run by self-directed work teams. So there are no employee representatives since everyone serves on a team.

We cannot categorize every type of team in America, and we should not try. Instead, we should give workers and supervisors the flexibility to craft their workplace needs and craft how they can best be met.

I ask my colleagues to support this important legislation. I think, Mr. President, it offers us an opportunity, that we have not had before, to clarify a situation that will allow us to move forward to meet the needs of a workplace, that will allow us to be ever more competitive, ever more imaginative, ever more inventive, and create an employee involvement that I think will add a lot of vitality in our workplace today.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

Mr. INHOFE. Madam President, as I was sitting in the chair presiding and I was listening to several people try to justify an argument against repealing the tax increase, a tax increase that was sold to the American people that it only affected the fat cats in this country, we are talking about the gasoline tax at 4.3 cents as if 4.3 cents is not a significant amount.

I remind these people that this was part of a package in 1993, when Bill Clinton had control of both Houses of Congress, and they passed what was characterized by then the chairman of the Senate Finance Committee, Senator DANIEL PATRICK MOYNIHAN, as "the largest single tax increase in the history of public finance, in America or any nation in the world."

I think it needs to be in the RECORD after these statements justifying continuing these taxes that if anyone was opposed to "the largest single tax increase in the history of public finance, in America or any place in the world" back in 1993, they would be supportive of repealing any portion of that tax increase today. It was not just a gasoline tax. It was many other taxes which included a 50 percent tax on Social Security for thousands and thousands of senior citizens in America.

So I think that those individuals who believe as the chief financial adviser to the President believes, that there is no relationship between the level of taxation in a country and its economic production, have lost the argument because truly that is not the case.

Madam President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, we have before the Senate a proposal to repeal the 4.3-cent-per-gallon Federal excise tax on gasoline enacted in 1993 as part of a comprehensive deficit-reduction package. That legislation—the Omnibus Budget and Reconciliation Act of 1993 [OBRA]—has been largely responsible for cutting the Federal deficit nearly in half since its enactment. The 4.3-cent tax on gasoline that was included in that legislation has contributed more than $10 billion to this deficit reduction. Though we have not yet completed the difficult task of balancing the Federal budget, in the middle of a Presidential election year we are suddenly being lured by a politically inspired proposal to repeal that very same 4.3-cent tax for the remainder of 1996 to combat a recent increase in gasoline prices across the country. Our colleagues in the majority would have us believe that the 4.3-cent gasoline tax is the primary culprit for the current high level of gas prices. The American people are being asked to believe that a simple repeal of the 1993 tax for the balance of one year will cure the pain at the pump. And this is utter folly. It is not true.

Mr. President, the current Federal excise tax on gasoline stands at 18.3 cents per gallon—approximately 14 percent of the current average price of a gallon of unleaded regular gasoline. The 4.3-cent tax that this proposal would repeal represents less than 3.5 percent of the current cost of a gallon of gasoline. Are we to believe that 4.3 cents of this tax enacted in 1993 has had any really significant effect on the price of gasoline? Or, conversely, are we to believe that a repeal of this tax will substantially reduce the price of a gallon of gas?

Simply put, gas prices have risen because of forces unrelated to the Federal excise tax on gasoline. They have risen because of factors associated with the basic economic principles of supply and demand. The reduced supply of world crude oil and the higher gasoline consumption in the United States and Europe as a result of a lengthy, cold winter have undoubtedly played a much larger role in the higher price of gasoline than has the much-demonized 4.3-cent gas tax approved in 1993. In fact, Mr. President, the repeal of the national speed limit by this Congress has probably contributed more to the price of gasoline than the 1993 tax.

Is it not somewhat contradictory to first give drivers a green light to drive faster and then blame the recent surge in the cost of gas on a tax enacted 3 years ago. After all, it is no secret that cars use more gas when they are traveling at higher speeds. More gas means

higher demand. Higher demand means higher prices. While rising gas prices do inflict financial burdens on some segments of the society, let us remember also that the current increases in gas prices has come after a prolonged period of low prices at the pump. According to the American Petroleum Institute, gasoline prices last year, adjusted for inflation and including Federal and State taxes, were at their lowest level since data were first collected in 1918. Thus, Mr. President, we may view the recent escalation in the price of gasoline not as a dramatic increase above its historical cost, but as an upward adjustment from unusually low prices. It certainly stretches the imagination, however, to place the blame for the recent gas price increase solely on the shoulders of the 4.3-cent tax enacted to reduce the Federal deficit.

Contrary to what one might think in listening to the rhetoric surrounding this so-called Clinton gas tax increase, the 1993 deficit reduction package was not the first time that gasoline taxes have been increased for the purpose of deficit reduction. The fact is that the 1990 Summit Agreement, which was negotiated by Congress and the Bush administration, contained a gasoline tax increase of 5 cents per gallon which went into effect on December 1, 1990. Of that amount, two-and-one-half cents per gallon of that gasoline tax increase went to deficit reduction. This fact is set forth in a report of the Congressional Budget Office to the Congress dated January 1991, in the following statement relating to the 1990 Summit Agreement:

> For the first time since the Highway Trust Fund was established in 1956, not all highway tax receipts will be deposited in the trust fund. Revenue from 2.5 cents of the 5-cents-per-gallon increase in the motor fuel taxes will remain in the general fund. The baseline assumes that this portion of the tax expires on schedule at the end of fiscal year 1995.

Ultimately, as Senators are aware, the 1990 Summit Agreement as negotiated with President Bush and which contained the gasoline tax I have just described, passed the Senate by a vote of 54–45. And, of the 54 yea votes, 19 were Republican Senators—19.

Mr. President, this being a Presidential election year, it is clear that this proposal before the Senate is being presented to the Congress for reasons beyond the question of whether or not a repeal of the 4.3-cent gas tax represents sound fiscal policy. It is true that rising gasoline prices have permeated the country, particularly California, a State with a plethora of electoral votes. It is also true that repealing any tax, particularly a tax on gasoline, is politically popular. In addition, it is tempting to remind the electorate of a tax increase approved in the past by a political opponent, even if that tax increase was included in a responsible deficit reduction package. So, when we consider these factors, we may understand, without any unusual clairvoyance, why we are now considering a proposal to temporarily repeal the 4.3-cent gasoline tax until January 1, 1997. While this may be labeled a temporary repeal, I must question the likelihood of the gas tax being reinstated after its repeal. As soon as this tax is repealed, we will hear from countless interests claiming that the 4.3-cent repeal needs to be permanent. Do we expect Members of Congress to ignore those inevitable pleas? The fact is, Mr. President, that if we repeal this gas tax now temporarily, we will have taken a giant step through the one-way door of permanent repeal, and I doubt that we will find the courage to break that door down. And why are we considering entering this dangerous aperture? Is it anything more than politics? Mr. President, the 4.3-cent gas tax was enacted in 1993 as part of the successful deficit reduction package crafted by President Clinton and enacted by the 103d Congress without one single vote by a Republican Member of Congress. But it was the right thing to do. It took courage for the President and the Congress to enact that bill. Tax increases are not known for their popularity. In fact, some Members of Congress may not be here today because of their vote in 1993. But the fact remains that the 1993 bill nearly halved the Federal budget deficit, and the 4.3-cent tax on gasoline contributed to that effort. And, Mr. President, I voted for it, and I do not regret it.

Mr. President, the politics of this proposal notwithstanding, it is more important to focus on the economics of this proposal. Economics is, after all, often cited by advocates of tax cuts on the grounds that they spur economic growth. The Wall Street Journal, a newspaper frequently cited by my colleagues on the other side of the aisle, ran an interesting story on May 7 about the proposed gas tax repeal. Let me read the title: "Economists Say Gasoline Tax Is Too Low." The title does not read "too high," as some in this body would have us believe. It reads "too low." Economics, Mr. President, is a field where the experts rarely reach agreement on any issue. Yet, the Wall Street Journal reports that "there is widespread agreement in the field [of economics] that the Federal gasoline tax of 18.3 cents a gallon is too low." In fact, according to the article, more than half of the economists surveyed at a recent conference favor a gasoline tax of $1 a gallon or higher. Further, the article states that "Economists cite various factors to justify a gasoline tax. Chief among them are the environmental and health costs of air pollution, along with the costs of traffic congestion, and road construction and repair." Finally, Mr. President, the Journal article states that the "proponents of an increase [in the gasoline tax] point to foreign producers' control over oil supply, and favor a gasoline tax that is high enough to stem U.S. demand." On the other hand, cutting the gas tax would do just the opposite: It would increase demand for gasoline and drive up the price, thus making the United States more dependent on foreign oil. So, Mr. President, it appears from these statements that, if this gas tax repeal is being proposed on the grounds of economics, it is being proposed on very shaky grounds indeed.

As I have already mentioned, the gas tax stands today at 18.3 cents per gallon, and many would have us believe that this amount is an anomaly in a world where other countries either do not have a gasoline excise tax or have substantially lower gas taxes. But, this is not the case. In fact, if you lived in Germany, France, the Netherlands, or Italy, you could not purchase a gallon of gasoline for less than $4. Gas excise taxes per gallon in those nations stood on March 1, 1996, at $2.92, $3.05, $3.09, and $2.91 respectively. Of course, lower taxes on gasoline could be found in the United Kingdom and Japan, where the tax per gallon stood at $2.37 and $1.99 respectively. Even if we combine the Federal excise tax on gas in the United States with a weighted average of the various State taxes, the typical American consumer pays only 37 cents tax per gallon on gasoline. That is quite a disparity, Mr. President. And what is the logical effect of this disparity? Americans drive more and consume more gas than their foreign counterparts. We rely less on public transportation and fuel-efficient automobiles than do citizens of many other industrialized nations. And, Mr. President, we have become very dependent on gasoline—a resource that is nonrenewable. In other words, if we continue to depend on free-flowing fuel from abroad, and do not develop alternative methods of more efficient transportation, we are not placing ourselves in a position to remain competitive throughout the world in the 21st century, and we are endangering our economic independence and our children's future as well.

So, Mr. President, as we are met with this proposal to reduce the excise tax on gasoline, we must not allow ourselves to be swayed by the winds of the political moment. We all know that tax cuts are popular. There are few easier votes that a Member of Congress can make. But, is that why we are sent here? The American public is tired of this endless political pandering—that is what it is—and the people are not fools. They will see this debate for what it is—a fiscally irresponsible, extremely political initiative brought before the Congress in the middle of an election year. And we talk about a constitutional amendment to balance the budget; a constitutional amendment to balance the budget on the one hand and repeal the gas tax on the other. So we

are going in two opposite directions at once. Of course, the gas tax proponents have claimed to offset the lost $4.8 billion in revenues that will result from this proposal. They intend to pay for this proposal by auctioning the spectrum to the private sector. Why not apply that against the deficit? Why not apply that savings against the deficit? However, it is my understanding, Mr. President, that the actual sale of the spectrum will not occur until 1998, and the reductions for the Department of Energy will occur over the next 6 years, while the loss in revenues from the gas tax will occur right now in fiscal year 1996. Thus, this legislation is subject to a 60-vote point of order—and I hope we will keep that in mind and not waive points of order if unanimous-consent agreements are entered into—under both section 311 of the Congressional Budget Act and the congressionally mandated pay-as-you-go, PAYGO, requirement. Furthermore, Mr. President, using the spectrum sale now will remove another building block on which to construct a responsible balanced budget. The spectrum auction was, after all, included in last year's budget reconciliation measure. Is not a balanced budget a more lofty goal than a short-term, nonsolution to the recent elevation in the price of gasoline? Well, Mr. President, what I hear from my constituents is a real concern about the deficit and about the economic future of our country. I see a desire among the people to balance the budget in a way that does not undermine our Nation's ability to reinvest in itself or make us more dependent on foreign oil. Mr. President, reducing the gas tax now will make it harder to formulate any responsible plan to balance the budget in the future, and I will not support that effort.

I wish the President would veto the bill instead of saying he will sign it. I wish the President would veto the bill repealing the gas tax, if it is passed by Congress. This is pure political pandering, and both sides are engaging in it.

Mr. GRASSLEY. Mr. President, I rise to speak to the legislation now before this body that is called the TEAM Act, which is an amendment to the Minimum Wage Act, which, in turn, is tied to the legislation to decrease the gas tax. I speak in favor of the TEAM Act. It is a very good piece of legislation.

That position puts me opposite a union that I used to belong to. The union was the International Association of Machinists. I was a member of that union from February 1962 to March 1971, when the factory I worked for closed down and shut its doors. I was an assembly line worker making furnace registers. We were a sheet metal operation.

The International Association of Machinists, along with most other unions, are against passage of the TEAM Act. I am a Republican and I am proud to be a Republican. When I was a union member, I was proud to be a union member, and if I were still working there today I would be proud to be a union member as well.

But unions do not always speak for all workers, and this is an example, where the labor union leaders in Washington, DC, supposedly representing their members back at the grassroots, are not speaking for the rank-and-file members. I remember, even 30 years ago, rank-and-file members wanted to have something to say about the operation of the plant. They did not want it all to be confrontational. They wanted us to have a cooperative working effort, because with a cooperative working effort, we have more productivity, and the more productivity you have, the greater the chances are of preserving jobs and of having better wages, working conditions, and fringe benefits for the employees.

This is even more important today, because we are competing internationally and must focus on productivity in the labor force. Having friendly relationships between labor and management means more productivity. And we have to be more productive if we are to compete in this global-interdependent market.

So I support the TEAM Act because it would allow employees the privilege to participate in workplace decisions, giving them a greater voice in mutual interests such as quality, productivity, and safety. Current law prohibits this type of participation. This act would, among other things, encourage worker-management cooperation, preserve the balance between labor and management while allowing cooperative efforts by employers and employees, and permit voluntary cooperation between workers and employees to continue.

I also support it because, without this legislation, 85 percent of working folks are not allowed to talk with their employers in employee involvement committees about such things as extension of employees' lunch breaks by 15 minutes; sick leave; flexible work schedules; free coffee; purchase of a table, soda machine, microwave, or a clock for the smoking lounge; tornado warning procedures; safety goggles for fryer and bailer operators; ban on radios and other sound equipment; dress codes; day care services; and nonsmoking policies.

The President indicated he was for this type of legislation in his State of the Union Message this year. At least to me it seemed an indication. He said: "When companies and workers work as a team they do better, and so does America."

I happen to agree with the President. Secretary Reich, in a July 1993 feature article in the Washington Post, said:

High-performance workplaces are gradually replacing the factories and offices where Americans used to work, where decisions were made at the top and most employees merely followed instructions. The old top-down workplace doesn't work anymore.

Again, I wholeheartedly agree with the Secretary of Labor. But just a few months ago, at a national union rally in Washington, DC, following a $35 million campaign pledge made to the Democratic Party and a grand endorsement by the AFL–CIO, Vice President AL GORE promised President Clinton's veto of this TEAM Act that is now before the Senate. This is an act that would legalize workplace cooperation between nonunion employees and management.

Union representatives tell me they fear the TEAM Act would prevent them from organizing union shops. Let me emphasize, this act does not apply to union settings, and would not undermine existing collective-bargaining agreements. Under the TEAM Act, workers retain the right, as they should, to choose an independent union to engage in collective bargaining. Mr. President, I plan to continue my remarks this afternoon.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the quorum call be rescinded.

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

LOW-LEVEL RADIOACTIVE WASTE POLICY ACT

Mr. PRESSLER. Mr. President, I want to speak about a matter that affects my State of South Dakota, but also several States, including California. We are part of a compact under the Low-Level Radioactive Waste Policy Act. Governor Wilson of California, and Governor Janklow of my State, have had a very difficult time with the Secretary of the Interior on this matter.

The original Low-Level Radioactive Waste Policy Act gave the States the responsibility of developing permanent repositories for this Nation's low-level nuclear waste. Now the Clinton administration wants to take away that authority.

For 8 years, South Dakota, as a member of the Southwestern Compact, along with North Dakota, Arizona, and California, has worked to fulfill its duties to license a storage site. It did the job.

Ward Valley, CA, is the first low-level waste site to be licensed in the Nation. After countless scientific and environmental studies and tests, the State of California and the Nuclear Regulatory Commission approved Ward Valley as a safe and effective place to

store the Southwestern Compact's low-level radioactive waste.

However, there is one problem. Ward Valley is Federal land. It is managed by the Bureau of Land Management. The Southwestern Compact has requested that Ward Valley be transferred to the State of California. The Clinton administration refuses to take action. Instead, it has stalled again and again and again.

I spoke with the chairman of the Energy Committee, Senator MURKOWSKI, about this matter. He has introduced legislation to resolve the matter. But this is a tragic example of where the Secretary of the Interior for some reason is thwarting the intent of Congress and the intent of Governors of the States in the Southwestern Compact.

Mr. President, the reason behind all this is that the extreme environmentalists do not want to store radioactive waste anywhere because of their antinuclear agenda. But strangely enough, this type of low-level radioactive waste has been used in medical treatments and other areas to benefit humanity. I find this a very tragic situation. The Secretary of the Interior is cooperating with the extreme environmentalists against the public interest.

Nobody seems to know what is going on. What has the Secretary of the Interior done? He has stalled. First, he has ordered a supplemental environmental impact statement. Then he ordered the National Academy of Sciences to perform a special report on the suitability of Ward Valley for waste storage. Each study presented the Southwestern Compact with a clean bill of health for Ward Valley, yet the administration still delays.

Now the administration has ordered additional studies on the effects of tritium, studies the State of California already intended to perform, but not until a land transfer was complete. Also, I should note the National Academy of Sciences made no mention that such a study should be a prerequisite to this land transfer.

Instead, the Academy believes this type of study should be ongoing, conducted in conjunction with the operation of the waste storage facility. Unfortunately, I suspect that even if California gives in to demands and performs these tests, the administration will think of new demands—anything to keep the Ward Valley waste site from becoming a reality.

Who really benefits from these delays? No one. This is yet one more example of the Clinton administration's pandering to the environmental extremists, extremists intent on waging a war on the West and on the American people.

Scientific evidence shows that Ward Valley is a safe location for low-level radioactive waste storage. Neither public health nor the environment will be at risk. In fact, most of the waste to be stored at Ward Valley is nothing more than hospital gloves and other supplies which may have come into contact with radioactive elements used by health care providers.

By contrast, continued delays create risks both to public health and the environment. Currently, low-level waste is simply stored on site at hospitals, industries, or research institutions. In the four States of the Southwestern Compact, there are over 800 low-level radioactive waste sites. These sites were not meant to be permanent facilities. Thus, there have been no environmental studies, no long-term monitoring systems, nothing to guarantee safe storage of the waste.

With no regional low-level radioactive waste sites available, South Dakota would be forced to transport its low-level radioactive waste across the country to a disposal facility in Barnwell, SC. Clearly, the costs of transporting this waste across the country would be great, from the monetary cost to the waste generators, to the legal ramifications, to transporting hazardous waste, to the potential Superfund liability incurred by the State and the generators.

This is far too costly a price, one my State cannot continue to bear. That is why, Mr. President, I am a cosponsor of legislation pending in the Senate to convey Ward Valley to the State of California and to allow the construction of the Ward Valley low-level radioactive waste site to continue unimpeded. The Senate Energy and Natural Resources Committee voted in favor of this bill.

This legislation is ready for Senate action. This legislation is necessary only because politics got in the way of good science. Transferring lands such as Ward Valley is a common procedure for the administration. However, because of a political fight waged by environmental extremists, this conveyance has been held up for more than 2 years. This fight, this continued delay, will continue unless Congress acts.

We have the opportunity to institute a rational approach to this process. By approving this legislation, we can allow the Southwestern Compact and the rest of the States to comply with the law we created. I urge my colleagues to support this legislation and to allow good science to prevail rather than politics.

Mr. President, I ask unanimous consent that correspondence between Gov. Pete Wilson of California and South Dakota Governor Janklow regarding the Ward Valley low-level radioactive waste storage site be printed in the RECORD.

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

STATE OF SOUTH DAKOTA,
Pierre, SD, April 2, 1996.

Hon. PETE WILSON,
Governor, State of California, State Capitol, Sacramento, CA.

DEAR GOVERNOR WILSON: Thank you for your letter concerning the Southwestern Low-Level Radioactive Waste Disposal Compact and the site of the facility in Ward Valley. While the site in Ward Valley is currently owned by the federal Bureau of Land Management, the bureau has for about 10 years declared its intent to sell to California.

I, too, am concerned and upset with the continuing needless delays imposed by the U.S. Department of Interior on the Ward Valley land transfer. California has made tremendous efforts attempting to comply with the federal Low-Level Radioactive Waste Disposal Act and its Amendments. While these efforts have resulted in the issuance of the first license to construct a new low-level disposal site in this nation's recent history, implementation of this license has been set back again and again by the federal government. If these delays cause our generators within the Southwestern Compact to ship wastes across the United States to Barnwell, South Carolina for disposal, I fully agree that the federal government must comply with those stipulations you set forth in your letter.

Study after study has shown the proposed facility in Ward Valley to be protective of human health and environmentally safe. The US Congress had it right the first time; the Southwestern Compact can solve the problem of disposal of the low-level radioactive wastes generated within its states. But, we can do it only if the federal government will transfer the site and let us get on with it.

While I agree that the latest actions of the US Department of the Interior appear to confirm the notion that the Clinton Administration is trying to usurp the states' duly delegated power to regulate low-level waste disposal, I am still hoping the transfer can occur soon. If the delays by the Department of the Interior were to result in repeal of the Low-Level Radioactive Waste Disposal Act and place the responsibility for trying to manage this problem on the federal government, that would be a huge step backwards.

Thank you again for your letter and for your efforts on behalf of the entire state of California and the other states in the Southwestern Compact to develop a responsible and safe disposal site for low-level waste.

Sincerely,

WILLIAM J. JANKLOW,
Governor.

GOVERNOR PETE WILSON,
Sacramento, CA, February 16, 1996.

Hon. WILLIAM J. JANKLOW,
Governor, State of South Dakota, 500 East Capitol Avenue, Pierre, SD 85007

DEAR BILL: As the host state for the Southwestern Low-Level Radioactive Waste Disposal Compact, California has labored diligently for ten years to establish a regional disposal facility in accordance with the federal Low-Level Radioactive Waste (LLRW) Policy Act. This facility would serve generators of LLRW in your state and the other compact states. In the absence of this facility, these generators have no assured place to dispose of their LLRW.

To fulfill its obligations, California carefully screened the entire state for potential sites, evaluated candidate sites and selected Ward Valley from those candidates as the best site in California for the regional disposal facility. Although the site is on federal

land, the Bureau of Land Management has for about ten years now declared its intent to sell it to California. We identified a qualified commercial operator to apply for a license to construct and operate a facility at that site, and took steps to acquire this land from the federal government. We subjected the application for the license to a scrupulous review to ensure that the facility would satisfy in every respect the health and safety requirements established by the Nuclear Regulatory Commission.

A comprehensive Environmental Impact Report was prepared for the project, and an Environmental Impact Statement (EIS) and Supplemental EIS were prepared for the land transfer. We subsequently became the first state to license a regional disposal facility under the LLRW Policy Act, and have successfully concluded our defense of the license and related environmental documents in the state courts. In short, California has in good faith done all it can to fulfill its obligations to your state under the Compact and federal law.

The sole obstacle to the completion of this project is the failure of the U.S. Department of the Interior to transfer the Ward Valley site to California. After abruptly cancelling the agreed-to transfer almost completed by former Secretary Manuel Lujan, Interior Secretary Babbitt has created a series of procedural delays ostensibly based upon this own health and safety concerns. He demanded a public hearing, then abruptly cancelled it. He asked the National Academy of Sciences (NAS) to review site opponents' claims, then ignored NAS conclusions that these claims are unfounded and that the site is safe. He has unreasonably and unlawfully demanded that California agree to continued Department of the Interior oversight of the project after the transfer. Now, according to the attached press release, he intends to have the Department of Energy conduct independent testing at Ward Valley, and then will require another Supplemental EIS before deciding upon the conditions for transfer.

Every person and organization which has anxiously followed California's decade-long effort has concluded from this latest set of demands that the Clinton Administration has no intention of transferring land to California for our regional disposal facility. I cannot help but agree. There is no scientific basis for further testing prior to construction or legal requirement for a Supplemental EIS. These demands are purely political, and made for the sole purpose of delaying, if not terminating, the Ward Valley project. It is clear that, once these demands are met, more demands will be made. In short, because President Clinton doesn't trust the states to assume the obligations which Governor Clinton asked Congress to give the states, he has proven that the LLRW Policy Act does not work. Faced with this lack of political will to implement the policy he himself once supported, many now question the wisdom of expending further resources in a futile effort to further that policy.

The intransigence of the Clinton Administration in connection with the Ward Valley land transfer leaves me few options as Governor of California. The Ward Valley site is clearly the best site in California for LLRW disposal, a fact upon which my predecessor Governor Deukmejian and former President Bush agreed. All other sites, including the alternative site in the Silurian Valley, present potential threats to public safety not found at the Ward Valley site. The Silurian Valley site is also located on federal land, and there is no reason to believe that the Clinton Administration has any greater motivation to transfer that site.

Consequently, to continue the effort to establish a regional disposal facility, California would need to identify a site on privately-owned land which would be technically inferior to War Valley and would be unlikely to license in accordance with California's and my own uncompromisingly high standards for the protection of public health and safety. For these reasons, I would personally oppose identifying any other potential disposal site in California.

Therefore, as Governor of California, I am compelled to inform you that, because the Clinton Administration has made compliance with our obligations impossible, California will be unable to provide a regional disposal site for your state and the other states of the Compact during the tenure of this president. California will continue to seek title to the Ward Valley land, but will devote greater resources to a repeal of the LLRW Policy Act, and to the enactment of federal legislation making the federal government responsible for the disposal of LLRW.

The Department of the Interior has formally announced that California's LLRW generators are not harmed by its interference with the opening of the Ward Valley LLRW disposal facility because they have access to the disposal facility in Barnwell, South Carolina. Given the public safety threat to the good citizens of South Carolina, and the additional costs and exposure to liability to users, I find this suggestion questionable. Nevertheless, in order to make this an even marginally acceptable solution, I am calling upon the federal government to do all of the following:

Assume responsibility for assuring continued access for all California generators of LLRW to Barnwell;

Subsidize the amount of any transportation costs to Barnwell which exceed transportation costs to Ward Valley;

Ensure that California generators obtain any necessary permits for transportation across the United States and to Barnwell;

Indemnify California generators and transporters for any liability which might result from the necessity to transport California waste from coast to coast; and most importantly,

Hold California generators, including the University of California and other state entities, harmless form any federal or state cleanup related (Superfund or CERCLA) liability which they might potentially incur as a result of using a waste facility which is on a substantially less protective site than Ward Valley and which has already experienced tritium migration to groundwater.

If LLRW generators in your state have problems with storage or with use of Barnwell similar to those of California generators, I urge you to join with me in demanding similar relief.

Sincerely,

PETE WILSON.

WHITE HOUSE TRAVEL OFFICE LEGISLATION

The Senate continued with the consideration of the bill.

Mr. PRESSLER. Mr. President, on a separate subject, let me say I strongly support the efforts of the majority leader to repeal the President's Clinton 4.3-cent-per-gallon fuel tax. I also believe strongly that the efforts of the majority leader in this area will result in some relief to the consumers of America.

In my State of South Dakota, agriculture and tourism are the two most important industries. This is just the time of the year that farmers are driving their tractors, truckers are hauling agricultural supplies and produce and seeds, and tourists are beginning to come to see Mt. Rushmore and the attractions in southwestern South Dakota. They need immediate relief from high fuel prices.

I also support the Justice Department's antitrust probe into the recent price increases. Certainly, we need to know if price fixing is occurring. However, past antitrust investigations have failed to produce conclusive evidence of illegal activity. We need to take action now. I hope the Congress can avoid procedural delays and give immediate relief to millions of Americans at the gas pumps.

Let us remember that this Senate has been stalled by filibusters throughout this session. I know that the national media has stopped using the word "filibuster," but that is what is happening. The Senate is tied up in knots. The approach of the opposition in this Chamber has been nothing more than gridlock and filibuster.

Therefore, I hope we repeal the fuel tax very quickly. We are ready to do it. Members of the Senate Finance Committee have discussed this. We are prepared to act.

THE TELECOMMUNICATIONS ACT

Mr. PRESSLER. Mr. President, on yet another subject, I hope that the Federal Communications Commission follows the intent of Congress regarding the recently passed Telecommunications Act. I was privileged to be able to author and chair the Joint House-Senate conference committee on telecommunications. But I fear that some of the deregulation and some of the good things in that bill are being taken away by regulators who are now writing the regulations for that bill.

I have asked in our committee that we hold a hearing and bring those Commissioners before the Commerce Committee. I know many Members of the Senate have written to me urging such a hearing because they are concerned that the intent of Congress is not being followed.

The telecommunications bill was a very well-written bill. We had a checklist for the entry of companies into the regional, local telephone business and also for entering into the long-distance telephone business. Those rules are set. Also, the whole issue of the States' power and participation with the States' public utilities commissions was clearly written out in that bill.

I was just this morning told by one of our good public utilities commissioners

that the States' powers are being undercut by the Federal Communications Commission. So we must be vigilant in trying to remind the Federal Communications Commission that their No. 1 guideline in the implementation of regulations is supposed to be intent of Congress.

I remember in Clark Weiss' law class the importance of "intent of Congress" for administrative law. That is the key that these agencies are supposed to follow. But that has been abandoned in this Government because now the agencies are more powerful in some cases than Congress. That is unfortunate.

But the Federal agencies, when they write the regulations, the foremost thing in their mind is supposed to be intent of Congress and not going off and starting to legislate all over. If they want to be legislators, they can go out and run, as I am running this year, and submit their name to the public. But they are not legislators. They are regulators. They are a regulatory agency, not the legislative branch of Government. I will plead with the FCC to remember that as they write those regulations. Mr. President, I yield floor.

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

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

WHITE HOUSE TRAVEL OFFICE LEGISLATION

The Senate continued with consideration of the bill.

Mr. COVERDELL. Mr. President, I understand we are on the pending business and there are no time limits.

The PRESIDING OFFICER. That is correct.

Mr. COVERDELL. Mr. President, I rise today in support of the actions taken by the majority leader earlier this week. Just to outline, we have the underlying proposal, which is the effort to reimburse the Dale family for the costs they have that they were unjustly burdened with. That has been objected to by the other side.

The majority leader has come forward with a full-ranging proposal that, first, repeals the 4.3-cent gas tax that was imposed on America by President Clinton in August 1993; second, would grant the other side their vote for which they have sought on raising the minimum wage; and third, would call for a vote on what is characterized as the TEAM Act, but which is properly described as giving American workers the opportunity to meet without threat to the National Labor Relations Board, to meet with management to discuss the general improvement of their work environment, an idea that came to us out of a tough competitor, Japan, where they had experimented with management employees organizing themselves into various work groups to improve the product and to improve their competitiveness. We have before us these three very important proposals.

Mr. President, when President Clinton was running for the Office, he told the American people that a gas tax was the wrong thing to do. He said it was the wrong thing to do because it was particularly offensive or hard on low-income families and on the elderly. I would expand it. I think it is not only hard on low-income families and the elderly, but it creates a hardship among small business people. It is particularly difficult for rural communities who are confronted with long distances to travel. I think it has been just one more brick on the back of our middle-class families.

Yesterday, May 8, Mr. President, was the first day that an American wage earner could keep their paycheck. That is pretty remarkable, Mr. President. May 8 was the first day that wage earners could keep their paycheck. Their paycheck for their own needs, his or her housing needs, transportation, and all the things we ask of the American people.

You ask, rightfully, anyone listening to this, "Well, what happened to all the paychecks from January 1 to May 7?" I can tell you. All of those paychecks went to a government. As hard as it is to believe, from January 1 to May 7, every dime earned is taken by the government, taken out of the resources of that family. When we take a snapshot of an average family in my State, they earn about $45,000 a year, both parents work and they have two children. By the time the government sweeps through their checking account and you add on that family's share of regulatory costs, which is now about $6,800 a year, and by the time you add on their share of higher interest rates because of the size of the Federal debt imposed on America by the Congress and the President of the United States, that is about $2,100 a year.

At the end of the day they only have half of their wages left to do all the work that we ask that family to do for our country. That must make Thomas Jefferson roll over in his grave. If you read through his works he warned over and over of the propensity of the Government to take the rightful wages away from those that earned them. That is exactly what we have done in this United States of America.

Repealing the gas tax is a long way from redressing and correcting this horrible imbalance. It would have been much better if the $245 billion in tax relief—children's tax credits, eliminating the marriage penalty, alleviate the pressure on those living off Social Security—if all those things we sent the President had been signed into law, then we would have put about $3,000 to $4,000 back into the checking account of the family I just described. What a difference that would have made. That is the equivalent of about a 10- or 20-percent pay raise for that family. When you think of the responsibilities we put on those families, that kind of resource is an enormous difference.

Repealing the gas tax, one piece of it, will help. It will put somewhere in the neighborhood of $100 to $400 back into their checking account. It will be used a lot better there than having been shipped off to the Federal Government.

Just to cite some figures here, we have just gotten a report from the Heritage Foundation. This 4.3-cent gas tax on motor fuel, $168 million was removed from Georgia and shifted up here to this burgeoning Federal Government. On diesel fuel, another $28.5 million was shipped up to Washington. And in jet fuel, of course, we have Atlanta Hartsfield International, $27.5 million, for a total $224 million. That is a quarter of a billion dollars taken right out of the State, right out of the homes, right out of the businesses and shifted up here so that we could have a larger Federal Government.

Now, Mr. President, I think leaving the quarter of a billion dollars in Georgia, in those families, in those businesses, in those communities, in those school districts makes a lot better sense. We have heard people say, "Well, that does not amount to much." If it does not amount to much, why are there so many headaches about giving it back? If somebody wants to worry about it, let us let the folks at home worry about it. This quarter of a billion dollars being used by our families, businesses, our communities, makes much better sense.

Mr. President, the report goes on to say, "The poor and lower middle class will be the biggest beneficiaries of this repeal." Susan Perry, the senior vice president of the American Bus Association, testified on May 3 before the Senate Finance Committee that as a result of higher fuel costs since the imposition of the fuel tax, there are fewer bus stops. The very poor, the very elderly, and the very rural are mostly affected because they disproportionately ride buses. And the fuel costs are passed on to passengers.

It is a regressive tax. I suspect that is why the President, during his campaign, said it was not a good idea. It only became a good idea after he was elected. Because three-quarters of those Americans earning less than $10,000 per year commute to work in privately owned autos, a flat tax rate falls disproportionately on these poor as a percentage of their income. In

1987, the Bureau of Labor Statistics data show that the poorest 20 percent of Americans devote 8.8 percent of their expenditures to gasoline and motor oil, while the wealthiest 20 percent devote only 3.1 percent of their expenditures to gasoline and motor oil.

There is another feature of the gas tax the President imposed on America that I disagree with, and that is that the tax was taxed on a user fee concept, but was not used to build better roads or safer roads. The tax was imposed on the user of gasoline and motor oil, but it was shifted into other expenditures and a growing Government. It is regressive. It is hurting the middle-income family, hurting our communities, and it was not used in a dedicated form for highways and safer roads.

This tax should be repealed, and it should be followed, Mr. President, by other reductions in taxes, so that we can get more money in the checking account of the average American family, where it belongs, so that they can do the things they need to do to raise America.

Now, Mr. President, a second feature of the proposal that Senator DOLE put on the floor was, as I mentioned a moment ago, entitled the TEAM Act. The TEAM Act merely adds a short provision to section 8(a)(2) of the National Labor Relations Act, to make it clear that employers who meet together in employee involvement programs to address issues of mutual interest, as long as they do not engage in collective bargaining, or attempt to, they can meet and discuss general conditions in the workplace. The President, in his State of the Union Address, in 1996, said, "When companies and workers work as a team, they do better." So does America.

His Secretary of Labor, Robert B. Reich, has said, on December 14, 1995, "Many companies have already discovered that management practices fully involving workers have great value behind their twin virtues, higher profits and greater productivity."

Those quotes are correct. So why is the other side so energized to keep this modern idea from coming into law? Many American companies are intimidated from having these kinds of sessions for fear of the current law, and that ought to be changed.

Mr. President, yesterday, I had two separate groups of employees of companies—a large numbers of employees—contact our office, who think this concept is superior and belongs in the workplace. They want to be able to engage in these kinds of activities in their companies in Georgia so that they can improve what they do, so that they can compete, so that they can protect their jobs.

Mr. President, one of those companies engaged in this kind of activity produced a $6 million annual savings by one of the work groups that had met together between employees and management for 6 months. They produced a $6 million savings for that company. That helps make the company stronger, more competitive, and able to hire more employees, and protects the jobs of those who work there now.

We were taken by the number of employees we have heard from seeking this kind of innovation in the marketplace. Mr. President, candidly, we ought to be doing a lot more to make the new workplace modern, as we come into the new century, with ideas and laws that relate to the new century. Labor law, today, is greatly governed by laws that were written 30, 40, and 50 years ago. Those are old ideas. Those are restraining ideas, and those ideas will keep America from competing with the rigorous competition that is developing throughout the world. The workers in the workplace know this, and they want these changes.

The working family, today, in 1996, versus 1930 and 1940, is vastly different. That family, in the mid-1950's, had one spouse in the workplace. You could count on one hand the number of families that had both spouses working in the workplace. Today, you can count on one hand, almost, the families for which both spouses are not in the workplace.

Mr. President, just as an aside, I believe the Government is principally responsible for that. You might ask, why is that? It is because we have pushed the tax burden higher and higher and higher, and in order for these families to fulfill their responsibilities, they have to have two or more people in the workplace to keep the family going, to keep it educated, to keep it housed.

In fact, about a year ago, Mr. President, I did a graph, and I graphed the new tax burden, beginning in 1950, and ran it up through 1996. And then I did another graph. That graph was of the number of American families for which both spouses were working. You are not going to be surprised that the two lines track each other almost identically, because as that tax burden went up each succeeding year, as Congress spent more, built more, got bigger, with more programs, it had to take more of the earnings from that family. And at the end of the day, that family had to put more workers in the workplace.

I do not believe there is any institution that has had a more profound effect on the American family than our own Government, more than Hollywood. What other institution would sweep through an American family and take half its wages? None.

So, Mr. President, families in the workplace today have both parents out there, and sometimes children. And they need a new workplace. They need more flexibility in the workplace. They need more options in the workplace.

The TEAM Act that Senator DOLE has put before the Senate this week is a great first step. It is an initial step, just like the repeal of that gas tax. It is a first step going in the right direction leaving a little more money in that checking account. This TEAM Act is a first step to start moving America to a new, a modern, a flexible, and a friendly work environment.

Mr. President, by a 3-to-1 margin, when asked to choose between two types of organizations to represent them, workers chose one that would have no power but would have management cooperation over one with power but without management cooperation. The American worker wants this flexibility in the workplace.

I am very hopeful that at the end of this extended debate we will come to a conclusion on the other side of the attempt to block the repeal, to block the TEAM Act. They are going to get their vote on their idea of the minimum wage which I personally believe will cause about 500,000 people to lose their jobs. But they are going to have their chance. We want a modern provision in the workplace, a new idea, one that we have seen make our competitors tough, and we want to be as competitive as those other companies in those other countries.

Mr. President, I yield the floor. 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. LOTT. 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. LOTT. Mr. President, I ask unanimous consent that the time between now and 1:30 p.m. be equally divided for debate only.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, the distinguished majority whip and I have had a number of consultations over the last several hours, and we still have not reached any resolution to the impasse that we are facing. But I do want to note that over the last couple of days, as we have had the opportunity to more closely examine the gas tax repeal legislation, it has now been made evident to us that the offset that is incorporated in the legislation falls $1.7 billion short of the revenues needed to provide for the offset in 1996.

Throughout this debate, we have indicated that we would be supportive under two conditions. The first condition was, of course, that it was adequately offset. By adequately offset, obviously, we are talking not only

about the source of revenue, but also about the amount. And, of course, the second issue was that it be directly targeted to consumer relief and not to the oil companies, or others.

Unfortunately, given the current legislative draft, as I said, we are told now that the revenue loss—the addition to the deficit—would be $1.7 billion in 1996. Clearly, that is not in keeping with the two criteria that we set out. Our hope was that we could find an adequate offset and, for whatever reason, that offset has not been achieved. It is ironic in some respects that, as the Budget Committee is now meeting to find ways to reduce the deficit and reach a balanced budget in 6 or 7 years, the very legislation we are now considering falls short by $1.7 billion of the necessary offset required to ensure that this legislation is entirely paid for.

And so, at an appropriate time—I expect it will be about 1:30—I will make a point of order that the amendment is not fully offset. Because Senator DOLE is not here, and because Senator LOTT and I have had the opportunity to talk about their response, and to accommodate the majority, we are going to wait until 1:30 to officially raise this point of order.

Mr. President, this situation, again, illustrates why having separate bills is so important. Obviously, now, you have a point of order against an amendment dealing with gas taxes that has an effect on the travel legislation, on the minimum wage, and on the so-called TEAM Act. So this is becoming more and more convoluted, the more we get into this debate and the closer we look.

I think it, again, makes the point that, unless we can separate these issues, unless we can have individual debates and votes on each bill, we are going to continue to be frustrated by the complex nature of this very intricate legislative structure that we have created for ourselves. So I hope that we can, again, find a way to separate out the legislation and have a good debate, a good vote, and deal with these issues one at a time.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority whip is recognized.

Mr. LOTT. Mr. President, as the distinguished Democratic leader noted, Senator DOLE will be back around 1:30. I am sure that we will have continuing conversations in between now and that time, and the leader will be here and prepared to take action, also.

I want to emphasize that we are continuing to work to find a way to get through this process. The Members clearly want an opportunity to vote on the gas tax repeal. I understand the Democratic leader wants a straight vote on the minimum wage. My understanding of the offers we have been discussing back and forth would provide a clear, straight, separate vote on minimum wage. We have looked at different ways to approach that, including different combinations of the three matters that are pending—the gas tax repeal, minimum wage, and the freedom in the workplace, known as the TEAM Act. We are still working on that, and I have faith that we can find a way to address all of these issues in an appropriate manner.

We do have some proposals pending right now that we hope to be able to agree to here within the next hour, as to how we will proceed for the balance of the day, and what time we might expect votes to occur, and how we would deal even with Friday and next Monday. So we will continue to work with that.

With regard to the tax repeal, I indicated privately—and I will do it here publicly—on behalf of the leader yesterday that I thought we could get some agreement on what amendments might be offered. I do not think the leader is opposed to having some amendments as long as we do not have a filibuster, as long as they are relevant, as long as there is not a filibuster by amendment, and if we could get an amendment identified.

I know the Senator from North Dakota is looking for some way to make sure that this gas tax repeal actually gets to the people buying the gas. We agree with that. We want to make sure that it actually gets to the people who have been paying these taxes. We have some language in the gas tax repeal that we think addresses that. But if there is a way to help in a way that it can be administered to help guarantee that that actually happens, I would like to look at that because I want to make sure that the people of my State get this 4.3-cent gas tax repeal because I personally did not think they should have been paying it in the first place. That is why I spoke against it and voted against it in 1993. I thought it was a tremendous mistake at the time to start taking on a permanent basis a gas tax—not for the highway trust fund to build interstate highways and Federal highways and bridges that we need desperately—and move it over to the deep, dark, black hole of the General Treasury never to be heard or seen from again. I thought that was a mistake. So I would like to repeal that. I would like to guarantee that it gets to the people. If we can identify some amendments, or an amendment, I would like to see that. I think the leader would be willing to look at that, if we could work out an agreement on it.

As to the offset, we have an offset in our proposal. We think it is a credible offset. We have a small amount—$2.4 billion, as I understand it—from spectrum, plus some savings from travel at the Energy Department. There may be some lag time because, if this gas tax repeal is signed into law and goes into effect, if in fact the President signs it—I am not sure; the indication is that maybe he would or would not. Now I think maybe he indicates that he would, if it were sent to him in such a way that it did not have things that he would call poison pills and which he would call the opportunity for him to use his poison pen again. But we do have offsets in this legislation.

The only problem is that the gas tax repeal would take effect immediately and for some of these offsets it takes some time before they actually begin to start coming in.

But, again, I think we can work out the offset in such a way that it is fair and would cover the loss to the Treasury. We do not want to add to the deficit. But we also are very committed to trying to help the working people of America get this gas tax off of their backs. We will continue to work on that.

I point out, also, as the distinguished Democratic leader has, as I understand it, that the minimum wage probably is subject to a point of order. I do not think the leader would want to have that happen because I believe it would be identified as an unfunded mandate where it would direct that we have the minimum wage, and it would mean loss of jobs. So that would be subject to a point of order.

So I would be inclined, if we get into this point of order process, to think we should waive that and not have the gas tax knocked out because it is a revenue bill that did not begin in the House, for whatever purpose, or have the minimum wage knocked out. I do not think the Democratic leader would want that to happen. If we should by chance combine those two issues, the gas tax and minimum wage, we would not want either of them to be knocked out by a point of order, whether it is a revenue measure our unfunded mandate, because with minimum wage you are mandating that small businesses throughout this country have to bear the burden of this increase, which I am convinced would lead to the loss of jobs of people who need them the most.

But there are these arguments on both sides. I think a good-faith effort is being made to work through it to see how we can address the offsets and how we can address guaranteeing that the gas tax repeal gets to the people we want to get it—and that is the working people, the people who drive long distances, paying for this unfair gas tax to go into spending by the Federal Government. But we will have a chance to work on this further here in the next 30 or 40 minutes. I will be glad to talk with the distinguished Democratic leader and others, and then we will communicate with the majority leader when he returns.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. I know there are at least two Senators on our side who wish to speak, and I see those on the majority side as well.

I yield 5 minutes to the distinguished Senator from North Dakota, and 10 minutes to the distinguished Senator from Rhode Island as the allocation of the time that we have remaining.

Mr. LOTT. Mr. President, parliamentary inquiry. That would mean 15 minutes. So we would get at least 15 minutes on our side to offset that. So we should have enough time to cover the speakers that we have.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I ask unanimous consent to use 5 minutes of the time on our side to talk about the issue that is before us.

This has been going on for some time. I have not been privy to the internal workings of it. But I have to tell you, I am a little bit disappointed in the system where we have gone now for almost 2 weeks and have effectively done nothing. It seems to have been perfected on that side of the aisle—the idea of being able to keep things from happening. Let us talk about what we are really doing here.

As I recall, the basis is the Travelgate question, the question of reimbursing those employees who were unfortunately, and I think perhaps unfairly, accused regarding their fees in the Travelgate affair at the White House.

We are talking about minimum wage, which I do not happen to support. I think it takes more jobs than it creates. But I am certainly willing to have a vote on it. I think it is interesting. You get accusations about politics. The minimum wage did not come up for 2½ years when the Democrats controlled the House and the Senate, as well as the White House. But suddenly—I guess it was just happenstance—when the AFL–CIO was here, they promised to give $35 million for the election, this issue came forward. I am sure that was an accident.

The TEAM bill, which seems to me to be pretty hard to argue against, is an opportunity for people to work with their employer to find ways to deal with issues that affect them as a business person. It seems to me that is a great idea. There seems now to be questions about whether it can be done, and that needs to be clarified. I support that.

The tax reduction, I think, is one of the most important things that we have talked about here. I was in the House when this came up. I voted against it for several reasons. One is that it does not have anything to do with the maintenance of highways. It does not have anything to do with roads. Someone in our hearing this morning said, "Well, why don't we do the 10 cents that came up earlier?" There is a significant difference between the two. This one goes into the general fund for social programs, or whatever. The other one goes to the maintenance of highways, which has traditionally been our system, where the gas tax goes for the maintenance and building of the highways.

The other is, of course, that it is another tax that is added on. It is a tax that some claim is used, of course, to balance the budget. I would like to suggest that we ought to be a little more proud about balancing the budget if we reduce the spending rather than raising taxes, rather than talking constantly about how we are coming closer to balancing the budget because we had the largest tax increase in our history. Instead, we might talk a little bit about how we might reduce the size of Government. I think people in my State say the Federal Government is too big, that it costs too much. But instead we talk about how we are going to balance the budget by raising taxes.

I am a little surprised that that tax increase passed at all, of course. The President said, and I quote from 1992. "I oppose Federal excise tax increases for gas." That is when he was campaigning. After he was elected, then he started with a Btu tax and ended up with this one. Bill Clinton said in 1992, commenting on the gas tax proposal, "It sticks it to the lower income, middle-income retired people in the country, and it is wrong"—talking about a gas tax.

So, Mr. President, I think we ought to move forward. I understand that this is the deliberative body. I understand the rules that, when I ask about them, I usually am told, "Well, they have been that way for 200 years." But their needs to be a way for us to move forward. We are here to solve problems. We are not here to find ways to keep from solving them. I think we ought to move forward. I am pleased with what I hear from the leaders that we might be in a position to move forward and make some decisions.

I yield the floor.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

The Senator from Rhode Island has been allocated 10 minutes.

The Senator from Rhode Island.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I will not take the entire 5 minutes, and I appreciate the indulgence of my colleague.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. DORGAN. I listen from time to time, and I wonder some morning whether we will not come out to hear the other side blame the President for thunderstorms and tornadoes that rolled across the Midwest the night before. It seems to be a popular sport in the Senate. I guess I understand that.

However, I wanted to just comment for a moment on what it appears to me the vote will be on soon. It appears to me that the proposal to reduce the gas tax by 4.3 cents is a result of the gas price spiking up 20 or 30 cents in recent weeks. Some have come to the floor and said let us reduce the gas tax by 4.3 cents per gallon. I said this morning that is like treating a toothache by getting a haircut. There is no relationship between the two.

The 4.3-cent-per-gallon gas tax put on 2½ years ago was put on to reduce the deficit. The deficit has been reduced in half. The fact is after the gas tax was put on, for market force reasons the price of gasoline came down, having nothing, of course, to do with the tax.

Those who say let us reduce the gas tax now might listen to the oil company executives who are telling us there is no guarantee that the gas price is going to come down if you repeal the 4.3-cent-per-gallon gas tax.

So the question is, which pocket will be the beneficiary of some $30 billion in the next 7 years—the big pocket of the oil industry or the pockets of the drivers? There is no guarantee it is going to be passed on to the drivers.

The point I want to make is this. My understanding is that the bill brought to the floor by those who want to change the Constitution to require a balanced budget, by those who say today they are working in the Budget Committee to produce a balanced budget, will now result in a vote by a point of order on the budget; that we will be required to vote to waive the Budget Act, as I understand it, because this proposed repeal of the gas tax will increase the Federal deficit by $1.7 billion to the end of this fiscal year and by $2.8 billion by January 1. The offsets they propose will come apparently in 1998.

So we will have the interesting prospect that those who are bringing a bill to the floor saying we want to balance the budget also come to the floor to move to waive the Budget Act to allow the budget deficit to grow, as a result of their proposal on the gas tax, $1.7 billion in this fiscal year and $2.8 billion by January 1.

I will not intend to vote to waive the Budget Act to do that. But that will apparently be the vote, the vote to waive the Budget Act and against the point of order that will be made. It will be an interesting debate.

I think it makes no sense for us to begin running backward on this issue of the budget deficit. The budget deficit has been cut in half and is coming down 4 years in a row, down very substantially. If you reduce the gas tax 4.3 cents a gallon and to do so will increase the budget deficit, which is going to happen in this proposal and which is why the point of order and the

motion to waive the Budget Act to increase the deficit, it does not make any sense. We will have an interesting debate about that. But that will eventually be the vote in the Chamber—to permit a higher Federal deficit in order to repeal a 4.3-cent-per-gallon gas tax which oil company executives say there is no guarantee it will show up in the price of gas at the pumps in this country.

Mr. President, I yield the floor.

Mr. PELL addressed the chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Rhode Island.

Mr. PELL. Mr. President, I rise to reiterate that we should not rush headlong, like lemmings to the sea, to repeal the 4.3-cent-a-gallon gasoline tax. When this tax was enacted in 1993, it was specifically dedicated to deficit reduction, and experience to date indicates that the gas tax has been helpful in this regard. Under President Clinton, the deficit, which was at a high of $290 billion in 1992, has been brought down to an estimated $144 billion in the current year. Why repeal this tax, when to do so will slow down or reverse this favorable trend and add billions of dollars to the deficit? Rather, we should consider raising, not lowering the gasoline tax in order to further reduce our deficit.

I join the senior Senator from West Virginia [Mr. BYRD] in expressing the thought that we should not accept even a temporary repeal.

It has been suggested that the funds with which to finance this repeal may be found by cutting education spending, requiring banks to pay more to the savings association insurance fund, cutting Energy Department expenses, and/or, selling off unused wavelengths on the broadcast spectrum. The disparity of these suggestions seems to indicate that there exists no credible consensus as to exactly how we will be able to pay for this ill-advised tax cut.

Probably for these same reasons, the States show no inclination to cut the tax. Across the country, State gasoline taxes often exceed the Federal tax of 18.4 cents per gallon. The State tax on gasoline in my home State of Rhode Island is the second highest in the Nation, at 28 cents. Yet no State legislature thus far has moved to cut their gasoline tax, reasoning wisely, that it helps stave off operating deficits, enabling States to balance their budgets. A task, I might add, which they seem to perform better than we.

I recognize that higher gas prices impact adversely upon commuters and those whose daily livelihood depends upon the availability of low priced fuel. But it should be noted that the price of gasoline today, when adjusted for inflation, is as low as at any time since World War II. With prices relatively low, demand for gasoline has been steadily rising; motorists today are driving more, at higher speeds, and in cars that are less fuel-efficient than in years past. In consequence, we now depend on foreign suppliers for close to half of the oil we consume.

Partly as a result of this dependency, we now have a temporary shortage of supply, making it unlikely that prices will go down in response to this tax decrease. Rather, the forces of the market, inexorable as they are, will delay a drop in the price of gasoline until sometime later this summer, when supplies are expected to increase. To quote the Los Angeles Times, "the grim lessons about over-dependency of the 1970's are being forgotten, and the conservation ethic is slipping away."

Finally, there is absolutely no certainty that the oil companies will pass this rebate on to the consumer. Economists across the spectrum, ranging from William Niskanen of the Cato Institute to Phillip K. Verleger at Charles River Associates, agree that the 4.3-cent-a-gallon cut will benefit the oil industry, not the consumer. The total effect of this gesture will be to add $2.9 billion to the Federal deficit over the next 7 months, while transferring the same $2.9 billion to the pockets of refiners and gasoline marketers.

I urge my colleagues to resist the siren's song of the inevitability of this tax cut. Economist Michael Toman of Resources for the Future is quoted in the Washington Post as describing such a cut as "nutty." I would simply add that it is wrong-headed and ill-conceived. It should be rejected.

Mr. President, several weeks ago, when the Senate Labor and Human Resources Committee met to mark up S. 295, the TEAM Act, I once again spoke of my longstanding interest in innovations in the conduct of labor-management relations. As I said at that time, I have been particularly interested in the efforts of many European countries to involve workers in policy deliberations at all levels of corporate bureaucracy. In Europe, this practice is referred to as "co-determination," and means that management and labor sit on the same board.

While it is not suggested that what works in Europe would work here in the United States, the notion of worker involvement is no less valid. Now, after years of regrettably bitter, contentious, and even violent interaction and with the ever-increasing demands of a high-technology workplace in a global economy, a more collaborative process has developed that brings workers and employers together on an ongoing basis. Companies ranging from Texas Instruments and IBM to Harley-Davidson motorcycles have instituted ongoing employer-employee work councils.

There is, I believe, little disagreement about the value of these councils. There is, however, considerable debate about the current legality of these groups. We are told by some that this disagreement produces a chilling effect that hinders the continued and future development of employer-employee work councils.

I have tried for some time to find the proper balance. During the last Congress, I introduced legislation, S. 2499, that, among other aspects, established a formal election process for employee representatives.

While not introducing legislation during this Congress, I have continued to explore other avenues in this area. I had hoped to offer an amendment during the Labor Committee markup that would give employees the right to select their own council representatives; ensure that council agendas were open to both employees and employers and, finally, prohibit the unilateral termination of a council. I decided not to offer language of this nature, however, because of a lack of support from both the majority and organized labor.

S. 295, the TEAM Act, is certainly not the answer. The bill, as passed by the Senate Labor and Human Resources Committee, amends the National Labor Relations Act to allow the employer, I repeat, the employer "to establish, assist, maintain, or participate in any organization of any kind, in which employees participate to address matters of mutual interest." At no point in this section of the TEAM Act is there any mention of employee rights, nor are employees given the right to designate their representatives.

I must say I was very encouraged on Tuesday to hear that the senior Senator from Massachusetts [Mr. KENNEDY] suggested an amendment to the TEAM Act allowing workers to select their representatives.

I regret that we find ourselves faced with the current deadlock. Not only are Senators prohibited from amending any of the three issues under consideration but American workers are faced with the choice of giving up their rights in return for a raise.

It is clear that the path out of this predicament is to separate the minimum wage increase, the gas tax repeal, and the TEAM Act, allow each to be amended and then individually voted on.

Furthermore, the only solution to the stalemate over the TEAM Act—as I have said for many years now—is to allow employees to freely select the employee representatives of the work councils.

Mr. President, I ask unanimous consent that a document titled "Co-determination in European Countries," prepared by my staff, be printed in the RECORD.

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

CODETERMINATION IN EUROPEAN COUNTRIES

GERMANY

Coal & Steel Co's (1,000+ employees): Equal number of worker and shareholder representation along with an additional independent member agreed on by both sides.

Joint Stock Company (less than 2,000 employees): worker reps. hold ⅓ of seats on Supervisory Board of company. These reps. can't be proposed by the union and must be elected by all company employees.

Limited Liability Co's. (500–2000 employees): worker reps. hold ⅓ of seats on Supervisory Board of company. These reps. can't be proposed by the union and must be elected by all company employees.

Others: An equal number of both employees and shareholders. Depending on size of company each side has 6–10 representatives. Trade union must have at least 2 reps, 3 if the total employee representation = 10. Other employee groups (blue collar, white collar, and executives) must also have at least one representative.

DENMARK

Co-determination laws only cover companies with 50 or more employees.

Workers are entitled to elect 2 or more representatives to the company Supervisory board. Shareholders appoint at least 3 members. There is no upper limit to the number of representatives but shareholder representatives must hold the majority.

LUXEMBOURG

Co-determination laws only cover companies that have had 1,000 or more employees for 3 years. The State also must have at least a 25% interest in the firm.

Worker representatives account for ⅓ of each Administrative Board. In reality, however, day-to-day work is handled by a separate Management Board that has no requirement for union membership.

FRANCE

Nationalized companies have Supervisory Boards with equal membership of Government representatives, worker representatives, and consumer representatives.

There are no legal provisions for worker representation in private sector companies.

UNITED KINGDOM

Boards of nationalized companies contain minority worker representation.

There are no legal provisions for worker representation in private sector companies.

THE NETHERLANDS

There are no legal provisions for worker representation in private sector companies.

BELGIUM

There are no legal provisions for worker representation in private sector companies.

Only the most liberal unions in the country favor worker representatives.

ITALY

There are no legal provisions for worker representation in private sector companies.

Italian unions view Co-determination as an effort to dilute worker power. Instead, they favor worker self-management.

REPUBLIC OF IRELAND

There are no legal provisions for worker representation in private sector companies.

Source: Intereconomics. No. 78, 1978, pg 200–204.

Mr. ASHCROFT addressed the Chair.

Mr. ASHCROFT. Mr. President, I ask unanimous consent to speak as in morning business for 10 minutes.

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

The Senator from Missouri is recognized.

Mr. ASHCROFT. I thank the Chair.

(The remarks of Mr. ASHCROFT pertaining to the introduction of S. 1741 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I ask unanimous consent to speak as in morning business for up to 5 minutes.

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

Mr. CRAIG. I thank the Chair.

(The remarks of Mr. CRAIG pertaining to the introduction of S. 1741 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, we have had continuing consultation with the Democratic leader and with the majority leader. I believe we have worked out an agreement as to how we can proceed for the balance of the day.

I ask unanimous consent that notwithstanding rule XXII that the cloture vote occur on the Dole amendment at 5 p.m. this afternoon; that the mandatory quorum under rule XXII be waived, and the time between now and the cloture vote be equally divided in the usual form for debate only.

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

Mr. LOTT. Mr. President, I yield the floor for a point of order, I believe, from the Democratic leader.

Mr. DASCHLE. Mr. President, I have already articulated the concerns that we wish to raise about the pending amendment. I will simply restate, in its current form, it falls $1.7 billion short of the revenues needed to cover the offset the gas tax provisions in fiscal year 1996.

At this time, I make a point of order that the amendment violates section 311 of the Budget Act.

Mr. LOTT. Mr. President, it has been brought to my attention that the pending Dole amendment, which contains the Democratic proposal for the minimum wage increase, violates the Budget Act by creating an unfunded mandate.

Our friends on the other side of the aisle have been requesting they get a clean vote on this minimum wage amendment for some time now, and it seems to me if the amendment were to fall on the point of order just raised, that our colleagues would lose their opportunity for such a vote.

With that in mind, I move to waive titles 3 and 4 of the Budget Act for consideration of the Dole amendment No. 3960.

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

Mr. LOTT. 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. LOTT. 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. LOTT. Mr. President, I yield the floor.

Mr. DASCHLE. I renew my request for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. I believe now under the unanimous-consent agreement we do have time for debate under the agreement. I see Senator GRASSLEY from Iowa is waiting to speak. I yield the floor.

Mr. GRASSLEY. Mr. President, I want to continue my remarks from this morning and express my support for the TEAM Act. I support the TEAM Act because it would allow employees the privilege to participate in workplace decisions, giving the workers a greater voice in matters of mutual interest such as quality, productivity, and safety. These are rational things and ought to be a subject of discussion between workers and employers. But, current law prohibits this type of participation.

The bill before the Senate would, among other things, encourage worker-management cooperation. It would preserve, without a doubt, the balance between labor and management, while allowing cooperative efforts between worker and employer. It would permit voluntary cooperation. It would do it between workers and employers and would allow all we want to encourage to continue working.

Current law prohibits 85 percent of working folks from talking with their employers in employee involvement committees. I know that does not sound reasonable, but present law prohibits it. It prohibits discussing things like the extension of employees' lunch breaks by 15 minutes; sick leave; flexible work schedules; free coffee; purchase of a table, soda machine, microwave, or a clock for the smoking lounge; tornado warning procedures; safety goggles for fryer and bailer operators; ban on radios and other sound equipment; dress codes; day care services, and no smoking policies. We know

that because employee-employer committees have tried to discuss these things and their efforts have been found illegal. The President spoke in support of this sort of cooperation in his State of the Union message this year. He said:

When companies and workers work as a team, they do better, and so does America.

Mr. President I agree with the President of the United States. I also agree with what Secretary Reich said in July 1993. He said this in an article in the Washington Post:

High-performance workplaces are gradually replacing the factories and offices where Americans used to work, where decisions were made at the top and most employees merely followed instructions. The old top-down workplace doesn't work anymore.

As astounding as it might sound that a Republican would be agreeing with the Secretary of Labor, I wholeheartedly agree. But things said in Washington do not always come out at the end of the pipeline in policy the way that they are really stated. In other words, rhetoric is not always followed through by performance in office.

Just a few months ago, at a national union rally in Washington, DC, following a $35 million campaign pledge made to the Democratic Party and a grand endorsement by the AFL-CIO, Vice President AL GORE pledged President Clinton's veto of the bill that we are debating on the floor of this body right now. This bill, in every respect, fits into compliance with the statements made by President Clinton in his State of the Union Message and Secretary Reich's article in the Washington Post. The TEAM Act is an act that does nothing more and nothing less than legalize workplace cooperation between nonunion employees and management.

Union representatives tell me that they fear that the TEAM Act would prevent them from organizing union shops. I want to emphasize that this act does not apply to union settings and would not undermine existing collective bargaining agreements.

Under the TEAM Act, workers retain the right, as they should, to choose an independent union to engage in collective bargaining. But as it stands now, if employees choose not to organize—and 88 percent of the private sector has chosen not to—they are penalized by not being able to conduct this sort of worker-employer cooperation through committees.

In other words, they are gagged and prohibited from discussing workplace issues with their employers. Throughout this debate, I have heard some of my colleagues talk about how they mistrust the intention of management. My colleagues who make these statements must assume that workers and managers have a built-in adversarial relationship, or they want to promote some adversarial relationships, instead of promoting cooperation, which this legislation would allow them to do.

At one time that may have been true, but that was decades ago and is generally not true today. The employers, as well as the employees, whether from my State or other States—but I listen primarily to those in my State—tell me they only want the legal privilege to form partnerships to promote cooperative work environments. They just want to be able to talk to each other.

One of my colleagues on the other side of the aisle stated that most companies already legally meet with their employees. But I would like to tell him about the possible consequences that a company faces if they choose to do so.

The Clinton-appointed Dunlop Commission invited the Donnelly Corp. to testify before the commission. This company was chosen because it was a shining example of how well employee involvement in these committees works. The company was praised for its promotion of workplace flexibility and formation of worker-management teams.

But this public announcement brought them and their employees a great amount of grief. The Donnelly Corp. was slapped with a labor lawsuit filed by the NLRB. Why? Because of its progressive operations. The Corporation was temporarily forced to cease its employee involvement programs. The company was accused of breaking Federal law, a law that the TEAM Act would reform.

After a long year of litigation, the case was settled, but the company is still threatened by possible labor lawsuits, unless the law is changed.

In 1995, Secretary Reich, when speaking to the Securities and Exchange Commission, called on the SEC to find ways to encourage companies to voluntarily disclose workplace practices that contribute to higher profits. He said he had heard that many companies were reluctant to provide information about such programs to the market for fear that they would be sued.

He said, "I believe there is a chilling effect. Why disclose if you subject yourself to potential liability?"

President Clinton, Secretary Reich, and their own commission, the Dunlop Commission, up until the union leaders made a $35 million campaign pledge to their party, supported reforms of current labor law. Now the Clinton administration has threatened to veto the TEAM Act in its present form.

The Clinton administration says that it is not beholden to special interests. But it seems like with a lot of vetoes, or a lot of threats of vetoes, this administration listens just to trial lawyers or to labor union leaders. Is it possible that the same administration that marches in lockstep with the National Education Association and the Trial Lawyers of America is more interested in a $35 million campaign pledge than in correcting the wrong that was done to the Donnelly Corp.?

So I encourage my colleagues today to recognize the need for the people to have a real voice in decisions affecting their workplace and urge them to support this act.

I know that everybody knows I am a Republican, and I know everybody believes that Republicans do not have any understanding of the workplace or the labor union environment. So I want to repeat what I stated this morning when I spoke about this same piece of legislation. I had the experience of working in a sheet metal factory from August 1960 until March of 1971. I worked on the assembly line, making furnace registers for the Waterloo Register Company in Cedar Falls, IA, a company that went out of business in 1971. I was a member of the International Association of Machinists from February 1962 until March 1971. I have an understanding of the workplace environment. I have an understanding of the cooperation that is necessary between labor and management if productivity is to increase. I have an understanding that you can have workplace committees and dialog between labor and management, outside of the normal collective bargaining process, and enhance productivity within the workplace.

Not only does it happen, but we need to encourage more of it, so that nothing is done in that process to interfere with the statutory right and the constitutional right that people have to organize in unions.

I was a member of the International Association of Machinists for that period of time. If I were still working at that company, I presume I would still be a member of that union. But the union that I used to be a member of, and most of these other unions that are stationed here in Washington, are against this bill. I think that is kind of like having your head stuck in the sand, because we are going to have to increase productivity in the workplace if we are going to keep up with international competition. We ought to be enhancing and doing everything we possibly can to make our manufacturing and our service industries more productive to meet the competition from overseas. And this bill would encourage that. I do not know why leaders here in Washington cannot understand that.

The people that were on the assembly line with me in the 1960's understood that, even though we did not have the international competition we have now. But also I think I learned something in the process, too, that labor union leaders here in Washington, DC, do not always represent the voice of their leaders at the grassroots. The people I worked with felt the necessity of encouraging this cooperation between labor and management so that

we would be more productive, so that we could make more money, get higher salaries, and better fringe benefits.

So I hope that we can pass this bill and get it to the President. I hope the President will stick to his message in the State of the Union, that we have to enhance cooperation between workers and employers, because that is what this bill does.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, 2 weeks ago today, I attempted to offer an amendment repealing the 1993 4.3-cent-per-gallon gasoline tax. Two weeks ago today, the Democrats objected to that amendment coming up, and we find ourselves in a situation where, all over America, people are talking about the rising cost of gasoline and diesel fuel.

The President now says he is in favor of the repeal. Our Democratic colleagues say they are in favor of it. But yet 2 weeks after I tried to offer this amendment, we have yet to get an opportunity to vote on it. When I tried to offer the amendment, our Democratic colleagues said, "Well, we want to vote on the minimum wage." So Senator DOLE said: "OK, let us vote on the gasoline tax, and let us vote on minimum wage with a relevant amendment if the Democrats want to offer an amendment to try to guarantee a pass-through on the gas tax."

The majority leader said that he would allow that amendment to be offered. If they come up with a reasonable amendment, we will support that amendment. But the majority leader said that, with the minimum wage bill, he would like to try to do something about an absurd situation which has had the effect of preventing workers and managers from using the teamwork approach which has increased productivity all over the world. The National Labor Relations Board has come in and denied employers and employees the ability to meet and talk together about such issues as company softball teams, appropriate work clothing for pregnant women, and other issues involving quality, efficiency and productivity because the union bosses believe that somehow their power is diminished if people who work for companies and people who run companies learn how to work together.

So, as a result, we are in a situation where the American people continue to await a repeal of the gas tax. I do not have any doubt in my mind that if we had a vote on repealing the gas tax this afternoon, 75 Members of the Senate, minimum, would vote for it.

The Democrats say they want to raise the minimum wage. The majority leader says: "Great, we will give you that vote." Yet, here we are where people are affected by rising gas prices, where we have the ability through legislative action to reduce the cost of a tank of gasoline when working families fill up their car or their truck or their van—about $1 for every fillup. Yet, for 2 weeks nothing has happened.

I wanted to come over today to express my frustration. I think we ought to bring up the gasoline tax repeal and have a vote on it. The majority leader has said he is willing to bring up the minimum wage and have a vote on it. The majority leader would like to have a vote on the so-called TEAM Act. My guess is that 98 percent of the American people would support the concept of letting people who work in the same company, whose retirements are tied to the progress of the company, who have the shared goal of creating jobs and growth and opportunity, talk to one another. Only in America do we have an absurd system where the Government tries to stop people who work for the same company from talking to each other to improve safety and efficiency and to improve the quality of life. Yet, while we have three proposals and we have an agreement from the majority leader to vote on all three of them, we are denied that ability.

While I am in the process of listing legislative agenda items, recall that we recently passed a health care bill. It was touted by both sides of the aisle. It was going to help 25 million people in making health insurance more affordable and by making it more available. And the majority leader, in his capacity as majority leader, sought to appoint conferees so we could go to conference with the House, adopt this bill, send it back to both Houses, and attempt to make it the law of the land. Now we have an objection to even going to conference with the House because the Senator from Massachusetts does not like the makeup of the conference decided upon by the majority leader.

So it seems to me that what we are seeing here is an effort to prevent the will of the American people from being exercised in the Senate. I think it is outrageous when we have had a consensus in the country for over 2 weeks, when we have probably 75 Members of the Senate who want to repeal the gasoline tax and bring down the cost of gasoline for working families, when we have a President who has said he would sign the bill, we cannot bring it up for a simple yes-or-no vote in the U.S. Senate. I think it is very clear to anybody who wants to watch the process that it is our Democratic colleagues who are denying us the ability to repeal the gasoline tax.

Let me say just a little bit about the gasoline tax. Many people do not understand, really, what this issue is about. Let me try to explain it in two ways.

First of all, prior to 1993, we had never had a permanent gasoline tax that was not tied to building highways. In fact, the gasoline tax has historically built up a transportation trust fund which has been used to build the transportation system of the country. It has in essence been a user fee. So you pay taxes on gasoline, and that builds roads. We have now taken part of that money, unwisely, in my opinion, and put it into mass transit, instead of a mass transit user fee paid for by mass transit. So we have mass transit systems all over the country, and nobody rides mass transit in many cases.

Quite aside from that point, before 1993 and the Clinton gasoline tax increase, the gasoline tax went to build highways. In 1993, the President tried to impose a general energy tax called a Btu tax. We defeated that tax. As an alternative, without a single Republican vote, the President and the Democratic majority raised taxes on gasoline, but none of the money that went into the Treasury from the gasoline tax went to building roads. For the first time, it went into general Government, which under the budget that we adopted——

Mr. FORD. Mr. President, will the Senator yield for a question?

UNANIMOUS-CONSENT REQUEST

Mr. GRAMM. I ask unanimous consent that the gasoline tax bill be made in order and be brought before the Senate at this point.

Mr. FORD. I object.

The PRESIDING OFFICER (Mr. DEWINE). Is there objection?

Mr. FORD. I object.

Mr. GRAMM. I would be happy to yield.

Mr. FORD. The Senator says this is the first time that we have ever used gasoline taxes for the general fund.

Mr. GRAMM. I said this is the first permanent gas tax we have ever had that did not go to the highway trust fund. We have adopted gasoline taxes in the past on a temporary basis, but we have never adopted a permanent one that did not ultimately go into the trust fund. This is the first.

Mr. FORD. For 1932 and 1956, all of it went to the general fund. That is No. 1. No. 2, the Bush nickel was divided, 2.5 cents for transportation and 2.5 cents went to deficit reduction. It did phase out in 1995.

So when you get back and start looking at all these things, there has been some tax that has been used in past administrations, and that is 10 cents, if you want to look at it, 5 in 1982 and 5 in 1990, and 2.5 cents was used in the general fund for 5 years. So when the Senator says it is the only one that has been dedicated, technically he might be right. But when you take it out of my pocket and you put it in the general fund, then I expect that I feel a little bit differently than the way the Senator explains it technically. So, yes, we have used taxes before for the general fund put on gasoline. Am I not correct, I ask the Senator?

Mr. GRAMM. Mr. President, reclaiming my time, obviously, before we established the highway trust fund, there was no trust fund to which the taxes could be directed. The Senator makes it very clear that we have had temporary taxes in the past that were not dedicated to the trust fund, but were planned to expire. The point I am making is this is the first permanent gas tax that we have had since we have had the highway trust fund that has not gone to the highway trust fund.

Let me tell you why that is important. We are taxing people who work for a living, people who have to get in their car or their pickup truck and, in my State, drive 30 and 40 miles to work to subsidize social programs for people who do not work, and I object to that tax. We are taxing people who live in the West and who live in rural areas who have to drive great distances to work for a living to subsidize people who live in the big Eastern cities, and I object to that tax. I do not think this is a fair tax.

I think it ought to be repealed on its merits. The American people want to repeal it because gasoline prices are up. The only thing we can do that will bring down prices at the pump is to repeal this tax.

Now, we have had the administration suggest that we have investigations. We have various committees that are holding hearings. But the point is, if we want to bring down the price of gasoline, we know how to do it. We could do it this afternoon. If the Senator had not objected and we had brought up the gasoline tax repeal as I just asked consent to do, we could have passed it this afternoon; it could have gone to the House; they could have passed it tonight; the President could have signed it tomorrow; and Saturday morning when every filling station in America opened, they could have lowered their posted price by 4.3 cents a gallon.

Let me also note that the price of highway diesel would come down 4.3 cents a gallon; the price of diesel used on the railroad would come down 4.3 cents a gallon; the price of commercial and noncommercial jet fuel and aviation gasoline would come down 4.3 cents a gallon. So we are not just talking about what you save filling up your gasoline tank. We are talking about consumers who pay this tax every time they go to the grocery store, because the cost of everything from red meat to beans has the cost of the diesel fuel tax in it because all of those groceries had to be brought in by truck or by rail to that grocery store. Every time you get on an airplane, you are paying this tax because it is built into the price of your ticket. So the plain truth is, the Joint Economic Committee has estimated that the annual cost of this 4.3-cent-a-gallon tax on gasoline to Texans is $445 million a year.

So my point is this. We have an issue here where the American people are overwhelmingly for repeal of this gasoline tax and in favor of bringing down the price of gasoline by about a dollar a tank. We should stop taxing working people who have to use their car or truck to go to work to subsidize social programs for people who do not work.

I do not understand, when we have such a clear consensus, when the President says he is for it, why we cannot vote on it.

Now, maybe they are not for it. I would never suggest that someone does not stand where they say they stand, but I think it is up to people who claim they are for repealing this tax but yet will not let us vote on it to explain to us why it is that they are for it. They think it is a good idea. The President, who is from their party, says he will sign it. But yet this now represents 14 days we have attempted to bring up the gasoline tax repeal, and we have been denied that ability.

So I just wanted to come over this afternoon to express my frustration at where we are. I do not understand. If people want to vote on the minimum wage, the majority leader has offered them an opportunity to have an up-or-down vote on it. People want to vote on guaranteeing the right of people who are in management and who are working on assembly lines to get together and talk and work together as a team, as the whole world is doing now and doing very effectively, and as American companies are doing but now they are being stopped by the National Labor Relations Board from doing it. I do not see why we cannot have a vote on it.

Now, I know that the people who run the AFL–CIO are against it, but I am against a lot of things that we vote on every day in the Senate. I do not know what gives them the power to dictate our agenda. I certainly wish we could submit this to popular referendum because most Americans would laugh in your face if you told them that you want to protect the ability of Government to tell employers and employees, blue-collar, white-collar workers working for the same company with the same interests that they cannot sit down and talk about safety clothing for pregnant women, about softball teams, and about jointly seeking quality.

It seems to me that is an eminently reasonable proposal. My point is why not vote on all three of these things? The one I am most concerned about, the one that I have tried now for 14 days in a row to get a vote on is repealing this unfair gasoline tax, unfair because it does not go to build roads; it goes to general revenues. It is being spent, every penny of it, on social programs, and we are taxing people who have to drive their cars and their trucks to work to subsidize in many cases people who do not work, and I do not think it is right. I would like to have a vote on it. I would like to be able to cut gasoline prices and do it today. I would like, when people tomorrow go to the filling station, that they look and see that the posted price is down 4.3 cents a gallon. If we acted today, we could make it happen.

I just express frustration that we are not allowed to bring it up and vote on it. If you are against it, fine, vote against it. We heard the Senator from Louisiana say yesterday that he was going to filibuster. Great, I admire that honesty. At least he admits that he is against the repeal. He is not pretending that he is for it and it is just that we are not going to bring it up and vote on it. He says, no, he thinks it is a lousy idea, he is against it and that he is going to filibuster. Great, let him filibuster. He has a right to do that, but let us bring it up. Let us let him talk, and let those of us in favor of repeal talk. And when everybody gets tired, then let us vote.

We could have cut gasoline prices 2 weeks ago if we had chosen to do it. So I hope when people go to the filling station to gas up the car for the weekend, when they are going to get the kids in the car and the dog in the back and go see mama, and they look at that posted price of $1.279, I want them to remember that Republican Members of the Senate wanted to cut that price 4.3 cents a gallon; when they filled up their Suburban with 42 gallons, we wanted to save them about $2. But we could not do it because people who say they are for repealing this tax, who are every day in the paper saying, "Yes, we do not object to it; we could vote for it; the President says he could sign it," but, yet, these are the very people that are preventing us from repealing this tax and cutting the price of gasoline at the pump.

So let me say to Mr. and Mrs. America, when you fill up your tank on Friday to go see mama and you look at that posted price, remember those who wanted to cut the tax and remember those who said they were for it but they would not let us vote on it.

If you will just enshrine that in your elephantine memories, it will serve the public interest and perhaps bring some good to the U.S. Senate.

I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

UNANIMOUS-CONSENT REQUEST—H.R. 2337

Mr. FORD. Mr. President, I ask unanimous consent that order No. 374, H.R. 2337, be immediately brought to the Senate floor and taken under consideration.

Mr. GRAMM. Reserving the right to object, I would ask to amend that unanimous-consent request to say that the bill be brought up and that the gasoline tax be in order and that there be 1 hour equally divided on the gasoline tax.

Mr. FORD. I object.

Mr. GRAMM. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FORD. He objects. Is it not wonderful? If you want something, they object. We want something—"we object." It is rather interesting around here.

What the Senator fails to tell us in his eloquent remarks, his Ph.D. philosophy here, and verbiage—and I am just a country boy from Yellow Creek trying to explain my position and I will do the best I can—what the Senator does not tell those who are watching on C-SPAN—and we had a big story on C-SPAN junkies today; he speaks to them—is that what the Republicans are trying to do is to have all this in one package. You have absolutely locked the minority out, and they cannot amend any one of those three items that you have talked about today. It is called the Dole gag order. The Dole gag order.

Let me quote what the distinguished Senator said, I guess back in 1993—we all go back to those—when he was frustrated. But he was wrong in his frustration. He says, "But as the distinguished chairman knows"—talking about the distinguished Senator from West Virginia—"we also have rights."

You said that—excuse me—the Senator said that. I want to be careful not to use improper language.

One of the rights we have is to refuse to participate in a situation which we believe, though it is totally fair and totally within the rules, creates a playing field on which we believe that we are not capable of getting a fair contest underway.

That is the language of the Senator from Texas. At that time he had the ability to offer four amendments. Right now we have no time to offer any amendments. And it is not, "Oh, we just want a vote." Vote on what? Vote on a package that you cannot offer an amendment to? They have us locked out. They have us locked out.

You know something, this 4.3 cents—look at it. Because it increases the deficit almost $2 billion this year. And there is no offset—no offset. To offset it in the language they have, they do two things. Over 6 years, they get the $800,000 out of the Department of Energy. And we have a $2 billion debt this year—deficit. Then they want to sell the spectrum. That cannot go into effect until 1998.

So we have no ability to amend it to be sure that the consumer gets the 4.3 cents. You say they could—the distinguished Senator from Texas says, "The consumer could get it." If he had been at the hearing in the Energy Committee this morning, he would have found out there is nothing we can do. If we give the 4.3 cents back, we create a deficit of almost $2 billion, because you do not offset it for 6 years and the spectrum sale does not occur until 1998.

Now, I have heard about the Gramm-Rudman bill, you know. You ought to read what the former Senator, Senator Rudman, talks about, how we cannot get together here. That is one of the reasons he left.

So the Democrats are the minority in this case. We always want to protect the minority, that is one of the reasons for the rules of the Senate. Sure, I can quote the Senator from Texas again: "We also have our rights."

So we have our rights. We want a cloture; we want to have the ability to amend. We offered yesterday afternoon three stand-alones, one on the gasoline tax, with amendments, relevant. We wanted the minimum wage, with amendments, relevant amendments; and the TEAM Act, with amendments. That is all. That is our rights. To quote the Senator: That is all we are asking for, is our rights.

You know something? Ninety-six percent of all the businesses today have committees that get together and talk about the very things the Senator says that they want under this legislation. They talk about safety. They talk about that now. Mr. President, 96 percent of all the businesses have those committees now. If they want to talk about health, they all could talk about that. But in this bill they eliminate present law, and the employer will appoint the committee. The employees do not have the opportunity to make that selection.

You know, we get out here and it sounds so good, and we are so bad. If I had not been on the floor—I think it is kind of unprecedented that you ask for a unanimous consent when the opposite party is not on the floor. I just happened to walk out here and we get a unanimous-consent request. I suspect the Chair may have recognized that, and I think that would have been disastrous, not only for the Senate's procedures but for the Members themselves.

So, yes, we are ready to vote on the 4.3-cent tax, but we want to offer an amendment to say that the consumer will get it.

You go back and listen to the very crafty language of the Senator from Texas. He says you "may" get it. We can save you, but if the oil companies, when you take off 4.3 cents, add a nickel on, the only people who make any money really, putting more money into their pockets, is the oil companies.

If I represented Texas and big oil, I imagine I would want to do the same thing, but I am here trying to protect the low-income people in my State and in this country.

When gasoline prices go up and you have no control over it, only 4 cents, and the minimum wage does not go up, they are still making the same amount of money, why do we not have our right?

So the choice here is whether we are able to have a question on the 4.3-cent gasoline tax removal and the ability to amend, that is all we ask. Then we have—and give a time agreement—and then we have the minimum wage. If you want to amend it, well and good. But the majority leader gave the Senator from Massachusetts exactly what he asked for. I doubt seriously if the Senator from Texas likes that. I do not imagine he does, but that is a stand alone. If they want to amend it—the other side—they can. We are giving them that right.

Then on the TEAM Act: stand alone, time limit, but give us an opportunity to amend it.

My dad used to tell me, "Son, when you miss a train, stand there with your suitcase and hat and another one will be by." What goes around comes around. We can fill the tree one of these days, and some of the Senators on the other side may just be here—may just be here. I understand the rules of the Senate. I understand them very well.

So, Mr. President, we want to be sure that an offset is there, and it is not there in this bill for 4.3 cents. Just increase the deficit, increase the deficit, increase the deficit. I have been preached to ever since I have been here by the Senator from Texas about balancing the budget. Well, he wants to dig into Social Security, $147 million a year. I am not going to allow that. I have a contract with my senior citizens around the country.

I hope he is making a lot of notes on this. I want to hear the rebuttal. Probably will be good; probably will be good. I can hardly wait. I will wait with bated breath, I guess.

Insurance? The insurance bill that was agreed to here I think was something very good for the retiring Senator from Kansas, Senator KASSEBAUM. I think it was good that we had bipartisan agreement with Senator KENNEDY and Senator KASSEBAUM joining together and asked we have no amendments. An amendment was offered and it lost. Then you want to put conferees on who would say, even though we lost the amendment in the Senate on a vote, we are going to put it on in conference. Sure, you have something to object to. We have our rights. We have our rights, and that is what the distinguished Senator from Texas said: "I have played by the rules in sending up the pending amendment."

So we have our rights.

Well, we are going to have a little debate on the budget, I guess now. We did not have a chance to have any input into it. Read the paper today. It is the Dole budget. You know, it looks like they are reducing the amount of tax cuts, but it is a "fooler." The last budget was for 7 years; this budget is for 6 years. So you have one-seventh more taxes into that one little frame—6 years.

So we have to be very careful. One thing Dad told me, too, "The devil's in the fine print." If you do not read the

fine print, you might not understand what you are voting on. That is one reason, I think, that we ought to be sure we understand that if the 4.3-cent gasoline tax comes off, we will have almost a $2 billion deficit this year, and this year ends September 30, and it takes 6 years to repay it. We cannot even pay for part of it until 1998.

We think we ought to have an ability to amend it to be sure that the consumer receives the money rather than "might save," "might receive." The dealer does not have to pass it on. I think that is a true statement. The oil companies do not have to pass it on. I think that is a true statement.

So give us an opportunity to amend, to the best of our ability, to be sure that the consumer receives the 4.3 cents. That is all we have asked. That is all the fairness we want, and I think that fairness is what the argument is about—not gridlock, not refusing to let you vote, but principle. I intend to stay here and work as hard as I can for principle and for the rules of the Senate and to operate in the best manner possible. So when you get down to it, that is all that you can ask for.

So I go back and one more time read:

But as the distinguished chairman knows, we also have rights.

I am quoting the Senator from Texas.

And one of the rights we have is to refuse to participate in a situation which we believe, though it is totally fair and totally within the rules, creates a playing field on which we believe that we are not capable of getting a fair contest underway.

So now I say to the Senator from Texas, all we are asking for is a fair contest. I think we have offered you a fair contest—or to the distinguished majority leader. Stand alone, give us an opportunity to amend. We cannot amend. You have it your way, we cannot get it our way.

Fairness in this Chamber is one thing that we have always prided ourselves on, but when we have a gag order—a gag order—and we are unable to amend, then I think we have every right under the Constitution and under the ability of use of the rules that we do the best we can.

I thank the Chair, and I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Texas.

Mr. GRAMM. Mr. President, I enjoyed listening to our colleague from Kentucky. I am always enlightened by his views. No one is saying that the Senator from Kentucky, or the distinguished minority leader, or every Democratic Member of the Senate does not have the right to deny us the ability to vote on repealing the gasoline tax.

I have certainly exercised my right as a minority Member of the Senate, when we were in the minority, as much as any other Member. In fact, we debated in one form or another the President's health care bill for 86 days. As much as any other Member of the Senate, I fought it and denied, until we had the votes to defeat it, the ability of the majority to vote on it. But the point is I never denied doing exactly that. In fact, I said in front of God and everybody the Clinton health care bill is going to pass over my cold, dead political body. I said in front of God and everybody, the Clinton health care bill is deader than Elvis.

Mr. FORD. Elvis is not dead.

Mr. GRAMM. Well, when he comes back maybe he could moderate this dispute we are having.

Mr. FORD. I would rather him than some I have.

Mr. GRAMM. Well, let me put it this way, the point is, for a period of time, I was one who helped deny a vote on the Clinton health care bill.

But the difference between me and my colleagues is I made it clear I was not for the Clinton health care bill. I never intended to see it passed. And it will not ever be passed. What I do not understand is all these people who say that they are for repealing the gasoline tax, but they will not let us vote on it.

Mr. FORD. Will the Senator yield on that point?

Mr. GRAMM. If I may just make my statement, then I will yield the floor and let our colleague have it back.

Mr. FORD. OK.

UNANIMOUS-CONSENT REQUEST

Mr. GRAMM. I will go back to the Budget Committee.

My colleague says all they want is an amendment to assure that if we repeal this tax it is passed along to the consumer.

I ask unanimous consent that the gasoline tax bill be the pending business of the Senate, that there be one amendment in order, to be offered by a minority Member to guarantee a passthrough to the consumer, and that debate on that amendment occur within an hour, and that there then be a final vote on the passage of the gasoline tax.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Reserving the right to object, I am considering modifying that to go to the Kennedy minimum wage amendment. What the Senator has done here—and I need to confer with the leader. I am sure you have not conferred with Senator DOLE as to your unanimous consent.

Mr. GRAMM. Senator DOLE—reclaiming my time——

Mr. FORD. Reserving the right to object, I have that time. So I want to consider modifying that amendment to add the minimum wage to that and under the amendment that was used by the majority leader in his proposal that we will vote on cloture at 5 o'clock.

The PRESIDING OFFICER. The Chair would note there is a pending unanimous-consent request. Does the Senator from Texas modify his request?

Mr. GRAMM. I am not going to modify the request.

Mr. FORD. Then I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GRAMM. Reclaiming my time, the point I want to make is, despite our dear colleague from Kentucky saying all he wanted to do was to offer an amendment to guarantee that the tax cut was passed through to the consumer, that in fact——

Mr. FORD addressed the Chair.

Mr. GRAMM. That is not all that the distinguished Senator from Kentucky wants to do.

Mr. FORD. He is quoting me as all I wanted to do was to add an amendment. That is not true. I said—and I regret that he misunderstood me—that we have the right to offer an amendment or amendments—I said plural—and that we wanted to be sure that the consumer received the 4.3 cents and not the big oil companies that he represents.

Mr. GRAMM. Mr. President, the distinguished majority leader said yesterday and the day before and the day before that he would look at any language the minority had concerning a passthrough of the tax cut from the filling station to the consumer.

In terms of oil companies, I do not think—first of all, I am proud of the fact that my State is an oil producer, as I am sure my colleague is proud of the fact that his State is the producer of tobacco and cigarettes.

Mr. FORD. Add coal to that. That is energy.

Mr. GRAMM. My point is, the gas tax is collected by filling stations. They collect the tax. And they remit it to the Government. The average filling station in my State collects about $300,000 of gasoline taxes a year. If we want to lower prices, the quickest way to do it is to repeal that tax.

Let me touch on a couple of other things here.

Our colleague says, 96 percent of companies are engaged in some form of joint work between management and labor. That is not the point. The point is, the National Labor Relations Board is now denying companies that ability. What we want to do is to guarantee that workers and management on a voluntary basis can meet together and talk about things like safety and health and productivity.

Mr. FORD. Would the Senator say that includes collective bargaining and wages and hours worked and things of that nature under your proposal?

Mr. GRAMM. Under the proposal that I am making—I believe in free speech. So I think if people want to get together and talk about any legal act between two consenting adults, they ought to be able to do it. It is an amazing thing to me that two consenting

adults can engage in any kind of activity other than industry, commerce, work, investment, job creation, but when they try to do those things they stand either naked before the world in terms of protection from our Government or they are impeded. If they want to do any other thing as consenting adults, they have a right to do it. I have never understood that. But there are many things that I do not understand.

Finally, I see two of our other colleagues are here. I want to yield the floor, but here is my point. For 2 weeks we have been trying to repeal the tax on gas. It is a simple issue. It is not a complicated issue. You either want to repeal the 4.3-cent-per-gallon tax or you do not. I do. A few people say they do not. Most people say they do. But yet we do not get a vote on it.

I am simply frustrated about it. But I have been frustrated before. But I just hope people will make note of the fact that even though for 2 weeks we have been talking about it, even though for 2 weeks people say they are for it, for 2 weeks we have not been able to do it. I hope that something can be worked out. I certainly, for my part—this is a decision that will be made by the majority leader and the minority leader—but I am perfectly willing to see votes on other issues. I want a vote on repealing the gasoline tax. I hope something can be worked out. I yield the floor.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER (Mr. DEWine). The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I have been sitting in on this debate, and I have been presiding during part of the time. There are some things that I think should be said at this point that have not been said so far that would be appropriate.

It is shocking, it seems to me, the issue of raising taxes is a partisan issue. I mean, if you look at the way that the debate is going, those on the Democratic side are trying to raise taxes.

I reread a statement that was made by Laura Tyson who is the chief economic adviser to the President of the United States. I am going to quote it right now into the RECORD.

There is no relationship between the level of taxes a nation pays and its economic performance.

If you really believe that, then it is understandable why we are having the discussion that we are having today. But the difference in the way we treat our attitude toward taxes, between the Democrats and the Republicans, is incontrovertible.

In the 103d Congress, under a Democrat-controlled Congress, they had the "largest single tax increase in the history of public finance in America or any place in the world." That is a direct quote from PATRICK MOYNIHAN who at that time was the chairman of the Senate Finance Committee.

Mr. FORD. Will the distinguished Senator yield?

Mr. INHOFE. Not until I am through with my remarks.

Mr. FORD. I have a question about that.

Mr. INHOFE. I am kind of slow, and it takes me long to get my train of thought back.

During that time, it was the first ever retroactive tax increase, in other words, we passed a tax increase that went back and imposed taxes on people who were adjusting their behavior and their activities predicated on the existing tax structure at the time. They made it retroactive.

The third thing they did—the top tax rate increased to 39 percent, a dramatic increase. It has been increased again since then to 42 percent. The tax on Social Security for many of the senior citizens in this country went up by 50 percent to a total of 85 percent.

I believe we need also to make a couple of statements in response to what has been said about the economy, this glowing economy that we supposedly have right now. I have some figures here that show there is no glowing. I know if you say it is long enough, the people will believe it. Then they will say, "Well, someone's doing a very good job." But it is not.

Right now, under President Clinton, the economy grew at a slower rate in the first quarter of 1996, 2.8 percent, than it did in the first quarter of 1992, which was 4.7 percent. There have been lost—this comes right out of the Bureau of Statistics, published on May 3, 1995—in that particular year, 17,000 manufacturing jobs were lost in April, bringing the total number of jobs lost in that sector to 338,000 since last March.

I guess the reason I bring this up is that I am one of those individuals who has read history and who believes that you can increase revenues by reducing marginal rates. We saw this happen in the 1980's, during the decade of the 1980's, when we saw the largest number of rate decreases. We increased revenues substantially. The total revenue that was generated in 1980 was $244 billion for marginal rates. In 1990, it is $466 billion. We almost doubled it by reducing dramatically the rates.

This is not just a Republican concept. President Kennedy, back when he was President of the United States, made a statement, "It is a paradoxical and economic statistic that the way to increase revenue is to reduce marginal rates."

It is something we have seen history repeated over and over again. You are not going to increase revenue by increasing taxes. Therefore, if we can reduce any of these taxes, we should take this opportunity to do it.

As he said, 1993 was the largest single tax increase in the history of public finance in America or any place in the world. If you opposed that increase, the largest increase in history, you should be supportive of repealing any part of it. This is just a small part of it.

I think, also, if you remember what President Clinton said in Houston not too long ago when he was talking to a group of people who were pretty offended by the increases in taxes, he said, "A lot of people think I increased taxes too much in 1993. It might surprise you to know that I think I did, too."

I want to help the President. I want to help him reduce the taxes that he admits were too high in 1993. I yield the floor.

Mr. FORD. Mr. President, a couple of items. The Senator from Texas [Mr. GRAMM] talked about the payment at the pump, the taxes collected at the rack. That is what I thought. I was not sure. I got the information. So the wholesaler or the distributor collects the tax, and it is not the dealer that would be able to give or reduce his price. I thought that ought to be brought out here now. I do not want my service station operator to be jumped on when we say you did not get the 4.3-cent reduction tomorrow or next week. It is at the rack. So I am trying to protect them.

My colleagues, as they make these speeches, they leave the floor. I have to give the Senator from Texas a compliment because he stayed here and we had a little back and forth. The Senator from Texas is going to the budget meeting, I understand. My figures—and I always stand corrected because somebody will find a way to get at me with words—but under the Republican Budget Committee's mark yesterday, taxes will increase more over the next 6 years than they did over the past 6 years.

Think about that: $415 billion. Under the Republican budget chairman's mark advertised yesterday, taxes will increase more over the next 6 years than they have over the past 6 years. That is $415 billion, if I figure that right.

Everybody will say, well, the economy is increasing and all that stuff. If it is increasing, give this administration some credit. I understand the criticism. This has become a Presidential campaign Chamber. It is not a Chamber dedicated to the people of this country, trying to do the best job we can for them. If we could stop the Presidential campaign in the Chamber, I think the overwhelming majority of U.S. Senators could get together and pass something in the best interests of the people.

We just cannot continue to have the Democrats shut out with a gag rule on us. The principle here is not whether we are for or against a 4.3-cent reduction in gasoline tax. That is not the question. The question is, we are being

eliminated from having the opportunity to debate it and offer amendments.

The Senator from Texas said that he could not guarantee they could give them 4.3, or the big oil companies could keep it, or the wholesaler at the rack could keep it. It does not have to pass this price on. We just want to have the opportunity.

The point of being for or against removal of that tax is not the question. Fairness is the question, and the ability to have an up-or-down vote and to offer amendments. We have offered stand-alone amendments and a time agreement on each one of those three. We have been turned down. We will consider an amendment to get this, but we want to put it in our package. We do not want it outside that package. So the gag rule still is extended.

Nowhere, nowhere—we may have filed cloture, but we did not say you could not file amendments. I quoted from the Senator from Texas in 1993 where he said that he had his rights. That is the same thing I am talking about. Nothing different. When he was fussing then, he had the ability to offer four amendments under that tree. He had a right to offer four amendments. We never excluded anybody from offering amendments, as is happening to us now.

Where is the fairness, Mr. President? All we are asking is for a little fairness.

The gag rule is being applied to the minority. The gag rule is being applied to the minority. As long as I have the ability and breath in me, I am going to speak out against that, as the Republican side of the aisle did for so long. I listened to it. We can quote and quote and quote what they said and what statements they made, and now we are trying to say the same thing. We never instituted a gag order on the minority in all the 22 years I have been here.

I yield the floor.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Delaware.

Mr. ROTH. Mr. President, it is time to repeal the 1993 Clinton gas tax increase. On Wednesday, Senator DOLE, Senator GRAMM and I, along with a number of our colleagues, introduced legislation that would do just that. I wish we would have been able to repeal this tax on tax freedom day. Unfortunately, my colleagues on the other side of the aisle were unable to agree to the compromise package that Senator DOLE had offered them. Today is another day, one in which I hope we will see repeal of the 4.3 cent per gallon motor fuels tax.

During the 1992 Presidential election campaign, then-candidate Clinton, when asked about Federal excise taxes, said, "I oppose Federal excise tax increases." But as with other views that Bill Clinton has held, this one was not adhered to for very long. In fact, in 1993, President Clinton, as part of a $268 billion tax increase, the largest tax increase in history, embraced a permanent 4.3 cent per gallon motor fuels tax.

I like to remind my colleagues that President Clinton originally proposed a Btu tax, which translated into a 7.3 cent per gallon motor fuels tax increase. Just last October, the President admitted to Americans that he had raised our taxes too much. I agree and believe that right now every driver in America also agrees.

Last month, gas prices were higher than they had been in a decade. The administration and some of my colleagues on the other side of the aisle have responded to this crisis by calling for investigation of the oil companies.

Certainly, if there is any price gouging going on, we ought to know about it and we ought to stop it. But, we need to take action now. What we in Congress can do right now is repeal a tax that only adds insult to injury for every driver in America, a tax that, again, is part of a package of increases that Bill Clinton himself admits is too high.

Last Friday, the Finance Committee held a hearing to discuss the effect of the Clinton 4.3 cent per gallon motor fuels tax increase and to explore the possibility of repeal. We heard from several representatives from industries that are affected by the increase. The panel included representatives from the Air Transport Association, the American Trucking Associations, the American Bus Association, the Association of American Railroads, as well as the Service Station Dealers of America and Allied Trades. These panelists provided our committee with useful insight to the damaging effect the permanent 4.3 cent per gallon motor fuels tax has upon their industry and their customers. In addition, the American Automobile Association, which serves more than 38 million drivers, submitted testimony supporting repeal of the 4.3 cent per gallon motor fuels tax.

The American Automobile Association said in their written testimony that repeal of the 4.3-cent-per-gallon motor fuels tax restores the integrity to the gasoline tax as a user fee, and it helps restore public trust in the Federal Government and integrity to the Highway Trust Fund.

Some of my colleagues on the other side of the aisle at the Finance Committee hearing and here on the Senate floor have expressed concern that the tax benefit derived from repeal of the 4.3-cent-per-gallon motor fuels tax would not be passed on to consumers. During the hearing, one of the witnesses was Mr. Melvin Sherbert, chairman of the legislative committee of the Service Station Dealers of American & Allied Trades. He is also an owner and operator of two Amoco stations in Prince Georges County, MD. I asked Mr. Sherbert whether he and other service station owners would pass on the tax benefit from repeal of the 4.3-cent-per-gallon motor fuels tax. Mr. Sherbert responded, and I quote:

> I know that [prices] would go down. . . . The moment we receive [the benefit from repeal of this tax] we would put that on the street.

The other witnesses at the hearing testified that they too would pass on the benefit. Since the hearing we have also received letters from a number of oil companies and industries assuring us that the benefit from repeal will be passed through to their customers. We in Congress cannot control market prices. But what we can control is the tax burden we impose on the American people. Repealing the 4.3-cent-per-gallon motor fuels tax, therefore, will reduce the tax burden on gasoline and that which the American people must bear. It will also send a clear message from Congress to the industry, that we want to keep prices low for the consumers, and that we are willing to do our part. We strongly encourage them to do theirs.

I would like to remind my colleagues, that when President Clinton raised taxes $268 billion in 1993, he said he was raising them on the rich. We knew then that that was not true.

Now there is no doubt. President Clinton has raised taxes not only on the middle class but also on low-income families, and now my colleagues on the other side of the aisle are denying these low-income families tax relief. The truth is, Mr. President, that every person who drives a car, who buys groceries, who takes the bus, the train, or a plane has to pay this tax. These are not all rich Americans. In fact, Americans who are hit the hardest by this regressive tax are people at the lowest income levels, those making less than $10,000 a year. Repeal of this regressive tax, therefore, would benefit all Americans, especially those with modest incomes.

It is a well-known fact that 4.3-cent-per-gallon motor fuels tax not only disproportionately affects low-income people, but it also hits people in rural areas harder than it does those in more metropolitan areas. President Clinton knows this. In February 1993, just months before he signed into law the largest tax increase in history, said:

> For years there have been those who say we ought to reduce the deficit by raising the gas tax a whole lot. That's fine if you live in the city and ride mass transit to work. It's not so good if you live in the country and drive yourself to work.

Despite this statement, the 4.3-cent-per-gallon-tax increase was enacted. I agree with President Clinton's 1993 statement. People in rural areas should not be penalized because they live in areas that require them to use their

cars and travel longer distances. For example, in my home State of Delaware, which contains many rural areas, the average family pays $463 in gas taxes per year. This figure includes both State and Federal gas taxes. When the 4.3-cent-per-gallon motor fuels tax is repealed, the average Delaware family's tax burden will be reduced by $48—a good first step.

Some of my colleagues argue that the 4.3-cent-per-gallon motor fuels tax is no different than other gas tax increases used for deficit reduction. I disagree. The 1993 Clinton gas tax increase is different from other gas tax increases before it. This gas tax increase went, and continues to go, entirely to the general fund. Unlike in past years, no portion of the Clinton gas tax increase goes to the highway trust fund. Thus, none of this money goes to pay for building and repairing highways. President Clinton and many of my colleagues from the other side of the aisle have argued that this tax is going to reduce the deficit. But, in fact, a study released last week shows 44 cents of every dollar Americans paid for the Clinton tax increase did not go to reduce the deficit. Instead, once again, Americans' tax dollars went to pay for more Government spending—for bigger government.

The Clinton gas tax increase did not get a single Republican vote because Republicans believe in cutting wasteful Government spending, rather than increasing taxes to pay for more Government spending. So while in the scheme of Government programs the 4.3-cent-per-gallon motor fuels tax may not seem to be a paramount issue, it represents what separates Republicans from the big Government spenders. While the President purports to favor balancing the budget, at best he would do so by matching big spending with high taxes. Our belief is that we should cut spending and lower taxes on the American people.

Mr. President, it is time to give Americans a break from taxes and big Government. I hope that my colleagues on the other side of the aisle will allow the Senate to move forward, and stop blocking tax relief for working Americans.

Finally, Mr. President, I would like to take some time to respond to a remark made by President Clinton in his press conference Wednesday. President Clinton said, and I quote, "I ask the Republicans in Congress to consider something else. This is the first time your party has controlled both Houses of Congress at the same time since 1954. What is the record you will present to the American people and leave for history?"

Well, I must say I am glad that President Clinton asked. As chairman of the Senate Finance Committee, I would like to respond in the area of taxes: this Congress cut taxes. By contrast, when President Clinton's party controlled Congress, taxes skyrocketed Again: we cut taxes. President Clinton and the 103d Congress raised taxes.

Here is a chart that shows what happened to taxes when the Democrats controlled both the White House and the Congress: taxes increased by the largest amount in history—$268 billion. Now, on the other side of the chart, in green, we see what happened with the Republicans in control of Congress—we passed a $245 billion tax cut. But, that was vetoed by the same President who signed the $268 billion tax increase.

So, our Republican record is of tax cuts—letting Americans keep more of what they earn so that they can spend it or save it as they see fit. Tax cuts that allow businesses to expand, hire more people and pay their employees more. Tax cuts that allow Seniors to keep more of their Social Security benefits. Tax cuts that allow more Americans to save tax free for their retirement, or their first home, or their children's education, or their health care. Tax cuts that end the Tax Code's penalty against marriage.

President Clinton, tax cuts are the record of this Republican Congress. What is the record of President Clinton and the 103d Congress? A world record tax increase and a veto of a tax cut. Frankly, Mr. President, I prefer our record, and I think that most of America does too.

I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. I thank the Chair.

Mr. President, I want to commend the distinguished chairman of the Finance Committee. I would add, in addition to his answer to the President, what has been the record of this Congress. This Congress, despite news coverage and quarrelsome attacks from our opponents, has been able to change the pattern of Government spending. We just reduced discretionary spending $23 billion. Most people do not know that. We have put appropriations bills through that actually cut Government spending—unheard of in recent years. A little over a month ago we put through a very significant regulatory reform measure that is going to benefit small businesses, farmers, ranchers, and others who believe that Government regulation, while necessary, ought to be reasonable and sensible. We got that done. I am proud to say that we did that one in this body on a totally bipartisan basis. So we can make progress.

But, Mr. President, I want to talk today just a few minutes and set the record straight on something called the TEAM Act. Our Small Business Committee recently held a hearing on the TEAM Act. We heard from small businessowners who achieved better productivity, quality, and safety by involving their employees in workplace decisions. Frankly, in the years when I was Governor, we tried to figure out how we could help small businesses improve their productivity. We talked to the best civil and manufacturing engineering and engineering talent from the University of Missouri at Columbia, and from the University of Missouri at Rolla, people who set up the Japanese management style, who said we could really improve productivity by involving employees in decisions to improve productivity, getting them actively involved in teams, not the same as the TEAM Act today, but we used teams. Small businesses seized on that model, and they were successful and they did reduce their costs. They were able to achieve productivity increases, getting better wages, and keeping their jobs because of it.

At the hearing that we held in the Small Business Committee, we were bringing in people to talk about it, and some of those people had great stories. Let me tell you that five other businessowners and their employees who had enthusiastically agreed to come and testify before our committee had to back out. They backed out because their lawyers said they were crazy, because, if they went in front of a Senate committee and admitted that they had involved their employees in improving productivity, they might be brought up by the NLRB for violating the National Labor Relations Act. They were proud of their accomplishments and proud of what employees had done, working together with their employers, to improve productivity and their job security for the future.

Mr. President, I think employee involvement has special implications for American small business. By definition, small business employees have to be used in a variety of ways because the small business owner has many duties to delegate and the line between manager and employee is much less distinct than it might be in a larger business. The TEAM Act is also important because many small employers cannot afford to hire a labor law expert or consultant or lawyer each time they want to try something new or to talk with their employees.

I can tell you from listening to small employers throughout America that they are scared to death of having another expensive confrontation with the Federal Government. They particularly are afraid of having the NLRB come down on them. No small business owner wants to invest precious time and resources in an employee-involvement system to utilize the good ideas of their employees and then find out it has to be dismantled if the union, or the NLRB, gets wind of it.

My distinguished colleague from Massachusetts, in arguing against this measure, has emphasized that employee involvement is used in many

businesses now. That is probably true. But this does not change the fact that many of the employee-involvement teams in existence today may actually be in violation of the law as it is written. The argument, I gather, that is being made on the other side is that because some businesses and employees work together and do not get caught by the NLRB, they do not need a law. That sounds a little strange to me.

Secretary Reich and President Clinton have said we need to encourage corporate citizenship and employment and employee involvement in decision-making if America is going to compete globally. It is not just a question of competing globally. For many small businesses in my State, it is a question of competing in the marketplace right now. They can do it. They can provide a better product or a better service for their customers. But they want to be able to rely on the good ideas of their employees. The reality of the modern workplace for businesses of all sizes is that workers are being given more power, and that is good. Management likes employee involvement because it increases productivity, improves safety, and creates skilled workers. Employees like to work in teams because it gives them a voice both in their working conditions and the quality of the goods or services they provide.

The National Labor Relations Act apparently right now gives employers and managers two options: employee involvement through unions, or no involvement at all. This means that 90 percent of workers in America who do not belong to a union, or who have chosen explicitly not to belong to a union, are not allowed to have a substantive voice in what they are doing in the workplace. The TEAM Act offers employees who are not unionized a way to participate.

Opponents of the TEAM Act have argued that employee teams are really sham unions that delude employees into thinking they have power. I must tell you sadly that I heard one news report this morning which said that the purpose of the TEAM Act was to permit companies to establish unions. That is just not true. That is absolutely false. I do not know who is spinning the story, but they really suckered a news broadcaster on that one.

The TEAM Act amends the National Labor Relations Act, section 8(a)(2) to allow employees and managers at non-union companies to resolve issues involving terms and conditions of employment. These include things such as scheduling, safety and health, even when they get coffee, and company softball teams, but it does not allow and it would not allow employee teams to act as exclusive representatives of employees or participate in collective bargaining. In other words, the teams of employees would not have the power of unions. Section 8(a)(2) would continue to prohibit the domination of unions by the employer. So employers that tried to set up teams of employees to bargain collectively would still be in violation of 8(a)(2) both because they are dominating and because of the collective bargaining aspect. It is important to note that any bad-faith actions on the part of the employer would also result in violations of other parts of the National Labor Relations Act, particularly section 8(a)(1).

Mr. President, we have seen the National Labor Relations Board. I do not think there is any problem with their being vigilant to make sure that the statutes that will remain on the books are thoroughly enforced. I think it is time to give employees and employers a little credit for good sense.

Workers are smart enough to know when they are getting a fair shake from management and to look elsewhere if they are not. Management knows that without meaningful employee involvement the improvements in efficiency, safety, and quality simply are not going to be there. Employees and employers must be given the right to choose what is right for them—unions if they want it, employee involvement if they want it, or maybe in some circumstances both or neither. We ought not to be saying that employees cannot work in teams with employers or employers cannot work with teams of workers when they are not bargaining collectively. Small business owners want to work closely with their employees. These employees have often been there from the inception of the small business. They are the ones who can make it grow. They are the ones who can ensure it prospers. They are the ones who can ensure that it will provide good job opportunities in the marketplace.

President Clinton has said time and time again he is a friend of small business, but the fact that he has already issued the veto threat and called the TEAM Act a poison pill shows that simply is not true. He is marching to a different drummer. It is not the drumbeat of small businesses and their employees today who know how they can compete and provide a better product and get more satisfaction from their jobs.

America's business needs the flexibility and the legal ability to involve employees in every facet of business in order to compete with large businesses, with other businesses and to compete globally.

I sincerely hope that we can move to votes on this measure and adopt into law reform, incorporating the provisions of the TEAM Act which will let businesses and employees work together.

Mr. President, I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, what we are doing this afternoon is trying to move forward to get approval of a piece of legislation, S. 295, called the TEAM Act—T-E-A-M, TEAM Act.

Now, what the TEAM Act says is that it is perfectly permissible for an employer to sit down with a group of his employees and say, what do you think is the best way to make this place more efficient? Or how can we make this place safer? Or what can we do to increase our productivity? Now, apparently—and I must say I was stunned to learn this—that is illegal. You cannot do that. Now, of course, it is happening across the country, but if it is discovered it is illegal, you can be hauled up before the National Labor Relations Board.

There is something about this that has an Alice in Wonderland complex to it. What is going on in the United States of America when an employer cannot say to a group of workers out there, the fellow down the road is producing our product at a lower price and faster than we are. What can we do to improve our productivity? And so they give him some suggestions. But it turns out that is against the law. It is against the National Labor Relations Act which was passed in 1935. So we are held up, ensnarled in an act that was passed 61 years ago.

So what this act, introduced by the Senator from Kansas [Mrs. KASSEBAUM], reported out of the committee, says is that there are certain things you can do. No, you cannot do collective bargaining with a group of employees like that. That is separate. But certainly you can sit down and decide how you are going to increase productivity or how you are going to make the place safer or what can we do to make it more attractive to get other workers to come and join with us in this effort.

That is what this is all about. The mere idea that we need a law to do this seems to me—I must say I never dreamed this would be required. Frankly, when they started talking about the TEAM Act, I did not know what it was and had to have somebody spell it out. So that is why we are here today. This is vigorously resisted by the unions, and it is vigorously resisted by the administration. The administration has gone so far as to say if this law is passed, this TEAM Act, it will be vetoed.

I must say I think that is unwarranted and extremely shortsighted. There are two factors, it seems to me, that make it very important we pass this legislation. First—and this is no secret to anybody who is watching this or in the galleries or anywhere—American industry is in the fight of its life against competition. We now have a global economy, no question about it. Something made in China or the Philippines or in the Caribbean nations

comes into the United States and is sold is competition.

So we in this country have seen the loss of tens of thousands of high-paying American jobs. I have seen this regrettably in my State to a considerable degree. So what this intense competition abroad has required is for American industry to produce better products at a lower price, increase productivity and be more efficient in every fashion. So this painful but necessary reexamination has required more intensive labor and management cooperation than in the past.

The second thing that has taken place—the first is the global competition. We have to compete or our jobs will not survive—our laws have not kept pace and in many ways impede our progress toward reaching this global competitiveness. Labor law must change just like manufacturing processes must change or cooperation has to be greater. And that is true of labor laws likewise. Labor laws have to reflect the need for cooperation and teamwork that is critical for our survival.

The National Labor Relations Act, as I previously mentioned, was enacted in 1935 and has changed very little in those ensuing 61 years. Unfortunately, that law is rooted in adversarial—when that law was passed in 1933, it was there to take care of a situation. At that time, there was great turbulence in our industries. There was an adversarial situation between labor and management. Indeed, workers were prohibited from organizing in many States. They were prohibited from going on strike. All of that changed in the early 1930's with the National Labor Relations Act and other laws such as that.

The act, as I say, has not been adequately changed in the 61 years that have passed, and it does not recognize that now there is a great deal of cooperation that is needed in our factories and workplaces, so efforts to increase workplace cooperation were substantially hindered in 1992 by a decision called the Electromation case. That was a National Labor Relations Board case some 4 years ago. In that case, the National Labor Relations Board said that employers and employee committees which talk about attendance—people are not getting to work on time. What is going on around here? What can we do to increase the attendance? We have a lot of people who are not showing up. We have some people who work a 4-day week when they are meant to be here 5 days. What can we do about it? What can we do about no-smoking policies? What do you want? Do you want a separate place to smoke? Do you want no smoking? What do you want? It was decided you cannot do that. You cannot even talk to your employees about what is the best smoking policy or no-smoking policy.

This act we are talking about today, called the TEAM Act, would simply conform labor law with what is already happening. As I say, all across our country there are, in fact, these committees, and our managers and our owners of these companies do not realize it is against the law. Indeed, there are some 30,000 of these labor/management committees across the country. But if any one of them is discovered, it could well be that it is in violation of the National Labor Relations Act and could be punished with fines of a very severe nature.

It is said that this bill is a threat to labor unions. I must say, I do not understand the rationale for that argument. This bill specifically states in its language that the committees that are entitled to be formed under this act cannot negotiate, cannot amend existing collective bargaining agreements. All they can do is talk about better productivity, talk about greater efficiency and matters of that nature.

As has been mentioned previously, the hitch is that the law says employers cannot enter into the formation of any organization that deals with these problems that I have mentioned: attendance, productivity, efficiency. This, as I further mentioned, has received a very broad interpretation from the National Labor Relations Board. So it makes illegal most of those employee-involvement committees that I previously dealt with and mentioned.

What we seek in this act is to have some clear definition of what we might call a safe harbor. What is a safe harbor? A safe harbor is an area where the employer knows it is safe for him to enter into discussions with employees without running afoul of the law. That is what this is all about. The TEAM Act is this safe harbor. It would do nothing to undermine union organizing or collective bargaining. It would recognize and authorize a simple fact of life: Employers are, indeed, nowadays looking to their employees more than ever before to help them, the employers, have a better workplace, a smarter workplace, a more efficient workplace, a more successful workplace that, hopefully, will result in more jobs, not only for those employees and their families but others across our Nation.

This is very simple. It is a good idea that, as I say, I am stunned it is causing this furor, this fuss, because it ought to be adopted, I think, unanimously. Democrats and Republicans and unions all ought to embrace something that is going to make our country more efficient.

I do hope this TEAM Act, S. 295, will be adopted, and I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. Mr. President, I suggest the absence of a quorum and ask unanimous consent the time be divided equally between both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ASHCROFT. 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. BENNETT. I yield 6 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 6 minutes.

Mr. ASHCROFT. Mr. President, I rise again to support the concept that workers are America's most valuable asset. If we are to succeed in the next century, if we are to survive in a world of universal competition, we cannot go into the competition forbidding workers and employers from talking to each other.

If the 1960's and 1970's taught us anything at all, it was a lesson taught when foreign competition, especially in automotives and electronics—competition that gained from taking suggestions from the production floor and incorporating them in the process of the operation—almost drove some American businesses under. Suddenly, American manufacturers began to replicate this awareness of the great resource that employees can bring to business. I watched that happen when I was Governor of the State of Missouri. I observed as companies started to develop a sensitivity and how they would increase their productivity in the process.

On numerous occasions I have come here to support the TEAM Act, which provides specific authority for employers to talk to employees, even in the absence of a labor union—specifically in the absence of a labor union—in order to gain the benefit of those employees, their views and their opinions.

A series of cases with the National Labor Relations Board has found illegal the contacts between employers and employees on fundamental issues like safety, like working conditions, like working hours, like flexible work time, something that would help resolve this tension that exists between the demand that we seem to have for both parents being in the workplace and the fact that we need to raise children in our homes.

I believe it is good to say to our companies, "Talk to your workers, get their suggestions, become more competitive, become more productive and, as a consequence, help us be survivors in the next century; be swimmers, not sinkers, in the competition which we're going to be encountering all across the world as those tremendous nations of the Far East come on line, nations like China, like Korea, Japan, Singapore, Indonesia, tremendous populations which will be very competitive."

So I believe the TEAM Act is one of those fundamental things that America should stand for, and that is working together.

This already can happen in union settings. But only one out of nine workers is a union worker in the United States—outside of government—and we do not want to tie the hands of eight out of nine of our competitors by not allowing them the advantage of working together with management to improve situations.

One of the great examples that has been talked about in this entire debate has been a company named EFCO. It is a company in the State of Missouri that makes architectural glass, window wall systems. If you build a skyscraper that is going to be made out of glass, you order glass from someone like EFCO.

In the process of their conferring with their workers, they went from about 70 percent on-time deliveries to well over 90 percent on-time deliveries. They improved their performance so substantially that the company exploded the jobs and literally had lots of new jobs, and that is the kind of thing we want to have happen.

One of the Senators came to the floor to criticize the EFCO company, and in listening to him, I cannot really tell you that it is much of a criticism. But in attempting to criticize the company, he said the committees met on company property. I think that is nice for the company to say to employees and their committees that they are interested in helping the employees by allowing them to use company property.

They met during working hours. I think that is good. It did not require these folks to come back away from their families.

He said they had high management officials who attended these meetings. I think it is good when management and workers talk together.

He said the committee members were paid for the time spent on committee work and that EFCO provided any necessary materials or supplies.

I suppose that might be an indictment, but it does not sound like an indictment to me.

But also represented was that somehow these committees were established in response to union activity. But the conclusion of the administrative law judge, who reviewed the evidence in this case, indicated that simply was not so.

These committees were started in 1992, and the administrative law judge indicated, in his opinion, that there was no "noticeable union organization" activity until July 1993. The first committee was established in April 1992 which was 15 months before any noticeable union activity. Besides, the case law states the employer's motivation would be irrelevant in any event.

The Senator who came to the floor to criticize the EFCO decision said that EFCO was found to have dominated these discussion groups; it sort of had a dark and nefarious tone about it. Let us find out what this domination really amounted to.

The company set up the committee and said, "We want to talk." I do not find that to be particularly onerous. I think that is really nice. So many companies do not bother to listen to their employees. As a matter of fact, that EFCO set up the committees is a commendation for EFCO.

No. 2, that Senator said it was pretty bad that EFCO initially selected the members of these committees. What a terrible thing that is. To get them started they did. What was not said is they wanted to have broad membership and, second, that the employees soon established a policy whereby they chose their own members.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BENNETT. Mr. President, I yield an additional 2 minutes.

Mr. ASHCROFT. Mr. President, I thank the Senator.

It sounded pretty bad that the company chose the members until we found out that was just a way to get it started, and then it sounded very generous that the company allowed the employees to select the members after that. That is more generous than most labor unions that unilaterally select employees.

Then it was charged that management participated in most of the meetings. It turns out they participated, but they did not vote on matters before these committees. They wanted to participate for purposes of discussion and learning. In addition, they attended the first committee's meeting, but then after that, they only attended by invitation of the workers.

Of course, it was then charged that management in some instances suggested issues. I happen to believe that such employee groups would want to hear from management and management would want to hear from the employees.

All these things that were said to have been so disastrous seem to me like good, constructive things to do, and that is really why we need to pass the TEAM Act.

This company was hauled into court for asking for the opinion of employees, for letting them express their opinions on company time, for providing a place where they could meet, for providing supplies, papers and pencils upon which notes could be taken. That is a throwback to a bygone era that we can no longer afford to tolerate.

Because this company has provided that it would share not only decision-making with its employees but share ownership. Twenty-five percent of the company has now been transferred to a special account for employee ownership. I think that is the kind of company we want to have, and it is a shame that this company owner, Chris Fuldner has had to spend $64,000 defending himself from having conducted himself so nobly. We ought to pass the TEAM Act.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, the Senator from New York, Senator MOYNIHAN, I believe is on his way, and some others are on the way additionally to visit on our time.

My understanding is we are discussing several areas. One is the TEAM Act. The other is the proposed reduction of the gas tax. And a third is the minimum wage proposal to adjust upward the minimum wage.

All of this, of course, started some weeks ago when some of us suggested it was important to consider some kind of an adjustment in the minimum wage. Those who work at the bottom of the economic ladder, the lower rung of the economic ladder, have not had an increase for 5 years. The minimum wage has been frozen for 5 years.

It is easy, I suppose, for some, especially some in this body, perhaps to not think much about those who work on minimum wage, not be acquainted with those who are trying to live on minimum wage. But there are a lot of folks in this country who go to work, work very hard all day, are paid the basic minimum wage in this country of $4.25 an hour, and at the end of a long week still cannot make ends meet.

There is a legitimate reason to question should there be a minimum wage, and there are some, I think, in this body who think we should not have a minimum wage. I know there are some in Congress who said publicly we should not have a minimum wage, and that is a very legitimate position. I do not share it, but some believe there should not be a minimum wage. They do not bring legislation to the floor of the Senate suggesting we repeal the current minimum wage, but they just say a minimum wage is inappropriate.

But, by far, the majority of the Congress would say it is appropriate to have some minimum wage. Not only does the Federal Government have it, but virtually every State has a minimum wage, and some States have a minimum wage nearly identical to the Federal Government. Some have a higher minimum wage than the Federal Government does.

But if you believe there should be a minimum wage, then certainly you would believe from time to time it ought to be adjusted.

Among all recent Presidents during their terms, we have had some adjustment in the minimum wage. Sometimes it occurs after 4 or 5 years, sometimes a little longer. By and large, we do make periodic adjustments in the minimum wage.

I received a letter from a woman last week, and I will not use her name. I will not read it. But I read it last evening because, like most Members of the Senate and the House, I spend my last hours of the evening reading and signing mail and going through the substantial amount of paperwork that we do in the Senate, and I read constituent mail and sign mail, sign letters back to them late in the evening.

I read this letter late in the evening, and it almost broke my heart. It is a letter from a woman. I am just going to read the last two paragraphs, but it is a 4-page letter. She describes her circumstances and her husband's circumstances and her children's circumstances, medical problems, problems of not being able to get the education they wanted. They tried, but they had to quit school to take care of this or that and getting pregnant, having four children.

What she describes in this letter is a rather long list of setbacks from two people who married very young and struggled and tried to make it but without much skill and without much education were always forced to take a job at the bottom of the economic ladder and were always forced by circumstances, a fire that destroyed their trailer home and every single thing in it, and no insurance, always forced by circumstances like that, just as they started to get ahead a little bit, to be completely pushed back to start over.

It is a 4-page letter. I shall not read it, but it does break your heart to read these kinds of things. And it is not just this woman, it is so many people in this country who try very hard to get ahead but never quite seem to be able to do it.

She talks about all of her circumstances, and she said:

> I wonder how we can make it like this. How can I tell my children? I wish somebody in some official office would help me tell my boys that they're not going to be able to play baseball this summer because I can't afford a $25 fee for each of them, let alone paying for the baseball glove, the bats they would need to play ball this summer.

She says:

> We don't spend our money on alcohol or drugs. We don't go out on the town. Our lives revolve on trying to make ends meet. Our dream of owning a home and of being financially secure is long gone. We're better off, I know, than a lot of other people that, for instance, have to live on the street, but how far are we from that? One paycheck? Maybe two? We're the forgotten people in this, called the working poor, the people who fall through the cracks somehow.

Her point is, after setting out her story in 4 pages, that they work for the minimum wage, both her and her husband, and just cannot make ends meet. They cannot balance buying groceries, paying the rent, trying to handle child care expenses and paying all their bills at the end of the month.

So some of us think that there should be an adjustment in the minimum wage. It ought to be a reasonable adjustment. I am not suggesting that we have an adjustment that is out of line. But I think there is a reason for an adjustment.

Some people have talked about it for some while. That is one of the discussions here in the Senate. Ultimately, I think there will be an adjustment this year, and I think one that will probably gain some bipartisan support.

The second issue that was introduced in this discussion was a 4.3-cent gas tax reduction. Presumably the 4.3-cent gas tax reduction was to draw attention to the fact that a 4.3-cent gas tax was added in 1993. That is true. I voted for that. I do not regret voting for it. It was included in a long list of tax increases, some tax increases, mostly on upper income folks, but some tax increases, spending cuts, and other approaches to try to reduce the Federal budget deficit.

The Federal budget deficit has been reduced in half since that time. And 4 years in a row the budget deficit has come down. I do not regret voting for that. But would I like to see lower gas prices? Yes, I would. Gas prices spiked up 20 to 30 cents a gallon in recent weeks, and as a result of that price spike, we are told now that we should reduce the gas tax 4.3 cents a gallon.

I said this morning, it is a little like treating a toothache by getting a haircut. I do not see much relationship here. The gas price spikes up and they say, let us reduce the gas tax 4.3 cents a gallon. The industry executives say there is no guarantee it will be passed through to the consumers at the pump, there is no guarantee that the consumers will see a lower gas price at the pump. "Experts Say Gas Tax Cut Wouldn't Reach the Pumps."

Energy expert Philip Verleger says, according to yesterday's paper:

> [This] . . . is nothing more and nothing less than a refiners' benefit bill. . . It will transfer upwards of $3 billion from the U.S. Treasury to the pockets of refiners and gasoline marketers.

If it is not going to go to the consumers—and there are an army of people out there who suggest there is no guarantee this is going to result in a lower pump price—then the question is, who is going to get it? And it is not pennies. I know they are talking about from now until the end of the year, but there is a discussion of a 7-year proposal for $30 billion. The question is, who divides the $30 billion pie? Who gets the $30 billion?

The proposal that is before us has a point of order against it. And that brings me to the reason I rose again. The point of order against the proposal is that the proposal violates the Budget Act because the proposal that is brought to the floor to reduce the gas tax by 4.3 cents a gallon, an act that will not guarantee lower prices at the gas pump, violates the Budget Act.

Why does it violate the Budget Act? Because it increases the Federal deficit in this fiscal year by $1.7 billion. So this proposal violates the Budget Act by increasing the deficit in this fiscal year $1.7 billion. So the next vote that will occur, after the cloture vote at 5 o'clock this afternoon, will be a vote to waive the Budget Act so that Congress can reduce a gas tax that the experts say the consumers will not ever get the benefit of, and in doing so we will waive the Budget Act to increase the Federal deficit.

I do not know whether others think this is kind of an incongruous situation, at the same time we are talking about bringing a constitutional amendment to balance the budget to the floor of the Senate this week—which has now been postponed, I guess—and at the same time the Senate Budget Committee is talking about constructing a 7-year balanced budget plan, we are also constructing a mechanism now to have a vote on waiving the Budget Act in order to allow an increase in the Federal deficit in this fiscal year of $1.7 billion in order to accommodate a reduction in the gasoline tax that the experts say may never reach the pockets of the consumers.

I come from a town of only 300 people. I graduated in a high school class of nine. They might not have taught the most advanced or the highest mathematics available to students in America, but this does not add up. This does not pass the test. Those who say they want to balance the budget require the next vote to be one in which they will vote to waive the Budget Act so they can increase the deficit to create a tax break that the experts say is not going to reach the consumer. It sounds to me like a deal the American people can easily resist.

I have heard huffing and puffing and ranting and raving. I have seen sidestepping that would befit an Olympic contest out here on the floor of the Senate in recent years about the issue of a balanced budget. And we have people who stand up, and they arch their back, and they point across the room, and they say, "We're the ones that fight for a balanced budget. And none of you cares. You're big-time spenders who want to spend this country into oblivion."

Yet, in 1993 the last serious effort to do something to balance the budget, every one of us, every single one of us cast the votes that were necessary to pass the bill to reduce the deficit, which has brought the deficit down by half, and we did not get one vote from the other side even by accident.

I am not backing away from that vote. I say, I am glad I did it. Maybe there are legitimate reasons to be critical of some parts of it. I understand that. But I am not somebody who says I wish I had not done that. We did the right thing. But it is an incongruity, it

seems to me, to decide with the first winds of politics that we should, on the floor of the Senate, decide to waive the Budget Act so we can increase the Federal deficit this year, to provide a tax cut the experts say will not reach the American people.

There is room for disagreement. I mean, we are talking, as I said when I started, about three different issues, the TEAM Act and the minimum wage and the gas tax. There is great room for disagreement.

I notice Senator BENNETT, from Utah, on the floor. There are few in this institution for whom I have higher regard than the Senator from Utah. I think he is a straight shooter and a fellow who calls it like it is. There is plenty of reason for us to disagree when we disagree on the merits of issues. I understand all that.

We might feel strongly about things and line up and end up on different sides of the same question. I think the country would be better off if on issues like this—and I admit to those who question that there is politics on all sides of this Chamber, and when the charge of politics ricochets back and forth across this room, there is plenty of blame to go around. I understand all that. I just observe that the closer we get to the first Tuesday in November of an even-numbered year, the more likely it is that we will be seduced into easy decisions that are fundamentally wrong, that will move this country in the wrong direction. It is the wrong direction to decide now to increase the Federal deficit to accommodate a gas tax that the experts say will not reach the pockets of the American people.

I hope as we move along here that we will find a way to not vote on this issue of waiving the Budget Act and increasing the deficit. Maybe this will be withdrawn and we can look where we ought to look: What caused the 20- to 30-percent increase in taxes? We can deal with that. Maybe it is simply supply and demand relationships. Maybe it is other things. Maybe those are things we can do something about. I hope we start looking in the right direction and choose the right set of public policies.

Mr. President, I notice a colleague is waiting for the floor. I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. I commend my colleague for his comments on the issue pending before the Senate. It has gotten so bad it is hard to figure what is pending before the Senate.

I want to comment on two things—what we are trying to do, and a little bit on the merits of one of the proposals.

I said, I guess, 2 days ago the Senate looked like what we were trying to do is mix and match pieces of legislation in order to try to accomplish something. It is like a woman who goes shopping for an outfit. My wife calls it mixing and matching because she buys a little bit of this, a little bit of that, and a little piece over here, and tries to put it all together and hope that it comes out in a wonderful, exciting new outfit by mixing and matching the different parts. That might be a good concept for buying clothes, but it is a very bad concept for writing legislation.

I think that is exactly what the Senate is being asked to do here today, take a little bit of minimum wage, put it together with a little bit of TEAM Act, and stir in a little bit of gas tax repeal, stir it up, and hope it comes out as a good legislative package. It kind of reminds me in Louisiana of trying to make a gumbo. We put everything in the pot, stir it up, and hope it comes out eventually, after you cook it along with something that is edible. The problem is you have to be careful what you put in the pot. If you put something that will not fit, it will come out tasting pretty bad.

The same analogy is true with regard to trying to legislate. There is no reason in the world why we should try to be putting a minimum wage bill on the back of a gas tax repeal and attach it to this TEAM Act dealing with labor-management relationships. There is not a lot of relationship between any of these three provisions, except politics.

I said on the floor the other day, and I asked the distinguished majority leader, why do we not just take the bills up and vote on them in the normal course of following the Senate rules, debate minimum wage, vote on it, pass it if there is a majority for it and kill it if there is not. Do the same thing with the repeal of the gas tax. Let us debate it, let us vote on it, and then decide what the will of the Senate happens to be. The same thing on the TEAM Act. Bring it up, amend it, talk about it, debate it, have the normal rules of the Senate apply.

I think our side has even gone further than that and offered bringing the measures up separately and give up one tool that the Democratic side, as members of the minority now, would have as a legislative tool. That is the filibuster. Just bring it up and agree that we will debate these measures and that we will offer amendments, but that we can agree on a time certain in which to vote, that we will not filibuster if it is not going our way, being willing to let us have a vote on these legislative packages. I think that is a pretty generous offer. I thought that the majority leader had agreed to that in his press conference yesterday but find out later on, no, that is not really what he meant.

For the life of me, I do not understand why we do not just bring these three bills up and debate them and vote on them, and if we get a majority for them, they pass; if we do not, they do not pass. That is sort of the way legislation is supposed to be written.

What we are engaged in now is a mix and match proposition where we are trying to mix and match things that do not mix and match. I do not think that is the way to legislate. Again, it may be the way to buy clothes, but it is not the way to produce legislation that is good for the people of this country. I think they desperately want us to start working in some type of a fashion that makes sense for the rest of the country.

The other thing I want to comment on is the proposition that we should repeal the gas tax. There was an article that caught my attention this morning, the headline of the Los Angeles Times. The last time I was on the floor I talked about the law of supply and demand, which I thought really is what should govern this country, as opposed to price controls coming out of Washington, DC. What a frightening thought it would be to think that Washington will regulate the price of everything. I do not think we are qualified to come close to getting that done. Yet I think that, if we are going to say by removing the gas tax we will guarantee that people that buy gasoline at the pump are going to get the benefit of that reduction, the only way we can do that, folks, is very simple, and that is price control. The only way we can guarantee that tax cuts somehow worked their way through to the ultimate consumer is by passing a law that mandates that. That is price control. We have tried that, and it has not worked in the past. It will not work in the future.

What does work and has always worked in this country is the law of supply and demand. The headline of today's Los Angeles Times is "Gas Prices Show Signs of Decline as Production Surges." "The average cost at the pump falls half a cent, and State officials predict more reductions. After lagging, refineries again operating at close to normal output."

That really should not be a headline. That is normally what happens; that is not news. But the law of supply and demand is at work. When the demand is great, the supplies are increased to meet that demand and prices adjust according to the ability to meet the demand. That is exactly what is happening.

I also said 2 days ago that the price of crude oil in this country between April 23 and May 6 decreased 10 percent. That is over $2 a barrel that oil dropped. It usually takes 30 days from the drop of price in crude oil to be reflected in the finished product at the pump. It dropped 10 percent in 1 week, over $2 a barrel. That, naturally, shows up in the normal course of doing business at the pump and lower prices. This headline is not a surprise. It is not really news. Yet it is the lead story. It says "Gas Prices Show Signs of Decline as Production Surges." That is what has happened.

This Congress is in a panic. This Congress is running for cover. We are hiding behind our desks trying to say, "Well, we will fix the problem. We are going to lower the price of gas." That is not what this proposition does at all. It only lowers the tax that oil companies pay per gallon of gas. There is no guarantee that they do nothing more with that than put it in their pocket and take it as an extra profit over their normal course.

The less we get into the business of determining what prices should be for all products, the better off Americans will be. Every time the price of wheat or corn or cotton or rice is going to go up, are we going to rush in here and say, "Wait, we are going to regulate the price"? Are we going to go back to production and wage and price controls? I think not.

I want to say from my home State of Louisiana, I think people who are outside the thin air that sometimes I think we breathe too much of here in Washington are thinking, I think, more sanely and more responsibly than we are here, and less politically. I think they know what this is all about. We have a Presidential election, a congressional election in a couple of months, Senate elections in a couple of months. People are desperately running everywhere they can to try to do something that was not the priority of the people of this country. I think the priority was for us to balance the budget.

When they say, "We want to do something for families," I say the best thing we can do for families in this country is to produce a balanced budget. That is what families want, so we will give them lower mortgage rates, lower interest rates on home loans, lower rates on sending their children to college and educating their families, and produce a more stable environment, make more money available, and add to the economy for growth, expansion, and job creation.

One of the papers in the State of Louisiana, the Times-Picayune, has a column written by a guy named Jack Wardlaw, whom I know. The name of his column, I say to the Senator from Utah, is called "The Little Man." He always sort of takes the side of the "little man" and represents what is good for the little man as opposed to what is good for the "big man," big business, or the big corporations. His headline in today's paper says, "Gasoline Tax Cut Will Mean More Red Ink in the Budget." He makes some good points. I will refer to a couple because I think it really says what I think we should all be thinking. He says, "Sometimes it seems like Members of Congress have the attention span of a honey bee." It goes on to say, "Congress has just come through months of tedious in-fighting over the national budget, the goal of which we were constantly told was to agree on a way to, over a period of years, get rid of the red ink. Now, all of a sudden, nobody cares about balancing the budget anymore. All of a sudden, the main thing to do is to cut the gasoline tax. Is everybody crazy?"

I think that, by asking the question, he sort of also answers the question himself because of what he thinks we all are about at the present time by our actions. He says, "It is a little hard to figure out what is going on, except that the national news media have been exaggerating what is going on. CNN puts on pictures of pump prices of $2.09 a gallon, but who is paying that?" he asks. He points out that, in New Orleans, at his neighborhood gas station, the posted price for a gallon of unleaded regular was $1.19 a gallon, which had gone up from around $1.05 3 months ago. He later passed a convenience store offering the stuff for $1.14 a gallon. "It appears to me that prices are dropping back into line on their own, without any action of Congress."

The same thing in Los Angeles: "Gas Prices Show Signs of Decline as Production Surges."

This is the marketplace at work. We have had economist after economist—they generally are very nonpolitical—say this is the wrong thing to do. This proposal is a dagger to the heart of any effort to balance the budget. It would take over $30 billion out of any effort to balance the budget over a 7-year period. A penny tax per gallon is $1 billion a year. I suggest that we should be concentrating more on how we, in a bipartisan fashion, can come together and do the right thing with regard to balancing the budget.

I think we clearly do the wrong thing when we do what I think is about to happen, and that is, to make it even more difficult, if not impossible, to reach a balanced budget agreement.

Let me close by saying that I have expressed my opinion on the gas tax repeal. There are others who will argue that it is the most important thing we could do. I disagree. Whether we agree or disagree, we should not try to concoct this scenario, whereby in order to pass one bill, you have to pass another bill, and in order to pass a second bill, you have to pass a third bill. Let us take them up separately, debate them on the merits. Let us consider and hear amendments that would be offered through these pieces of legislation. Perhaps the proposals can be improved by serious amendments that would be offered. But let us vote on the bills. Let us vote on the minimum wage. Yes, let us vote on the TEAM Act. Yes, let us vote on the repeal of the gas tax.

What is wrong with taking up legislation, considering bills that have been offered, debating them? I think I signed an offering to do this without the use of the filibuster. It is a most generous offer—incredibly generous. Look, we are in the minority, and we are not going to filibuster. We can take it up and vote on it. Why try to mix and match? Maybe that is good when buying clothes, but it is very bad when trying to write legislation on the floor of the U.S. Senate. A bad bill cannot be made good by adding another good bill to it. It still is, in essence, a bad bill. The converse is also true.

So my suggestion is, let us follow the proposal of the leaders on this side of the aisle to take these pieces of legislation up, debate them, consider them, vote on them, and move on with what I think is a priority in this Congress: to try to reach a bipartisan balanced budget agreement.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I understand we are under a time agreement, and we will be voting at 5 o'clock. The time has been divided earlier today. As I understand it, there are 45 minutes.

The PRESIDING OFFICER (Mr. JEFFORDS). The Senator is correct. The minority has 43 minutes 36 seconds. The majority has 57 seconds.

Mr. KENNEDY. Mr. President, I see my friend and colleague from New York, who would like to address the Senate as well. I will take 15 minutes, and then whatever other time is available I will yield to the Senator.

I ask unanimous consent to yield myself 15 minutes at this time.

The PRESIDING OFFICER. The Senator is recognized for 15 minutes.

Mr. KENNEDY. Mr. President, in the past several weeks, we have seen the majority in the Senate and the House use every parliamentary trick, every legislative gimmick, every inside-the-beltway tactic they could conjure up to avoid a vote on increasing the minimum wage.

At the same time, particularly when they were outside the beltway, they talked about helping America's working families make ends meet. It is not enough to say you care about working families, and it is certainly not enough to concoct a so-called alternative proposal that would raise taxes on 4 million of our lowest paid workers. The majority may think they can fool the American people, but the only people fooled by the Republican magic tricks are the Republicans themselves. The American people cannot be fooled by legislative sleight of hand. They want an increase in the minimum wage, and they want it now.

While Republicans in Congress complain that increasing the minimum wage is a political issue, the American people know that it is an issue of fundamental fairness. The American people know that the time has come to raise the minimum wage and make work pay for millions of working families. The American people know that

inflation has eroded nearly all of the bipartisan 1989 increase in the minimum wage. The American people know that the minimum wage is about to reach its lowest real value in 40 years. The American people know that there are minimum wage workers who work 40 hours every week, yet their families live in poverty. The American people know that refusing to raise the minimum wage is wrong, it is unfair, it is unjust, and it should not continue.

Nearly every national survey finds overwhelming support for raising the minimum wage. A national poll conducted in January 1995 for the Los Angeles Times found that 72 percent of Americans backed an increase in the wage. That survey confirmed the results of a December 1994 Wall Street Journal/NBC News survey, which found that raising the minimum wage is favored by 75 percent of the American people. A poll for ABC News in January 1996 found that 84 percent of the American people support a minimum wage of $5.15 an hour. Other recent polls confirm that support for an increase in the minimum wage now stands at nearly 85 percent.

This support cuts across political parties. It cuts across gender and age lines. It cuts across ethnic and racial groups. In every segment of our society, in every region of our country, a large majority of Americans want the minimum wage to be a living wage. No one who works for a living should have to live in poverty.

Another measure of broad support for raising the minimum wage is the large number of editorials from newspapers across the country supporting a higher minimum wage. Here are a few of the editorials.

Here is a New York Times editorial of April 5, headlined, "Boost the Minimum Wage:"

There is a strong case for raising the minimum wage by a modest amount. Unfortunately, the issue is caught up in election-year politics, making compromise unlikely. . . .

The Democrats proposed raising the minimum wage over two years to $5.15 an hour, which would raise earnings for these workers by 90 cents an hour, or about $1,800 a year. Even at $5.15, the minimum wage would, after taking account of inflation, remain 15 percent below its average value during the 1970's.

Will low-paid workers lose their jobs if employers must pay higher wages? Yes, but there is widespread agreement among economic studies that the impact would be very small. A 90-cent wage hike would probably wipe out fewer than 100,000 of the approximately 14 million low-paid jobs in the economy—less than a 1 percent loss. Indeed, 100,000 represents only about half the number of jobs the economy typically creates each month.

And the editorial goes on.

The Washington Post headline: "The Minimum Wage":

The purchasing power of the minimum wage is about to fall to its lowest level in 40 years. The last time Congress voted to increase it was in 1989. It is time—you could argue well past time—to do so again.

President Clinton has proposed to raise the minimum 45 cents in each of the next two years, to $5.15 an hour. That's a one-fifth increase, and no such step is ever cost-free. It would have a broad effect on wages, not just those at the minimum but those in the zones immediately above, and it would add to the pressures on smaller businesses particularly to cut costs in order to survive. But the president is proposing to restore the wage, not break new ground. In real terms, it would remain well below the levels that obtained from the 1960s through the early 1980s, and would be only a dime above the level to which George Bush agreed, and Bob Dole and Newt Gingrich voted for, in 1989.

The Atlanta Journal-Constitution, its headline is "Workers Due for a Raise":

President Clinton has picked a good time politically and economically to push for a modest increase in the minimum wage. Millions of workers need the raise, and the economy is healthy enough to absorb a hike without causing many job losses or inflation.

The administration and congressional Democrats want to raise the minimum wage to $5.15 in two 45-cent steps over the next two years.

A raise would help the 4 million workers who get the minimum of $4.25 an hour, and would nudge up the wages of another 8 million who earn between $4.26 and $5.14 per hour. The minimum wage hasn't been raised in five years. In terms of purchasing power, the wage will fall to a 40-year low this year if Congress doesn't act.

Such low pay for workers puts a strain on society. Making about $8,500 a year, a full-time minimum-wage worker with children needs food stamps and welfare to survive. The poverty line for a family of four is $15,600 a year which means a worker would have to make at least $7.80 an hour to keep a family out of poverty.

The St. Louis Post-Dispatch headline: "The Politics of 90 Cents an Hour."

President Bill Clinton made some interesting observations the other day about Congress' failure to raise the minimum wage. He pointed out that since the last time the federal minimum went up—five years ago on Monday—senators and representatives have increased their own salaries by about one-third. He also noted that a member of Congress made more money during the month that the government was shut down last year than a minimum-wage earner makes in an entire year.

Add those stark statistics to the more philosophical point—that the GOP majority always stresses the need for people to make it on their own, without the help of government—and the Republican roadblock to raising the minimum wage becomes even harder to swallow. At $4.25 an hour, a full-time worker earns less than $8,900—far below the $15,600 poverty line set for a family of four. How can politicians try to push families off the welfare rolls on the one hand and filibuster attempts to let them earn a livable wage on the other?

The San Francisco Chronicle, "Rewarding the Work Ethic."

The minimum wage is approaching a 40-year low in terms of its purchasing power.

For those fortunate enough to have no idea what the minimum wage is these days, it is $4.25 an hour. It has been at that level for five years, while inflation has steadily gnawed into the paychecks of workers at the lowest rung of compensation.

President Clinton has proposed a modest increase of the minimum wage to $5.15 an hour.

Unfortunately, the Clinton plan has become mired in election-year politics. Republicans have characterized the proposal as a big favor to organized labor that would cost jobs and mostly benefit middle-class teenagers.

Wrong, wrong and wrong.

Yes, organized labor is supporting the minimum-wage increase, but this is hardly a bonanza for unions. At most it would have a slight indirect effect on collective bargaining, as union negotiators try to keep rank-and-file pay above the minimum wage.

The St. Petersburg Times, "Let's Vote on Minimum Wage."

Now that he has clinched the Republican nomination for president, Bob Dole is back at work in the Senate. Last week the Senate majority leader spent most of his energy trying to keep Democrats from bringing a proposed minimum wage increase to a vote.

Dole should end the debate and allow senators to vote. Democrats say they will keep trying to force a vote. Everyone knows a minimum wage increase has little chance of clearing the House. But that hasn't kept either side from trying to score political points on this issue.

Disregard for the country's poorer workers, those who try to live on an annual salary of $8,500, is one of the hallmarks of the Grand Old Party. As usual, opponents of a minimum wage increase claimed they were acting in the interests of the working poor. Allowing those workers another 90 cents per hour, they argued, actually could do them more harm than good.

Similar arguments have been made against every previous increase in the minimum wage, and each has been proved wrong.

Mr. President, I ask unanimous consent that an editorial from the Seattle Times and all of those editorials to which I have referred be printed in the RECORD in their entirety.

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

[From the Seattle Times, Apr. 5, 1996]

HELP THE WORKING POOR, RAISE MINIMUM WAGES

Presidential politics threaten an overdue 90-cent increase in the federal minimum wage. As Republicans and Democrats argue over who is the greater champion of the working poor, the buying power of their paychecks wheezes near a 40-year low.

The current $4.25 hourly wage, which was last increased in 1989, is earned by four million Americans, and another eight million workers range up to the proposed $5.15.

Republicans are loath to help Clinton fulfill a 1992 campaign pledge, and Democrats want to scorch Dole for raising his own congressional pay, and not the incomes of those whose full-time jobs only bring in $8,500 a year. . . .

Seven years ago another 90-cent increase was a largely nonpartisan event, with Dole, Georgia congressman Newt Gingrich and most all Republicans voting for the first increase since April 1981.

Over the years, the economic facts of life have drained the issue of ideological force.

Americans have overwhelmingly supported the concept of a minimum wage since its creation in the Great Depression. Current polls show strong support for efforts to help poor people willing to work.

Liberal and conservative economists agree that moderate increases in the minimum wage have a negligible effect on employers or the number of low-paying jobs available, especially in the service industries where they are concentrated. Most minimum-wage workers are over age 20, and 40 percent are the sole breadwinner in their family, according to Secretary of Labor Robert Reich.

Increasing the minimum wage to $5.15 is no windfall; that is 15 percent below the wage's buying power of the 1970s. (Today a worker has to earn $7.80 an hour to even reach the federal poverty line of $15,000 for a family of four.)

Raising wages takes on added importance if the Republican Congress follows through on plans to cut the Earned Income Tax Credit, which holds the working poor harmless from income and payroll taxes. The EITC, a favorite of former President Reagan, has been denounced by House Ways and Means Chairman Bill Archer, R-Texas, as just another welfare program.

One advantage of the minimum wage is that it puts money in people's pockets quicker and throughout the year. EITC is a vital supplement, but it is a one-time payment geared to tax season, and people who file returns.

The twin helping hands of a higher wage and the EITC recognize the effort millions of Americans are making to help themselves.

[From the New York Times, Apr. 5, 1996]

BOOST THE MINIMUM WAGE

There is a strong case for raising the minimum wage by a modest amount. Unfortunately, the issue is caught up in election-year politics, making compromise unlikely. . . .

The Democrats proposed raising the minimum wage over two years to $5.15 an hour, which would raise earnings for these workers by 90 cents an hour, or about $1,800 a year.

Even at $5.15, the minimum wage would, after taking account of inflation, remain 15 percent below its average value during the 1970's.

Will low-paid workers lose their jobs if employers must pay higher wages? Yes, but there is widespread agreement among economic studies that the impact would be very small. A 90-cent wage hike would probably wipe out fewer than 100,000 of the approximately 14 million low-paid jobs in the economy—less than a 1 percent loss. Indeed, 100,000 represents only about half the number of jobs the economy typically creates each month.

The benefits of a higher minimum wage would be substantial. At $4.25 an hour, minimum-wage workers cannot count on earning their way out of poverty. But at $5.15 an hour, or $10,700 a year, the goal is in reach. By combining earnings, food stamps worth about $3,000 and tax credits of $3,500, such workers can clear the poverty threshold for a family of four—about $16,000—even after payroll taxes. That would be a victory for public policy.

The best antipoverty strategy is to mix the tax credits and minimum wages. At President Clinton's urging, Congress recently raised the [Earned Income] tax credit. The next step is to raise the minimum wage by the modest amount the Senate Democrats have proposed. The Democrats should try again. Republicans supported such policies in the past. perhaps Senator Dole can summon the will to do so this election year.

[From the Atlanta Journal and Constitution, Apr. 3, 1996]

WORKERS DUE FOR A RAISE

President Clinton has picked a good time politically and economically to push for a modest increase in the minimum wage. Millions of workers need the raise, and the economy is healthy enough to absorb a hike without causing many job losses or inflation.

The administration and congressional Democrats want to raise the minimum wage to $5.15 in two 45-cent steps over the next two years.

A raise would help the 4 million workers who get the minimum of $4.25 an hour, and would nudge up the wages of another 8 million who earn between $4.26 and $5.14 per hour. The minimum wage hasn't been raised in five years. In terms of purchasing power the wage will fall to a 40-year low this year if Congress doesn't act.

Such low pay for workers puts a strain on society. Making about $8,500 a year, a full-time minimum-wage worker with children needs food stamps and welfare to survive. The poverty line for a family of four is $15,600 a year which means a worker would have to make at least $7.80 an hour to keep a family out of poverty.

Even though the Clinton wage proposal is quite modest, Republican leaders are fighting it aggressively. Last week, in a 55-45 roll call, Democrats in the Senate fell five votes short of forcing a vote on an amendment to boost the wage. In other words, most senators wanted to increase the wage, but GOP leaders blocked the vote.

Republican reasons for opposing the wage increase are weak. If the country were in a recession, blocking the raise would make sense because higher labor costs could cause more unemployment. Certainly, a higher minimum wage is not always a good idea: Timing is important.

But this is the right time. In today's economy, low-wage jobs are being created at an incredible pace. The unemployment rate is at a mild 5.5 percent and inflation last year ran at just 2.5 percent.

Several highly respected economic studies in recent years have suggested that few jobs would be lost if the minimum wage were to rise slightly. Robert Solow, a Nobel prize-winning economist, says that among members of the American Economics Association, a consensus has emerged that "the employment effect of a moderate increase in the minimum wage would be very, very small."

Polls show that about three in four Americans want the wage to rise. Republican senators, whose pay has increased by a third over the past five years, ought to get out of the way and allow the majority to increase the minimum wage.

[From the St. Louis Post-Dispatch, Apr. 2, 1996]

THE POLITICS OF 90 CENTS AN HOUR

President Bill Clinton made some interesting observations the other day about Congress' failure to raise the minimum wage. He pointed out that since the last time the federal minimum went up—five years ago on Monday—senators and representatives have increased their own salaries by about one-third. He also noted that a member of Congress made more money during the month that the government was shut down last year than a minimum-wage earner makes in an entire year.

Add those stark statistics to the more philosophical point—that the GOP majority always stresses the need for people to make it on their own, without the help of government—and the Republican roadblock to raising the minimum wage becomes even harder to swallow. At $4.25 an hour, a full-time worker earns less than $8,900—far below the $15,600 poverty line set for a family of four. How can politicians try to push families off the welfare rolls on the one hand and filibuster attempts to let them earn a livable wage on the other?

The administration is seeking to increase the minimum wage to $5.15 an hour. The Bureau of Labor Statistics says that, measured in current dollars, the value of the minimum wage has fallen 31 percent since 1979.

At the same time, the percentage of hourly wage earners who make the minimum has also declined, meaning that an increase would affect proportionately fewer workers.

Opponents of the increase often portray the typical minimum-wage worker as a teenager peddling french fries to earn gas money for his car.

But Labor Secretary Robert B. Reich points out that most such employees are age 20 and over, and 40 percent of them are the only wage earner their family has.

Given such facts, the strong support that pollsters find among Americans for raising the minimum wage is understandable. Harder to fathom is Republican opposition. The traditional GOP argument, that a higher minimum wage means smaller payrolls, has lost credibility; a study by two Princeton professors of the effects of a higher minimum in New Jersey showed no drop in employment at 331 fast-food restaurants.

Bob Dole and his Senate colleagues can stick to that tired logic if they want, but it only highlights the differences in philosophy and compassion between him and Mr. Clinton.

The majority in the Senate blocked the increase last week, but when Congress returns from its spring recess, the issue will return, too. As House Minority Leader Richard Gephardt put it, "We're going to bring it back and back and back and back until we finally prevail for America's families and workers." Those families and workers are also voters, and come November, they won't forget who stood in the path to a decent wage.

[From the San Francisco Chronicle, Apr. 8, 1996]

REWARDING THE WORK ETHIC

The minimum wage is approaching a 40-year low in terms of its purchasing power.

For those fortunate enough to have no idea what the minimum wage is these days, it is $4.25 an hour. It has been at that level for five years, while inflation has steadily gnawed into the paychecks of workers at the lowest rung of compensation.

President Clinton has proposed a modest increase of the minimum wage to $5.15 an hour.

Unfortunately, the Clinton plan has become mired in election-year politics. Republicans have characterized the proposal as a big favor to organized labor that would cost jobs and mostly benefit middle- class teenagers.

Wrong, wrong and wrong.

Yes, organized labor is supporting the minimum-wage increase, but this is hardly a bonanza for unions. At most it would have a slight indirect effect on collective bargaining, as union negotiators try to keep rank-and-file pay above the minimum wage.

The lost-jobs argument is sharply refuted by many respected economists, who have calculated that the minimum wage would need

to approach $6 an hour before having a measurable effect on employment levels.

And this debate is not about how much high-school students should be paid for flipping hamburgers. Of the 10 million people earning $4.25 an hour, 69 percent are age 20 and older.

It is, indeed, a tough living. Ninety cents an hour—or $1,800 a year for a full-time worker—can make a difference for someone at the poverty line.

Politicians like to talk about restoring the work ethic, about encouraging people to leave public assistance. Millions of people are answering the call—and getting too little in return.

Congress should vote them a raise.

[From the St. Petersburg Times, Apr. 1, 1996]

LET'S VOTE ON MINIMUM WAGE

Now that he has clinched the Republican nomination for president, Bob Dole is back at work in the Senate. Last week the Senate majority leader spent most of his energy trying to keep Democrats from bringing a proposed minimum wage increase to a vote.

Dole should end the debate and allow senators to vote. Democrats say they will keep trying to force a vote. Everyone knows a minimum wage increase has little chance of clearing the House. But that hasn't kept either side from trying to score political points on this issue.

Disregard for the country's poorer workers, those who try to live on an annual salary of $8,500, is one of the hallmarks of the Grand Old Party. As usual, opponents of a minimum wage increase claimed they were acting in the interests of the working poor. Allowing those workers another 90 cents per hour, they argued, actually could do them more harm than good.

Similar arguments have been made against every previous increase in the minimum wage, and each has been proved wrong.

The proposed legislation would raise the $4.25 minimum wage by 90 cents in two increments over 15 months. That may be small change in Washington, but to those trying to live on the minimum wage, who earn about three quarters of the $12,500 income that marks the federal poverty level, another 90 cents an hour is real money.

Dole says he is a doer, not a talker. Fine. Stop the debate and bring the issue to a vote. It's time to raise the minimum wage.

Mr. KENNEDY. Mr. President, these are typical editorials from across the country, and they go on and on and on with the two themes that, one, it is time to act it is time to act here in the Senate now; and it is also an issue of fairness and decency north, south, east, and west.

Mr. President, with this depth and breadth of support among editorial boards for a higher minimum wage, and the broad support among voters for a higher minimum wage, the question is obvious. Why are Republicans obstructing action on the minimum wage?

Every day Congress fails to vote on this issue is one more day that millions of hard-working Americans have to survive on less than a living wage.

While Americans sit around their kitchen tables trying to pay their bills, Republicans in Congress are huddled in back rooms plotting new parliamentary maneuvers to duck their responsibility to America's working families.

The people are ahead of the politicians on this issue. While the Republican majority in Congress dithers and delays, working men and women across the country are waiting for our answer.

Republicans love to talk about work. But when the chips are down, they deny the value of work. They refuse to support a fair day's wage for a full day's work.

One of the biggest issues of 1996 is the declining standard of living for the vast majority of American families. The economy may be doing well, but the gains are flowing primarily to those at the top. The vast majority of Americans are being left out and left behind, and those at the bottom of the ladder are being left the farthest behind.

Millions of working families are struggling to survive on the minimum wage, which is now only $4.25 an hour. They have not had a pay increase in 5 years. The value of the minimum wage is now near its lowest level in 40 years. It is no longer even enough to keep a working family out of poverty.

Republican Senators have voted themselves three pay increases in that 5-year period—thousands of dollars in pay raises for themselves, but not one thin dime for families struggling to survive on the minimum wage.

How can the majority leader keep saying no? Raise the minimum wage. No one who works for a living should have to live in poverty.

We want a vote—a clean, yes or no, up or down vote on increasing the minimum wage.

The American people look to the Congress for action on the minimum wage—and all they see are cloture petitions, quorum calls, and procedural gymnastics to avoid taking action. I say, end the gridlock, end the deadlock—act on the minimum wage. Let's get the Senate out of the Doledrums.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, might I inquire of my distinguished colleague with respect to the time?

There was some thought earlier that some additional time might be yielded from that side to this side. I wonder if I could ask for 10 minutes such that I do not inconvenience my colleagues at the conclusion of the remarks of the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, the distinguished Senator from Virginia knows that I have just come to the floor to speak and do not control time. But I see no other Senator on this side seeking to speak. If my friend from Virginia wants 10 minutes, I would be happy to, and I will assume the position that I can yield that time and would be honored to do so with the understanding as I shall listen with close attention to what he says for 10 minutes, that he might undertake to do the same.

Mr. WARNER. Mr. President, I thank my distinguished colleague.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. MOYNIHAN. I propose to discourse at some length on Alfred Marshall's "Principles of Economics" published in 1890.

Mr. WARNER. Mr. President, I thank my colleague and friend.

The PRESIDING OFFICER. The senior Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I yield 10 minutes to the distinguished Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I wonder if I might follow my distinguished colleague. I would profit greatly from the erudition that I assume will be displayed.

I thank the Chair.

Mr. MOYNIHAN. Mr. President, the erudition is from Alfred Marshall, not of this poor student of his or his successor three times removed.

Mr. President, it fell to me, then chairman of the Committee on Finance, to reach agreement on our Democratic side on the Omnibus Budget Reconciliation Act of 1993. There was no Republican involvement and no Republican support, for perfectly straightforward reasons. It fell to me to negotiate among ourselves the 4.3-cent increase in the gasoline tax which is suddenly under discussion today. The President had originally proposed an increase in the Btu tax. And I suppose it is not inappropriate if I am going to be speaking from Alfred Marshall's text, he having been a distinguished professor in Great Britain, to refer to the Btu, which stands for "British thermal units."

The House voted a larger Btu tax increase, but the matter came to the Senate, and there was no disposition here to address the general range of energy uses—that involved coal and gas and other sources of energy—as against simply gasoline.

It was not easy to reach agreement on the 4.3 cents. That was the last part of the budget deficit reduction that we had to put together, a total reduction of $500 billion, half of it by raising—I will use that dread word "taxes"—not fees, not premiums—taxes, and a somewhat smaller proportion from reducing, cutting, and, in many cases, eliminating Federal programs.

The last bit we had to get was that 4.3 cents. We had to get up to 4.3 to reach our $500 billion mark. I record this simply to say it was not easy. It took 1 week with the Finance Committee Democrats in room 301 of this building, some of the longest days I have spent in the Senate. In the end we

did it because it had to be done. And we have results to show for it.

So much of what happens in Government, as in other aspects of life, has indistinct or very long-run consequences not easily seen. To the contrary, today, the American economy is the wonder of the world. There is no nation in the OECD, the Organization of Economic Cooperation and Development, formed just after World War II, that comes anywhere close to our rate of growth, our unemployment rate, our price stability, and the long, sustained period of growth which we are in.

We are now, sir, as of May, in the 63d month, more than 5 years, of continued economic expansion—not the longest, as in the 1960's, but something that would have been considered beyond imagining 50, 60, 70 years ago.

The budget deficit, Mr. President, has been cut in half. The numbers are astounding. We went from a budget deficit of $290 billion in 1992—these are fiscal years—to what, if you average out OMB, which says 146, and CBO, 144, is a deficit of $145 billion in the current year.

Half—we have cut it in half in 4 years. The deficit now is the lowest, in proportion to our annual gross domestic product, it has been in 15 years. Real growth rate is at a solid 2 percent, which is very impressive, given the fact that we have full employment and no inflation.

Our distinguished Director of the Congressional Budget Office—and I apologize for the initials CBO—Dr. June O'Neill, recently testified before the Senate Budget Committee:

> CBO continues to believe that the U.S. economy is fundamentally sound and estimates that the chances of a major downturn in the next two years are not high.

Now, one of the reasons things are very good is that we did what was difficult to do in 1993, and we did it on our own on this side of the aisle. We are not complaining whatever about that. If it was to be our budget, let us do it. I could wish it was bipartisan. It was not. But that has nothing to do with the fact we found 50 votes here plus the Vice President. It was close. And that last tenth of a cent on the gasoline tax did it.

In January 1994, our eminent Chairman of the Federal Reserve Board, Alan Greenspan, testified before the Joint Economic Committee as follows:

> The actions taken last year—

Referring to our budget deficit reduction measure with the gasoline tax.

> to reduce the Federal budget deficit have been instrumental in creating the basis for declining inflation expectations and easing pressures on long-term interest rates. . . What I argued at the time is that the purpose of getting a lower budget deficit was essentially to improve the long-term outlook, and that if the deficit reduction is credible, then the long-term outlook gets discounted upfront. Indeed, that is precisely what is happening.

The term, sir, is the deficit premium on the interest rate, the expectation upfront that inflation will increase so that interest rates would be higher than they otherwise would be. They are now down. And that added another $100 billion of deficit reduction.

That is how we were able to cut the deficit in half. Do we have problems in the outyears? Indeed, we do. But are we on the right track now? Indeed, we are. Unemployment for April was 5.4 percent. That is roughly full employment in our present jargon. Inflation is in check. The Consumer Price Index, which overstates inflation, is at 3 percent—something unprecedented — and real wages and salaries increased in the first 3 months of this year by 1 percent, a very handsome rate.

One of the consequences, Mr. President—and I hesitate to use another chart on the Senate floor, but this one, I think is important. The public is watching and my colleagues might find it interesting. For the first time, sir, since the 1960's, the Federal budget has a primary surplus. A primary surplus is the difference between revenues and outlays for programs.

I came to Washington in 1961 with the Kennedy administration, and I can report something that may have been lost to the memory of many of us. Our biggest problem as then seen by the economic advisers to the President was that the Federal Government was taking in more money than it was spending and hence depressing our move toward full employment. The term was "fiscal drag." The efforts to get Federal revenues out, back into circulation, were extraordinary.

I can recall my first visit, the first time I was ever in the Oval Office. It was with the beloved Secretary of Labor, Arthur Goldberg, and we were bringing to the President a proposal to increase the pay of public servants, postwar and such. And the President looked at our proposal and said, "Is that all?" Walter Heller, the chairman of the Council, said, oh, surely we need to do more than that; he added up the numbers on the page, just like that.

We were about to propose revenue sharing. If Congress would not spend the money, perhaps Governors would. I am not speaking lightly of what you spend, but there is such a thing as seeing that you do not keep the economy depressed by taking in more revenue than goes back into the economic stream. In the 1960's we had those surpluses. Those blue marks indicate a slight surplus, primary surplus, not big, but big enough to preoccupy us.

Then we had the oil crisis of the 1970's and deficits came. Then the 1980's and deliberate deficits of enormous amounts and the debt that went from $995 billion at the end of fiscal year 1981 to where we just now, just recently, raised the debt ceiling to $5.5 trillion. We added almost $5 trillion to our debt. The debt is huge and the interest has to be paid and it will be. But in the meantime, if you can look at this chart, we are back to a primary surplus—we did a good job in 1993—a primary surplus averaging about $66 billion for the next 4 years. A little good news does not do any harm, sparingly. And this is solid good news.

Now, suddenly, we are asked to dismantle that last, painful mile we had to travel in 1993, that 4.3 cents. It took 1 week to get from 4 cents to 4.3 cents and then bring it to the floor where it passed just barely, with the remarkable results we now see.

If a reasonable case could be made that to eliminate this gasoline tax right now would save consumers money, then it should be considered. Some have tried to make that argument. But it is simply not the case that there should be any expectation whatsoever of any impact on gasoline prices from a reduction of this tax, because the present spike in prices is the result of a series of very simple events. We had a very cold winter and used up more oil reserves than we might have done. There was an expectation that Iraq's petroleum might come out to the world market—it did not do so. In California, a number of refineries that were moving along well have ceased to do so. Then there is apparently a development within the refining industry of just-in-time inventories. Perfectly good economics. It has made a big difference in the profitability of firms all over the country.

But what happens, when you have a short-term shortage, to prices when you try to do something such as this? Well, my good friend and deskmate and member of the Finance Committee, the Senator from Louisiana, earlier cited Philip K. Verleger, Jr., an economist at Charles River Associates, who was quoted in the press just yesterday, in the Washington Post, saying, "The Republican-sponsored solution to the current fuels problem * * * is nothing more and nothing less than a refiner's benefit bill* * *. It will transfer upwards of $3 billion from the U.S. Treasury to the pockets of refiners and gasoline marketers."

Is that the result of some conspiracy among the big oil companies? No, sir. I have no reason to think—it may be true, but I have never heard it mentioned—that an oil company came to anybody on Capitol Hill and said, "Would you cut that tax?" The reason Mr. Verleger said the reduction in the tax would benefit refiners is that for a century it has been the clearest understanding of the economics profession that under short-term supply conditions, a change such as a reduction in an excise tax does not affect the price paid by the consumer.

In 1890, Alfred Marshall, as I mentioned to my friend from Virginia, the great professor of economics at Cambridge University—he taught John

Maynard Keynes, the father of modern macro economics—produced his opus, his great text, "Principles of Economics." I have here a volume reprinted in 1961. This was the summation of what economists knew at that time, in the late 19th century.

The PRESIDING OFFICER. The Senator from New York is advised the majority has 13 minutes left, of which 10——

Mr. MOYNIHAN. Three. I would not bring up Marshall if I expected to hold my audience very much longer than 3 minutes.

Marshall took the example—to illustrate short-term supply, a fascinating thing—he took the example of fish. He said, what happens if there is a sudden change in the situation? Weather makes fish more or less available—a nice point—or if there is an increased demand for fish caused by the scarcity of meat during the year or two following a cattle plague. Mad cow disease in the late 19th century. A scarcity of fish caused by uncertainties of the weather has its exact parallel in our cold winter. These things come. I do not have to tell the Senator from Vermont about cold winters.

Would outside intervention change the price of fish to the consumer in that circumstance, when there was a fixed supply? The answer from Alfred Marshall is emphatically "no." Students of economics my age will remember this book. It is a very heavy book, but it is still around and it works. What it propounded is very clear. He said:

> To go over the ground in another way. Market values are governed by the relation of demand to stocks actually in the market. . . ."

This is something businessmen know. Mr. Mike Bowlin, Chairman of ARCO, said on ABC's "Nightline" Tuesday evening:

> My concern is that there are other market forces that clearly will overwhelm the relatively small decrease in the price of gasoline, and that alarms me, that people's expectations will be that the minute the tax is removed, they want to see gasoline prices go down 4.3 cents, and that won't happen.

This is something we know. Or it can be said as much as things like this are knowable, this we know. The businessman says it, the economist says it, the grandfather of them all explained it 100 years ago. There is good news, which is that the futures markets show the price of crude oil going down very sharply, from about $22 a barrel today to about $18 for next September. Gas prices will go down. Can we not just let them go down by normal market forces and keep the budget agreement intact, the agreement which has brought us to this happy moment?

I do thank the President for his patience. I look forward to listening attentively to my friend from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I rise in strong support of the TEAM Act. I was privileged, at the request of the distinguished chairman from Missouri, Mr. BOND, to chair the Small Business Committee and hold a hearing on this subject. In my remarks today, I will refer to a number of very important pieces of testimony, some coming from those in Virginia, who came before that committee to clearly, clearly support the need for this change in the law.

I refer back to the 1930's when the original Wagner act was enacted in 1935.

It is time that we should change the law. That is all we are asking. This is not the 1930's. Today, employees are highly skilled, far better educated, conscious of the fact they are in a global economy competing not with the company down the street or the company in the next State but, indeed, with companies all over the world. While they are sleeping, other companies elsewhere in the world are building much the same products that are flowing into this one global market.

Yet, here they are, nonunion employees handcuffed by a law passed in the 1930's at a time when really workers were expected, like Tennyson once referred to soldiers, "Yours is not to reason why but to do or die" in the workplace.

Those days are gone, and today we recognize each human being for their individual worth: man and woman, experienced worker, inexperienced worker, young and old. Yet they are hobbled by this act that goes back to 1935. All we ask is revision of that act.

In almost every industrial plant or workplace in America today, be it large or small, there is a suggestion box. The workers are invited to drop suggestions in their suggestion box. All the TEAM Act really does is to enlarge the concept of the suggestion box so that they can sit down and discuss with management in that company their own ideas to increase productivity, to increase safety. It is just the bare essentials of everyday existence in a plant environment. Yet, they are hobbled by this ancient, ancient law.

This is not an act to try and thwart the right to unionize. In no way does it do that. It simply gives the nonunion worker a chance to express his or her own view, such that their plant can become more productive, with the hope and expectation that their salary check might be increased. And to speak about safety issues so that they can live and work longer in a safer environment. That is all they ask.

I urge my colleagues, no matter how strong your affiliation and ties are to organized labor, look at this law. Decide it upon its own merits. Think of those people all across our Nation today who are working to compete in this global market.

This bill, again, in no way affects the rights of workers who have chosen to unionize. Rather, it assists only the workers who have chosen not to unionize, such as those in my State, which is, proudly, a right-to-work State.

I went back and looked at so much of the testimony from the Small Business hearing. Most people would be shocked to learn that the current labor law makes it illegal for employees in nonunion plants, workplaces, to discuss matters such as safety and productivity and work schedules, the daily routine, where they might have lunch, the quality of the food, safety of the machinery, the age of the machinery. It is such logical discourse between labor and management in today's market, yet this law stands there like a stone wall to prohibit the exchange of ideas.

Section 8(a)(2) of the National Labor Relations Act just does that. The NLRA casts a cloud of illegality on all types of organized employee participation in the workplace; that is, when groups get together. You can drop your suggestion in, but you cannot join with four or five other workers and go into the boss' office, perhaps put your feet up, and have a discussion on these subjects. It sounds crazy. It is just totally out of context with our lifestyle today.

Listen to the type of issues which cannot—I repeat cannot —be discussed in any organized group discussion. I am not talking about organized unions: I am talking about just organized group discussion, even if it is initiated by the employees. One has been the day care center. We did not have day care centers in the 1930's. I am not suggesting I was around and in the work force then, but my parents were. There may have been a work or day care center in some plant, but certainly they did not exist in the breadth that is all common in America today. But these people in their workplace cannot go in and talk about day care with the management.

Then there are softball teams. Sports have become a part of the lifestyle, fortunately, in many industrialized places in America today, but the workers cannot go in and discuss the after hours, extracurricular athletic participation of the employees.

Another example is the employee lounge: a reserved area in the plant where they might go for a break or have their lunch or just enjoy themselves.

As far as vacations, no way, no discussion is allowed.

How about rules on arguments among employees? Today, there is a lot of tension in many of our workplaces, but people are not free to go in and just discuss that with their bosses in the hopes to alleviate this situation of tension.

Just stop to think, dress codes cannot even be discussed. Nor can parking regulations, smoking or nonsmoking

policies and, indeed, safety in labeling. And on and on it goes.

To me, this just defies common sense, defies good judgment. It goes back to the old days: Yours is not to reason why, but just to do or die. And that is totally alien to today's workplace.

Mr. President, one of the biggest concerns of the American people and especially the people of my State is that the Federal Government, instead of helping them get ahead, helping them become more competitive, sets up these roadblocks to make that less possible.

The TEAM Act is a piece of legislation which will help lessen that roadblock put on in 1935 and allow the workers in our industrial plants all across America to use their skills, their energies and their ideas to create a more productive and, hopefully, safer work environment, and to make America collectively more competitive throughout the world.

Do the workers in comparable plants in Asia or Europe have these problems? No. They can sit down with their bosses. As a matter of fact, much of the concept of this TEAM Act originated abroad and has been brought to our shores and yet here there is a law to stop it.

The TEAM Act is necessary to free business and workers from the shackles of an ancient law.

Mr. President, do I note the time has arrived?

The PRESIDING OFFICER (Mr. SANTORUM). The Senator has 30 additional seconds.

Mr. WARNER. I thank the Chair.

I have met with a number of employees in the context of our hearing and in private meetings who have told me the actual stories and experiences of those who are participating in plants where they go ahead, despite the law, and sit down and talk with their bosses, risking prosecution by the National Labor Relations Board.

I have met with employees and management from some Virginia companies which have had great success with the team concept. The AMP Corp. which makes electrical connectors used around the world has a plant in Roanoke, VA, is one such example. Employees and management established a number of teams to help meet the challenge of foreign competition. One team of workers went with management to another AMP facility, learned a new stamping process and implemented it in Roanoke, creating 20 new jobs to increase output made possible by the new process.

Another team of workers was assigned the task of comparing AMP's production processes to foreign competitors, a task which management had done by themselves previously. The team was better able to see how inventory levels, technology changes, and production cycles affected productivity than management had been. As a result, quality and delivery is better, prices are lower, and the company and its employees are more secure.

Last, a third team of AMP, known as the community education team, reaches out to local schools. Through this team, AMP has been able to recruit new workers from the Roanoke area with the necessary technology training rather than recruiting out of the area.

AMP's experiences have been mirrored at other Virginia companies. For example, at the TRW plant in southwestern Virginia in Atkins, VA, one customer, a huge automobile manufacturer, requested that the employees on a rack and pinion gear production line have a brainstorming session to seek ways to improve efficiency. Over 200 ideas were advanced by employees and, working together with management, nearly 90 percent of these were implemented. These ideas included everything from standardizing shelving heights to redesigning multiple parts into one piece. The results have been amazing, with production up one-third per operator and savings of over $100,000 to the customer.

At R.R. Donnelly, Corp. in Harrisonburg, VA, the introduction of work teams to supervise various aspects of the production of hardcover books has had different results than organized labor might have you believe. Rather than being an attempt to subvert the employees, Donnelly's teams have resulted in an increase of over 50 percent in production jobs and a decrease of 33 percent in management positions. These statistics should not be surprising because what teams do, in effect, is to make the employees into managers of their operations.

I am certain there are numerous other such examples from around Virginia, but the last I would like to mention is Universal Dynamics in Woodbridge, VA, just south of the beltway on I-95. UNA-DYN, as it is known, manufacturers industrial dehumidifiers and has implemented the team concept throughout their manufacturing and engineering processes.

Mac McCammon testified at the hearing which I chaired last month. He described how employee suggestions are implemented by employee teams with only marginal involvement from management, these suggestion sheets have been at the heart of the company's huge growth over the past 5 years.

Unions have said that this bill is bad for workers: in fact, it is exactly what employees have been seeking for years. All of us know that a job is more satisfying when you have input into your responsibilities and help improve the product or service you help create. Today's employees give more than their sweat, they give their minds and their ability to work together. This bill provides that opportunity.

In addition, more and more employees receive profit-sharing or bonuses based on the financial performance of their company, they have a direct stake in improving the productivity of their business.

And then there is the issue of employee safety. Employees are the best experts on what is dangerous in their workplaces and what are the best solutions.

In the Small Business Committee hearing, we heard from Ms. Donna Gooch, the human resources director of Sunsoft Corp. in Albuquerque, NM. In order to meet increased demand for their contact lenses, management and employees agreed on a 7-day workweek. Not only were teams used to meet the increased problems with child care and scheduling, they were essential in structuring job tasks to avoid expensive ergonomic injuries. Without full employee involvement, none of this would have been possible.

My colleagues have explained in detail the nuances of current law. My main point is that most people would be shocked to learn that current labor law makes it illegal for employees in nonunion workplaces to discuss matters such as safety, productivity, and work schedules with management. Section 8(a)(2) of the National Labor Relations Act, unfortunately, does just that. The NLRA casts a cloud of illegality on all types of organized employee participation in the workplace.

Among the issues which cannot be discussed in any organized fashion—cannot be discussed even if initiated by the employees—have been day care, softball teams, an employee lounge, structuring of employee evaluations, vacations, rules on fighting among employees, dress codes, parking regulations, smoking policies, and safety labeling.

Now of course it would be perfectly legal for the employer to dictate from on high how employees must be regulated. Isn't it clear that work productivity would be higher, that worker happiness would be better, if the employees had a voice in these matters?

This cloud caused by the current law must be lifted. This is no time for our Government, through increasingly common enforcement cases brought by the National Labor Relations Board, to make it harder to create competitive and safe workplaces.

The Clinton administration has recognized that employee participation in unionized workplaces have brought enormous gains in productivity and safety. President Clinton even remarked about this fact in his State of the Union Address. His thought is correct, but it must be applied not just to union workplaces. It is time that the 90 percent of nongovernment employees who have chosen not to unionize be given similar rights and opportunities.

I am particularly concerned about small businesses most at risk under

current law. Most small businesses are too small to have classifications like manager and employee—all employees have to act and think like managers. Second, many businesses cannot afford to hire labor attorneys to analyze every employee-manager interaction. Third, the expense of contesting a NLRB action is too great a threat to many businesses to even think about starting employee team programs.

Unions seem to fear that employees able to contribute more to their workplace will be less anxious to unionize. Well, what's wrong with that? Unionization works where collective bargaining is necessary to balance the bargaining scale—it is not necessary for most workplaces, and if employees are happier and more productive without a union, the Government should not block their wishes.

In conclusion, the TEAM Act is not only needed to keep America competitive, it is desperately sought by American workers. The world has changed since the 1930's, and the law must change as well.

The PRESIDING OFFICER. The Senator's time has expired.

CLOTURE MOTION

The PRESIDING OFFICER. The clerk will report the cloture motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending Dole amendment, No. 3960:

Bob Dole, Orrin Hatch, John Warner, Trent Lott, Thad Cochran, Slade Gorton, Phil Gramm, Kay Bailey Hutchison, Connie Mack, Strom Thurmond, Dan Coats, Craig Thomas, Dirk Kempthorne, Jesse Helms, Bob Smith, Jim Jeffords.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that the debate on amendment No. 3960 be brought to a close? The yeas and nays are required. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from West Virginia [Mr. ROCKEFELLER] are necessary absent.

I also announce that the Senator from Vermont [Mr. LEAHY] is absent due to death in the family.

The PRESIDING OFFICER (Mr. ABRAHAM). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 52, nays 44, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—52

Abraham	Chafee	D'Amato
Ashcroft	Coats	DeWine
Bennett	Cochran	Dole
Bond	Cohen	Domenici
Brown	Coverdell	Faircloth
Burns	Craig	Frist
Gorton	Kempthorne	Shelby
Gramm	Kyl	Simpson
Grams	Lott	Smith
Grassley	Lugar	Snowe
Gregg	Mack	Specter
Hatch	McCain	Stevens
Hatfield	McConnell	Thomas
Helms	Murkowski	Thompson
Hutchison	Nickles	Thurmond
Inhofe	Pressler	Warner
Jeffords	Roth	
Kassebaum	Santorum	

NAYS—44

Akaka	Feingold	Lieberman
Baucus	Feinstein	Mikulski
Biden	Ford	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Breaux	Heflin	Nunn
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Byrd	Johnston	Reid
Campbell	Kennedy	Robb
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Simon
Dodd	Kohl	Wellstone
Dorgan	Lautenberg	Wyden
Exon	Levin	

NOT VOTING—4

Bradley	Leahy
Glenn	Rockefeller

The PRESIDING OFFICER. On this vote the yeas are 52, the nays are 44.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

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

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

MEGAN'S LAW

Mr. DOLE. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar No. 393, H.R. 2137.

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

The clerk will report.

The bill clerk read as follows:

A bill (H.R. 2137) to amend the Violent Crime Control and Law Enforcement Act of 1994 to require the release of relevant information to protect the public from sexually violent offenders.

The Senate proceeded to consider the bill.

Mr. DOLE. Mr. President, Tuesday night the House passed an important measure that will help protect our Nation's children from sexual predators.

By a vote of 418 to 0, the House passed legislation, known as Megan's law, that strengthens existing law to require all 50 States to notify communities of the presence of convicted sex offenders who might pose a danger to children.

In 1994, the crime bill allowed but did not require States to take such steps. And since that time, 49 States have enacted sex offender registration laws, and 30 States have adopted community notification provisions.

But not all States have taken the necessary steps to require such notification, and this is a tragedy in the making.

For once, let us prevent a tragedy instead of waiting for some other horrific crime and then taking action. We should pass this law now.

How can we hesitate one moment?

Every parent in America knows the fear, the doubts, he or she suffers worrying about the safety of his or her children. Parents understand that their children cannot know how truly evil some people are. They know that no matter how hard they try, they cannot be with their children every second of the day.

And a second is all it takes for tragedy to strike.

We have an obligation to ensure that those who have committed such crimes will not be able to do so again. This is a limited measure, but an absolutely necessary one.

Mr. GORTON. Mr. President, we will act tonight on Megan's law, which strengthens and improves a good law, and provides families with needed protection against the most heinous of crimes. Although Megan's law will not affect my State of Washington, which should, and does serve as a model for other States around the country, it will assist those States that, for whatever reason, have been slower to act or more timorous in their fight against crime.

In 1994, Congress passed the Violent Crime Control and Law Enforcement Act. The act contained a number of good provisions, perhaps the one I cared about most was the provision calling for the registration of sexual offenders and community notification. Most States have already implemented systems to require people who abduct children, or who commit sexual crimes, to register their addresses with State or local law enforcement officials. The provision in the 1994 act, however, was not as tough as I would have liked. The Act permitted State and local law enforcement to notify communities that there was a sexual predator in their midst, but it did not require this notification. We are back now to improve upon that law by requiring community notification. Even with this mandate, however, State and local law enforcement officials, still will retain the substantial discretion to determine when community notification is called for, what information to release, and how to best inform the community.

Parents have a right to know that their children are in danger, that the person living next door to them, or down the street is a convicted sexual predator. The need for this notification was tragically illustrated in the case of Megan Kanka, for whom the law before us today is named. Two years ago,

Megan was allegedly raped and murdered by a man who lived across the street from her, a man who twice before had been convicted of being a sexual predator, and who lived with two house mates who were themselves sexual predators. Megan's parents did not know this. If they had, they could have advised their daughter not to accept her neighbor's invitation to come into his house to see a puppy.

Mr. DOLE. I ask unanimous consent the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and any statements in the bill be printed at the appropriate place in the RECORD.

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

The bill (H.R. 2137) was deemed read three times and passed.

Mr. DOLE. I think, just for the information of my colleagues, this bill just passed is commonly referred to as Megan's law.

WHITE HOUSE TRAVEL OFFICE LEGISLATION

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3960 WITHDRAWN

Mr. DOLE. Mr. President, I withdraw my amendment No. 3960.

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

The amendment (No. 3960) was withdrawn.

AMENDMENT NO. 3961 TO AMENDMENT NO. 3955

Mr. DOLE. Mr. President, I now 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 Kansas [Mr. DOLE], for himself and Mr. ROTH, proposes an amendment numbered 3961 to amendment No. 3955 to the instructions of the motion to refer H.R. 2937.

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

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

CLOTURE MOTION

Mr. DOLE. I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the Dole amendment, No. 3961:

Bob Dole, Trent Lott, Craig Thomas, Larry E. Craig, R.F. Bennett, Mark Hatfield, Ben N. Campbell, Spencer Abraham, Nancy Landon Kassebaum, Don Nickles, Chuck Grassley, Conrad Burns, John Ashcroft, Jim Inhofe, P. Gramm, W.V. Roth, Jr.

Mr. DOLE. Mr. President, for the information all Senators, this cloture vote on my new amendment, which contains only the gas tax bill, will occur on Tuesday, May 14. I will consult with the Democratic leader prior to setting the next cloture vote.

Let me explain precisely what this amendment contains. My Democratic colleagues have just blocked repeal of the 4.3-cent gas tax. They blocked an increase also in the minimum wage. So I have laid down another amendment to repeal the gas tax. This amendment contains additional funding that completely offsets the cost of the repeal. The amendment raises $4.1 billion in fiscal 1996 and by adopting provisions the President and Secretary Rubin have specifically asked for. I have their letters here for the RECORD. The amendment will also help avert another savings and loan crisis. This is the so-called BIF–SAIF provision.

In the spirit—I have thought about it—in the spirit of the President's press conference yesterday asking for cooperation, I have decided to offer the gas tax repeal, which he said he would sign, and pay for it with a measure that he wants desperately. In fact, on April 14 he said that there is a proposal before Congress from the administration to:

. . . restore the Savings Association Insurance Fund to full health and assure that interest payments on the so-called FICO bonds continue uninterrupted. With the enactment of this legislation, we could all take pride in achieving a resolution of the last remaining consequences of the thrift industry's problems of the 1980's. Moreover, we can do this without imposing additional costs on American taxpayers.

This necessary proposal will protect taxpayers, who have already paid over $125 billion to assure that no insured depositor suffered any loss as a result of these problems.

I am accommodating the President's request. I know some of the bankers and others may not be totally satisfied with this, but I suggest they call area code 202–456–1414.

I also will have printed in the RECORD a letter from Secretary Rubin received just yesterday, pleading with us to move on this legislation which is important. Underscoring the importance of the legislation, it would "restore the Savings Association Insurance Fund." They said we have had it before us for some time and they have "consistently urged the SAIF legislation should receive immediate action."

Again in response, and I discussed this with my assistant leader, Senator LOTT, in response to the request of the President, his bipartisan appeal yesterday, and the letter from the Secretary of the Treasury, we have offered that as a way to pay for the repeal of the gas tax.

I ask unanimous consent to have the letter from the President and the letter from the Secretary printed at this point in the RECORD.

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

THE WHITE HOUSE,
Washington, DC, April 24, 1996.

Hon. BOB DOLE, Majority Leader,
U.S. Senate, Washington, DC.

DEAR MR. LEADER: The Congress has before it a proposal from the Administration that would restore the Savings Association Insurance Fund to full health and assure that interest payments on the so-called FICO bonds continue uninterrupted. With the enactment of this legislation, we could all take pride in achieving a resolution of the last remaining consequences of the thrift industry's problems of the 1980's. Moreover, we can do so without imposing additional costs on American Taxpayers.

This necessary proposal will protect taxpayers, who have already paid over $125 billion to assure that no insured depositor suffered any loss as the result of these problems. I believe this legislation has broad bipartisan support, and I urge the Leadership to consider immediate Congressional action.

Sincerely,

BILL CLINTON.

DEPARTMENT OF THE TREASURY,
Washington, DC, May 7, 1996.

Hon. ROBERT DOLE, Majority Leader,
U.S. Senate, Washington, DC.

DEAR BOB: I am writing to you in furtherance of the President's letter of April 24, 1996. As the President explained, it is a matter of great national importance to enact legislation that would restore the Savings Association Insurance Fund (SAIF) to full health and assure that interest payments on the FICO bonds continue uninterrupted. The Congress has before it a proposal from the Administration that would accomplish these ends. As the Administration has consistently urged, the SAIF legislation should receive immediate action. Moreover, we believe that the SAIF legislation would be a suitable means to help pay for other appropriate legislation.

Sincerely,

ROBERT E. RUBIN.

Mr. DOLE. So, I would say hopefully on Tuesday, then, we can obtain cloture. Then we will decide how to deal with the TEAM Act and minimum wage. They are still floating around out there, or will be. We are still prepared, I think, as Senator LOTT has had a couple of meetings today, to pick a time certain, sometime in June—or maybe, if we can, do it before the recess—to take up those questions.

There has also been a question raised. I have written a letter to the Senator from North Dakota, Senator DORGAN, to see if he had any suggestion, because he was concerned if we did repeal the gas tax it would not reach the consumers. I was asked in a press conference yesterday about a statement by ARCO, Atlantic Richfield Co., that maybe they would not be passed on to consumers.

But I now have statements from bus and trucking groups who say they would pass along the savings from the

repeal to their customers in the form of lower travel costs. And I also have a statement from ARCO and Exxon and others.

I ask unanimous consent all these statements be printed in the RECORD.

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

ARCO,
Los Angeles, CA, May 9, 1996.

ARCO WILL IMMEDIATELY REDUCE TOTAL GASOLINE PRICE IF 4.3-CENT FEDERAL GASOLINE TAX IS ELIMINATED

LOS ANGELES.—ARCO Chairman and CEO Mike R. Bowlin said today that "if the federal government reduces the gasoline excise tax by 4.3 cents per gallon, ARCO will immediately reduce its total price at its company-operated stations and to its dealers by 4.3 cents per gallon."

The ARCO chairman said in an interview on ABC's "Nightline" broadcast on May 7, that he had "simply been cautioning that ARCO is not able to accurately predict industry behavior, cannot legally control its dealers' pricing, and that other factors may influence changes in overall market prices. All other things being equal, we would expect the price of gasoline to fall 4.3 cents per gallon."

An ARCO spokesman said that ARCO has a proud tradition of acting responsibly in its gasoline pricing decisions in times of national upsets. He noted that during the Gulf War crisis in 1990, ARCO had been a leader in announcing that it would freeze gasoline prices. Eventually, that led to a situation where ARCO was unable to meet demand for its gasoline and was forced to raise prices in line with market conditions in order to prevent its dealers from running out of gasoline.

The ARCO spokesman said that "gasoline prices have increased some 20 to 30 cents per gallon over the last few months. Obviously no one can promise that even though the marginal cost of gasoline is reduced by a 4.3 cents per gallon tax reduction on a given day, some other factors may not simultaneously influence the market price of gasoline."

ARCO chairman Bowlin said: "What we can say is that ARCO will immediately reduce the total price of gasoline at our company-operated stations and to our dealers by 4.3 cents per gallon. I can also tell you that our internal forecasts suggest that gasoline prices are headed lower. We believe that the vast majority of responsible economists would say that a reduction in excise taxes would be passed through about penny-per-penny at the pump."

EXXON COMMENT CONCERNING POTENTIAL MARKET IMPACT OF CHANGE IN FEDERAL MOTOR FUEL EXCISE TAX

Pricing decisions are based on competitive market conditions in each of our markets. Exxon cannot predict future prices.

The marketplace decides what the price of gasoline will be. If the federal excise tax on gasoline is rolled back as proposed, we believe the very competitive market will result in a gasoline price that is 4.3 cents less than it would have been without the rollback, but we don't know what the absolute price will be.

Retail gasoline prices at most Exxon service stations (about 7,900 of the approximately 8,300 Exxon branded outlets in the nation) are established by the independent dealers and distributors who operate them. Exxon is prohibited by law from dictating the price that its dealers and distributors charge their customers at the retail level.

Retail prices at the approximately 400 outlets operated directly by the company also are set in response to competitive factors in the markets in which they compete.

Competitive factors include, among others, the supply of gasoline, consumers' demand for gasoline, crude oil costs, state and federal excise taxes, and the cost of complying with environmental regulations.

CHEVRON RESPONSE TO GASOLINE TAX DECREASE

In response to many comments in the press and from customers concerning possible oil company actions in the event of a decrease in the federal gasoline tax, a Chevron spokesman said the following:

Any decrease in the federal gasoline tax would be immediately reflected in the prices Chevron charges to motorists at our 600 company-operated stations in the U.S. through reductions which, on average, would equal the amount of the tax decrease. We also separately collect these taxes from our thousands of Chevron dealers and jobbers throughout the U.S. and we would immediately reduce our collections from these dealers and jobbers by the amount of the tax decrease. However, these Chevron dealers and jobbers are independent businessmen and women who independently set their own pump prices at the more than 7,000 Chevron stations they operate.

Many factors influence gasoline prices which are set by competition in the marketplace. It is impossible to predict where gasoline prices may stand in absolute terms at any time in the future. However, if these taxes are reduced, it is logical in a free market economy that overall prices will in the future be lower for our customers than they otherwise would have been by the amount of the tax decrease.

TEXACO INC.,
White Plains NY, May 3, 1996.

Response to media inquiries:
Re Gasoline tax debate.

Question. If the 1993 federal gasoline tax increase of 4.3 cents per gallon is repealed, what would Texaco do regarding prices at the pump?

Answer. For the approximately 15 percent of the Texaco service stations where we set the pump prices, all things beings equal, repeal of the 4.3 cents per gallon tax would reduce the pump prices accordingly.

For the 85 percent of the Texaco stations owned or operated by individual business people, Texaco is precluded by law from setting pump prices. Nevertheless, for the industry generally, we believe lower taxes will result in lower gasoline prices for consumers.

Retail gasoline pump prices are highly competitive and the prices at individual stations are determined by the competitive environment in which that station does business.

The repeal of the 1993 4.3 cents per gallon federal gasoline tax would reduce the average nationwide state and federal tax on gasoline from 42.4 cents to 38.1 cents per gallon.

ANTHONY J. SAGGESE, Jr.,
General Tax Attorney.

AMERICAN TRUCKING ASSOCIATIONS, INC.,
Alexandria, VA, May 7, 1996.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: It was my pleasure to appear before the Senate Finance Committee on May 3rd and testify in support of your efforts to repeal the 4.3 cents fuel tax that goes into the general fund. The American Trucking Associations represents an industry composed of small businesses with an average profit of 1.5 cents on a dollar of revenue. The current spiraling fuel prices are putting many of our small companies in a precarious financial position.

I was relieved to hear the representative of the service station industry testify that they will pass along tax savings to their customers. We have heard similar statements from the major oil companies.

I am confident that, after covering the cost of rising fuel prices, the savings will be passed on to our customers and consumers because we are a highly competitive industry with over 350,000 interstate trucking companies.

Thank you for the opportunity to expand upon my comments. Please call me if I can be of further assistance.

Sincerely,

THOMAS J. DONOHUE,
President and
Chief Executive Officer.

AMERICAN BUS ASSOCIATION,
Washington, DC, May 7, 1996.

Hon. BOB DOLE,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: On behalf of the American Bus Association, I want to thank you once again for your proposal to repeal the 4.3 cents per gallon deficit reduction fuel tax. We fully support your efforts in this regard.

We want to assure you that any benefits as a result of a tax repeal will accrue to the consumer, in our case, the intercity bus passenger.

With all our best wishes.

Sincerely,

SUSAN PERRY,
Senior Vice President,
Government Relations.

ASSOCIATION OF AMERICAN RAILROADS,
Washington, DC, May 9, 1996.

Hon. BOB DOLE,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR MAJORITY LEADER DOLE: On behalf of the Association of American Railroads (AAR), I write to advise that customers should benefit from the elimination of the 4.3 cents-per-gallon deficit reduction fuel tax imposed in 1993. Some adjustments or "hold downs" may be automatic given cost adjustment factors in rail contracts.

Competition among the freight transportation modes is intense. As a result, the freight railroads are constantly improving service to shippers and offering competitive rates. In fact, rail freight rates have declined by 22 percent since 1981 in current dollars and by 51% in inflation-adjusted dollars.

AAR supports your efforts to eliminate the 4.3 cents-per-gallon deficit reduction fuel tax. AAR also urges you to repeal the additional 1.25 cents-per-gallon deficit reduction tax resulting from the 1993 Budget Reconciliation Act which is paid exclusively by the railroad industry. The inequity in current law should be remedied so that the railroad industry will no longer be required to pay more for deficit reduction than its competitors.

We appreciate your leadership on this important issue.

Sincerely,

EDWIN L. HARPER,
President and
Chief Executive Officer.

AIR TRANSPORT ASSOCIATION,
Washington, DC, May 8, 1996.

Hon. ROBERT DOLE,
Senate Majority Leader,
U.S. Senate, Washington, DC.

DEAR MR. LEADER: We have been asked whether the reduction in the 4.3 cents-per-gallon transportation fuels tax will result in lower air fares to consumers. As you know, the Air Transport Association has no role in the setting of air fares. Moreover, we do not suggest or take any action which may result in our member carriers adjusting fares in a coordinated manner. However, notwithstanding those limits, I would like to address your inquiry.

First, we know that a decrease in the 4.3 cents-per-gallon tax will be reflected in the price airlines pay for fuel. Our members purchase fuel from vendors, in large measure, through a competitive bidding process. The 4.3 cents-per-gallon tax is thus added to the price bid by the vendors. Therefore, once the tax is eliminated, we are confident that the industry's fuel costs will be reduced.

Secondly, because of the competitive nature of the airline business, carriers continually try to keep their prices as low as possible. The 4.3 cents-per-gallon tax has increased carrier costs, thereby putting pressure on carriers' operating margins. Eliminating the tax will remove one of the cost pressures which individual carriers must consider in setting their respective air fares. Thus, if operating costs go down, there will be one less cost which needs to be factored into air carrier fares.

Inevitably, tax changes manifest themselves in the costs of doing business which will ultimately impact the prices airlines charge.

Mr. Leader, I hope that this response to your inquiry will be helpful. Please let me know if there is further information we can provide.

Sincerely,

CAROL B. HALLETT,
President and
Chief Executive Officer.

Mr. DOLE. The point being they are going to pass the savings on to consumers. Maybe in some cases, out of millions and millions of transactions, it may not happen, but that is the intent of all those who will be in the process. I think those letters might be helpful to some, such as Senator DORGAN, who does have legitimate questions. We want to respond to those questions. If he has a better idea than our amendment, which is a credit, we will be happy to consider it.

So I would just say it seems to me we have now, sort of, on this single issue—if you want to vote for lower gas prices then you vote for cloture on Tuesday. If you want to vote for lower travel costs, lower inflation, better job protection for employees in the transportation industry, this will be an opportunity. It is something the President said yesterday in a press conference he would sign. We have now complied with the President's request and the Treasury's request that we pass BIF-SAIF. That is part of this amendment. It seems to me it is almost—it could have come from the White House. We are pleased to accommodate the White House when we can.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BENNETT). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. 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. DASCHLE. Mr. President, I have just been informed of the majority leader's most recent proposal. I think it is fair to say that it is more of the same. It is similar to many of the other proposals we have been presented with over the last several weeks. Obviously, it is unacceptable.

We have indicated our desire to have a vote on the gas tax. We would be prepared to accept that. But we would also obviously feel the need to have the same vote on the minimum wage. Of course, the majority leader has now indicated his desire to bring up the so-called TEAM Act. We would be prepared to have a vote on that. But they are connected, unfortunately, the way the majority leader has proposed them. If we could get a vote on minimum wage, we would be more than happy then to have a vote on the gasoline tax reduction.

As I understand it, the majority leader has proposed a new offset that will take care of the point of order. The BIF-SAIF is an issue that has to be resolved. We recognize that. But I am not sure that we do it justice simply to use it as a convenient offset, in this case for a gasoline tax reduction amendment that may or may not go to the consumer, first of all, and that, second, may or may not require the entire amount that BIF-SAIF will provide.

But the real issue is, should we have a good debate, a good discussion about the BIF-SAIF issue in and of itself? Should we analyze whether or not this is the right approach? Is this exactly the right formulation for BIF-SAIF? Those are issues we ought to discuss.

I have not seen the BIF-SAIF proposal the majority leader referred to. It may be perfectly fine. To be buried in an agreement involving an offset for the gasoline tax reduction, in my view, does not do justice to the entire issue of BIF-SAIF, nor does it satisfy all of the difficulties that we have, of course, with the gasoline tax reduction itself.

We still must address the issue, who gets the benefit? Will it go to the consumer? Will we have the opportunity to ensure that it is not the oil companies that benefit but the consumer? Can we offer amendments in that regard?

I know our words sometimes come back to haunt us. I am sure in many cases mine have and will. But I was curious and very interested in a comment made by then-Republican leader BOB DOLE in 1993. This is taken from the RECORD on page 3934, dated March 29:

I guess the thing I need to resolve is whether or not there is going to be any flexibility or whether everything is going to be under the total control of the distinguished chairman of the committee. Is there going to be free and open debate on the amendments, or are you going to determine which amendments can be offered? We cannot accept that on this side.

I can identify with that. I can empathize with Senator DOLE's query in March 1993. I, second, appreciate his question because, ironically and coincidentally, we find ourselves in virtually the same situation. I say "virtually" because here it says, he asks, "Is there going to be a free and open debate on the amendments, or are you going to determine which amendments can be offered?" In our case, that has already been determined. There are no amendments to be offered. There is no opportunity for the Democratic side to even address the issue of amendments, because we have been precluded from doing so. We are farther off the mark now than we were even back in March 1993.

Mr. President, regrettably, we end this week with the realization that we have not resolved the matter. We want very much to have a vote on the gasoline tax reduction. While there are very strong reservations expressed throughout our caucus, some of those reservations can be addressed if we can adequately address the question of who will benefit, if we can adequately address the question of what kind of an offset we will have.

Maybe BIF-SAIF provides an adequate numerical offset, but there are very fundamental questions of policy we ought to be addressing, as well, and whether or not we can do that under these circumstances, I think is very questionable. For that reason, too, I am concerned about whether BIF-SAIF is an appropriate vehicle, at least under these circumstances.

Mr. President, we will not support cloture. We will oppose the vote when it is presented next week.

Mr. President, let me also address the issue that has been addressed by so many of our colleagues on the other side today with regard to the so-called TEAM Act. I listened with great interest on several occasions this afternoon as I was in and out of my office to the remarks made by so many of our colleagues. This is not the time nor is it necessarily the most appropriate way with which to address all of the issues raised. I do not intend to do so tonight.

I do want to make four points. First of all, it has been said over and over on the floor—in my view, quite erroneously—that today businesses are prevented from discussing issues ranging from safety, workplace conditions, and all the other issues that may come up in a working environment in any company today. Mr. President, that is absolutely untrue. Untrue.

I hope everybody will go back and look very carefully at what has been

said. In many cases—I am sure not purposely—there has been a significant level of misstatement today regarding prohibitions on employers that has to be corrected in the RECORD and will be corrected as we get into this issue again next week.

Employers today are given many opportunities—in fact, are using all opportunities—to discuss issues of quality and safety and workplace environment and all of the issues that certainly would come up in the normal discourse between employers and employees.

Mr. President, 95 percent of all large businesses have team arrangements today—95 percent, according to the Department of Labor. Mr. President, 75 percent of small businesses have team arrangements with their employees today and in workplaces everywhere all these issues are discussed. Let there be no doubt, those discussions, that dialog, those relationships, are already working. That is not the issue.

The second point, what I think a lot of employees are very concerned about, is that oftentimes there are situations that arise where an employer says, "You, you and you are now selected to represent all of you. You are the ones who are going to be in the room as we make the decisions involving all the employees. That is the way it is going to be. I do not care whether there are any elections. I do not care whether there was any discussion about whether these three people are representative of all the work force. That is the way it will be. Take it or leave it. Accept it or find another job."

Our view is, if that situation develops, there ought to be some consultation with other employees, and there ought to be some understanding that if it will affect the entire work force, the workers themselves should have some opportunity to select who it is that will be their spokesperson. That is what we are trying to do here: To find a way to ensure that if there is going to be a representative organization, that the employees have some opportunity to articulate and select the people that will make the decisions for them.

The third point: Current Federal law is affected, of course, by court decisions. Court decisions, in some cases, have clearly obfuscated the interpretation of current law. It is our view, clearly, that there needs to be legislation to address the lack of clarity today about what employers and employees can and cannot do. On that, there is no doubt. We acknowledge that. We support it. We want legislation to address the need for clarification. We will offer legislation to ensure that happens, that we clarify what the arrangements can be and all of the circumstances involving the workplace that need to be addressed, in a reasonable way.

So, clarification, yes. Opportunities to encourage teamwork, yes. Ways with which to make an employment environment more effective, yes. We can do that. That ought to be a bipartisan effort. We ought to find ways with which to work together to ensure that happens.

The fourth point, Mr. President, if we are, indeed, interested in paycheck security, health security, pension security, the workers themselves ought to have an opportunity to determine what that means and how they can empower themselves more effectively. If that is going to happen, we want to protect the rights we have established over the last 60 years for workers to organize themselves. It is just not right to set up rump organizations where employers are negotiating with themselves, therefore denying paycheck security, denying people the opportunity to grow in this economy along with everybody else, the opportunity to have meaningful health security, the opportunity to have good pensions.

That is what collective bargaining is all about. That has worked in this country and other countries, collective bargaining where we can ensure some opportunities to workers to enjoy the fruits of the success of a given company.

Mr. President, we will get into this a lot more next week. I do believe there has been a lot of misinformation. Again, I do not accuse anybody of purposefully misinforming, but I have never seen so much misinformation as I have seen this afternoon on any one issue.

We will have more opportunities to clarify it, more opportunities to work on it and, hopefully, to work together. I know a lot of our colleagues on both sides of the aisle would like to see more of a cooperative spirit and more opportunities for comity, and maybe this will lend itself to that in the end.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, if I could respond to some of the remarks by the distinguished Democratic leader. We continue to talk and work to see if we can find a way to move these issues forward in an understandable and fair way. We have somewhat of a Gordian knot. We are trying to find a way to untie that and move forward. That is what the leader has done here today.

Many of the leaders in the Democratic Party have indicated they want to vote for the gas tax repeal. The President indicated that he would sign that. And so the majority leader has set up a situation here where the pending business is a clear, direct vote on repealing the gas tax of 4.3 cents a gallon, which was voted in in 1993. And that money has been going into the General Treasury, not the highway trust fund for highway and bridge improvements. He has set it up so that we can address the issues. Everybody says they want to address this in a fair way. It is not connected to the TEAM Act or connected to minimum wage. It is the gas tax repeal, pure and simple.

Earlier today, there had been objection to considering this issue because a point of order was made that the offset did not cover the cost of taking this 4.3 cents out of the general budget. That has been addressed here. Majority Leader DOLE's proposal would repeal the gas tax, and it would be offset by BIF-SAIF. Some people may not particularly like that offset, but it is an offset that the Budget Committee put in the budget resolution.

It is something that I believe the Banking Committee worked on and something the President has indicated he has wanted, and something the Secretary of Treasury has written letters seeking. So this is a good way to begin to unravel the situation we are in now, parliamentarily.

Next week, we will have a vote directly on the gas tax repeal, unless it is delayed and filibustered by the Democrats. The choice is real simple. If you want the gas tax repeal and want it to be paid for, this does that. This is a fair solution to this problem.

So I urge my friends on the other side of the aisle to look at what the majority leader has proposed. Let us do this gas tax vote, and then we can move forward in trying to find a proper solution to the other items that are pending.

We have no problem with trying to develop an amendment that might further guarantee that the consumers get the benefit of this gas tax repeal. On behalf of the leader, I have talked to Senator DASCHLE and to Senator DORGAN, who has been working on this and, great, we welcome any additional ideas you have. We want to make sure that happens. We are satisfied that the legislation we have takes care of that. Now people are coming forward in writing and saying that they will make sure that the consumers get this 4.3-cent gas tax repeal. But I think that the leader would be open to some reasonable recommendations in that area.

Now, it has been suggested that we have not been having free and open debate here. I cannot believe that. That is about all we have had. We have not been able to get votes because it has been blocked by a variety of delaying tactics—points of order, filibusters, if you will—but that is the Senate. We have had free and open debate. We have been able to have this discussion during the past couple of days. In fact, in the past couple of weeks, on the minimum wage, on the freedom in the workplace, the TEAM Act, and the gas tax, there has been plenty of talk.

So I want to address something I have heard two or three times today.

We are clearly acting within the rules. We are not setting any new precedents here. I can remember when the majority leader was Senator Mitchell from Maine. I remember him offering second-degree amendments to block our amendments. I remember him filling up the tree so that we could not offer our amendments. This is nothing unprecedented here. We are clearly within the rules.

I remind my colleagues that we are in the majority. We have some responsibility to try to move the agenda forward. That is what the leader has done with this proposal—get the issue that everybody says they are for out there where we can debate it and vote on it. So I think we need to make it clear that we are strictly playing by the rules.

I might note that when the Senator from Massachusetts, who is here on the floor now, offered his minimum wage amendment, I believe he almost immediately sent down a cloture motion to the desk on that. At least, I believe that is true. Is that not correct?

Mr. KENNEDY. I will wait for recognition to speak. But the Senator is inaccurate in that characterization, as the Senator was when he talked about Senator Mitchell filling out the tree.

Mr. LOTT. Did the Senator send a cloture motion to the desk on that?

Mr. KENNEDY. After we were denied the opportunity for an up-or-down vote.

Mr. LOTT. But he did send a cloture motion up to limit debate on that issue, is that correct?

Mr. KENNEDY. The Senator can characterize my position in any way that he likes to. It is a routine procedure around here.

Mr. LOTT. That is the point I am trying to make.

Mr. KENNEDY. I will wait until I can be recognized in my own right, and I will address the Senate then.

Mr. LOTT. That is my point. That happens around here. Cloture motions are not unusual. Second-degree amendments are not unusual. So we are strictly playing by the rules, and we would not have it any other way. I appreciate the cooperation, frankly, that we get from the Democratic leader. We have been working together for the last 2, 3 days to try to find a good solution to how we vote on these issues.

Now, with regard to the TEAM Act, I want to make a couple of points, again, on why we are advancing this legislation and what it does. I call it freedom in the workplace, not the TEAM Act, because most folks do not realize what that is. We would like for employees and employers to be able to work together, to have teams in the workplace in order to promote safety and greater productivity. There are all kinds of benefits that will come from that.

Why, then, are we pushing this? Because the point has been made that, well, this is already occurring. Some 30,000 companies, maybe, have some sort of team arrangements. There is a good reason for it. The National Labor Relations Board, in some of its rulings, and the courts, have been putting a chill on these relationships. They are beginning to stop them. There was one court decision that said when an employee notified the employer that there was a problem with one of the electrical devices, that was ruled to be improper under the current laws. So there needs to be some clarification of this.

As a matter of fact, the President indicated he thought this was a good approach. In his State of the Union Address earlier this year, he said, "When companies and workers work as a team, they do better, and so does America."

So, that is what we are trying to do here. This bill simply amends the Federal laws to make it clear that employers and employees may meet together in committee, or other employee involvement programs, to address issues of mutual concern, such as quality, productivity, and efficiency. So it expressly says, also, that they cannot engage in collective bargaining. It expressly forbids company unions and sham unions. It simply lets workers and employers try to work as a team.

I am amazed that there is such concern about this. But my attitude on that, also, is that if there are some amendments that can be offered on that and we can debate it and have votes, if they pass, fine, and if they do not, fine. But this is something we ought to move on.

One other point, in terms of trying to block people or limit the free expression of ideas here. As a matter of fact, we have done a little research, and we have found that in the 104th Congress, there has been a need for cloture motions more than in any recent time. In fact, in the 102d Congress, there were 42 cloture motions filed, and in the 103d, 47; but in the 104th Congress, it has been necessary, already, to file 63 cloture motions.

Let me give one example of how ridiculous this really is. S. 1, the first bill we considered last year, on unfunded mandates, had broad support and passed overwhelmingly. I think the vote was 98 to 2, or something like that. It was overwhelming, whatever the final vote was. But we had to file four cloture motions to try to get it to come to conclusion, and get a vote on it.

So I really find it sort of surprising when our colleagues on the other side of the aisle seem to hint that we have been trying to cut them off. That has not been the case. But we have a responsibility to try to get the work done around here. Yes. Let us have free debate. But after a certain period of time you have to get down to voting. That is what we are trying to set up with our process this afternoon.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

PUBLIC BROADCASTING

Mr. PRESSLER. Mr. President, I also am pleased to release today draft legislation to reauthorize the Corporation of Public Broadcasting. The draft would provide a simple reauthorization of $250 million each year for the fiscal years 1998, 1999, and 2000. It is my hope that by then, public broadcasting would no longer need a reauthorization, but would have the resources to thrive on its own.

Last year we began a very worthwhile debate about the future direction of public broadcasting. Survival was never a real issue. I believe public broadcasting will do more than just survive—it will thrive. Public broadcasting is a success story still being written. I am confident of this. Public broadcasting offers a quality product supported by quality individuals who care about what people, especially young people, see or hear on television and radio.

It was in part due to my confidence in public broadcasting that I proposed last year to put public broadcasting on a glide path to independence from Washington—independent from Congress and independent from the Corporation for Public Broadcasting. I support public broadcasting. Yet, I've never quite understood the logic of the funding process. There has to be a better way to fund public broadcasting than through CPB, which soaks up a large share of funding before it ever gets to the 350 public television stations and 629 public radio stations. A large chunk comes right back here to D.C. to buy programming disproportionately produced in the largest media markets. There just has to be a better way—especially for small city broadcasters.

Last year's debate produced some much-needed innovations. Public broadcasting has improved as a result. I called on public broadcasting to take advantage of the popularity and value of its wonderful programming. They're doing so now. Last year, new ancillary agreements were reached that will see a larger portion of merchandise revenue from public broadcasting products go right back to public broadcasting. Media alliances have been formed with MCI and Turner to distribute public broadcasting programs on video and CD-ROM's. Even PBS has discovered that its logo generates revenue. Foreign markets are an untapped source for programming and products. Even the Internet offers enormous potential

for public broadcasting, both as a conduit for classroom-based, interactive educational programming and as a base to market its products. In short, we really haven't begun to tap the enormous funding potential of public broadcasting in the worldwide marketplace.

I also believe we must continue to push for greater efficiencies within CPB—reforms that also can free up revenues. Will all these potential funding sources and markets allow public broadcasting to achieve financial independence? It's a question that we should explore.

So today I am circulating a discussion draft that would not only reauthorize public broadcasting, but also explore and chart a path toward independence. The first way is to give public broadcasting tools to generate more revenue. My draft legislation would give public broadcasting enhanced underwriting authority—enough to draw in new corporate sponsors but not too far to undermine the noncommercial integrity of public broadcasting. The draft also would allow public broadcasting stations to use overlapping station capacity to generate revenue.

These proposals would allow some stations to benefit. However, if all of public broadcasting is to thrive, especially smaller stations such as in South Dakota, North Dakota, and Montana, we need to bring the best people in finance, government and broadcasting together to chart a course for independence. To do this, the draft proposes creation of a Commission on Public Broadcasting Empowerment. This commission would have 2 years to submit recommendations to Congress that would: foster long-term funding for public broadcasting that would not compromise its essential noncommercial nature; improve economic efficiencies within public broadcasting; guarantee universal access to public broadcasting, particularly in rural, under served areas; and stimulate the development of regional programming centers in order to increase geographic diversity in the origination of programming.

Finally, the draft would authorize the creation of a trust fund to be used to generate sufficient capital for public broadcasting to achieve financial independence. This trust fund approach was first proposed by the public broadcasters late last year. The public broadcasters proposed a more far-reaching approach that would enable a private trust to generate funds through the management of advanced spectrum and the leasing of unused spectrum for commercial purposes. This thoughtful proposal has merit. I support the creation of a trust fund. I believe that the draft spectrum legislation I have proposed today would provide public broadcasters with the resources needed to capitalize a trust fund in a way that would benefit the entire public broadcasting community—radio and television, in markets large and small.

Because this proposal would bring major change to public broadcasting, it deserves careful review. I'm already beginning that review.

Clearly, financial independence will be a key issue. However, other reforms are needed, particularly in the distribution of funds for broadcasting and programming. I am particularly interested in reforms that will enhance the capabilities and creativity of small city and rural broadcasters. In small cities and towns, public broadcasting is vital. South Dakota Public Radio [SDPR], for example, provides pool coverage to commercial stations around the State for legislative reporting, because it has the only radio news reporter on duty during the legislative session. In some markets, SDPR is the sole radio provider of local news, and the exclusive source of Emergency Broadcast System announcements.

For SDPR and similar radio and television stations, continued oversight by Congress is important to ensure they receive their fair share of the public broadcasting dollar. I would like to see public broadcasting be a self-sustaining operation, but I will not forego congressional oversight responsibilities, nor support a disbursement of funds from any trust fund until I am satisfied that there are legal and contractual safeguards in place that will protect the financial and programming interests of small city and rural broadcasters.

What kind of safeguards? First and foremost, there should be service requirements that public broadcasting should follow. As you know, telephone companies are required to provide universal service to its customers, regardless of their location. Public broadcasting should be required to fulfill a similar standard—universal access for all Americans.

Second, any future trust fund should have a formula that recognizes the unique roles of small city broadcasters and the need to achieve universal access goals.

Third, I support giving small broadcasters a share of any revenue generated through enhanced underwriting. A similar arrangement exists with major networks and their affiliates—large and small. It makes sense. It's simple fairness. Large and small stations that broadcast underwritten programming contribute to the exposure of the corporate sponsor to the viewing public. They should benefit.

Fourth, we should be encouraging the development of regional programming outlets. At present, there is a disproportionate concentration of program development in the large cities. Regional programming will not only further the diversity of public broadcasting, but improve viewership in these areas.

So, in conclusion, there are a number of issues worth discussing. Funding sources and funding distribution are the two key issues. I am hopeful that the proposed Commission on Public Broadcasting Empowerment will help lay the groundwork for both financial independence and distribution fairness. The funding sources may change, new technologies may emerge, but the central mission of public broadcasting—to be a dependable source of educational, community-based programming—is strong and growing stronger. That's a credit to the people in the communities that make it all happen.

This draft is a starting point. I look forward to working with the public broadcasting community and my colleagues on both sides of aisle to improve this draft and pass a bill. Mr. President, I ask unanimous consent that this draft be printed in the RECORD.

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

S. —

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 "Public Broadcasting Financial Resources Enhancement Act of 1996".

SEC. 2. PURPOSE.

The purpose of this Act is to ensure that public broadcasting stations have sufficient resources—

(1) to carry on the mission of public broadcasting stations to provide Americans with noncommercial programming and services which advance education, support culture, and foster citizenship;

(2) to promote continued efficiency and effectiveness in the provision of public broadcasting services, through technological advances and, where appropriate, through mergers, consolidations, and joint operating agreements;

(3) to preserve and enhance the geographic and cultural diversity of public broadcasting programs and services;

(4) to support public broadcasting services to rural and underserved areas and audiences, and to ensure the universal availability of public broadcasting services;

(5) to create and deliver creative and diverse programming and services of high quality and excellence;

(6) to preserve and protect their editorial integrity and independence; and

(7) to continue to pioneer new telecommunications technologies and to adapt those technologies for educational and public service purposes.

TITLE I—EARNED INCOME OPPORTUNITIES

SEC. 101. ENHANCED UNDERWRITING.

(a) BUSINESS OR INSTITUTIONAL LOGOS.—Section 399A of the Communications Act of 1934 (47 U.S.C.399A) is amended:

(1) by striking "exclusive" in subsection (a);

(2) by striking "organization, and which is not used for the purpose of promoting the products, services, or facilities of such corporation, company, or other organization." in subsection (a) and inserting "organization."; and

(3) by inserting "established" before "business" in subsection (b).

(b) SERVICES, FACILITIES, AND PRODUCTS.—Section 399B(a) of the Communications Act of 1934 (47 U.S.C. 399B(a)) is amended by inserting "a comma and "other than through a strictly quantifiable comparative description," after "promote".

SEC. 102. TELEVISION CHANNEL EXCHANGES.

Subpart E of part IV of title III of the Communications Act of 1934 (47 U.S.C. 397 et seq.) is amended by adding at the end thereof the following:

"SEC. 399C. TELEVISION CHANNEL EXCHANGES.

"(a) PETITION.—The licensees or permittees of commercial and public broadcast television stations may file a joint petition with the Commission requesting an exchange of channels (including public television stations on VHF channels to be exchanged for UHF channels). Within 90 days after receiving such a petition, the Commission shall amend the television table of allotments and modify the licenses or permits of the petitioners to specify operation on the exchanged channels if the Commission finds that—

"(1) the stations serve substantially the same market; and

"(2) the consideration paid to the public broadcast television licensee or permittee—

"(A) fairly reflects the value of the exchange of channels and related facilities; and

"(B) will be dedicated to the provision of public broadcasting services.

"(b) OTHER CONSIDERATIONS PROHIBITED.—In considering a petition under subsection (a), the Commission may not consider proposals by other parties to become licensees or permittees on the channels to be exchanged.

"(c) INELIGIBILITY FOR GRANTS.—Neither a noncommercial educational television station that exchanges a channel for consideration under subsection (a), nor any transferee or assignee of the license associated with that station, may receive funds under subsection 396 after the exchange occurs, except to the extent provided for by the Commission on the basis of the contribution to the public broadcasting system made by that station, transferee, or assignee.".

SEC. 103. CONVERSION OF STATIONS TO COMMERCIAL STATUS.

Subpart E of part IV of title III of the Communications Act of 1934 (47 U.S.C. 397 et seq.), as amended by section 103, is amended by adding at the end thereof the following:

"SEC. 399D. USE OF PUBLIC BROADCASTING STATIONS FOR REMUNERATION.

"(a) IN GENERAL.—

"(1) USE OF OVERLAPPING STATION CAPACITY.—Subject to the requirements and limitations of this section, the licensee or licensees of 2 overlapping stations may, notwithstanding the allocated and licensed status of such stations as noncommercial educational television stations, operate one such station for remunerative purposes, including the transmission of commercial television programming originated by such licensee or by another party and transmission of subscription television or pay-per-view services. Such commercial operation will not result in a modification of the noncommercial educational allocation of the license held by the station.

"(2) CONDITIONS FOR USE.—The licensee or licensees of overlapping stations intending to operate one of such stations for remunerative purposes pursuant to paragraph (1) shall file with the Commission a joint operating agreement or other instrument providing assurances that—

"(A) the remuneration of such operations (in excess of the costs of the commercial and public television operations of such licensee) is dedicated to the provision of public broadcasting services on the other overlapping station; and

"(B) the station operated for remunerative purposes is, but for the remunerative operations, otherwise operated consistently with the provisions of this Act and the rules and policies of the Commission applicable to such operations.

"(3) INELIGIBILITY FOR GRANTS.—No noncommercial educational television station operating under an agreement or other instrument filed under paragraph (2), and no transferee of such station, or assignee of the license associated with such station, may receive any funds under section 396, except to the extent provided for by the Commission on the basis of the contribution to the public broadcasting system made by that station, transferee, or assignee.

"(b) SALE PERMITTED.—Upon application by the licensee of 2 or more overlapping public television stations, the Commission shall approve the assignment of one of the licenses of such licensee for a television station to another person or entity, without rulemaking or opening the licensed channel to general application, and shall permit such person or entity to operate such station as a commercial television station, if—

"(1) the licensee assigning such license will dedicate all compensation in excess of costs of sale received for such assignment to the support of the local noncommercial educational broadcast operations of the retained station; and

"(2) the compensation provided to the licensee for assigning such license reflects the value of the license and related facilities.

"(c) DEFINITIONS.—For purposes of this section—

"(1) OVERLAPPING STATIONS.—The term 'overlapping stations' means 2 or more public television stations—

"(A) that serve the same market;

"(B) with respect to which the Grade A contour of one of such stations reaches more than 50 percent of the Grade A population reached by the other such station; and

"(C) with respect to which less than 20 percent of the population reached by either station is unduplicated by the other.

"(2) TELEVISION MARKET.—The term 'television market' has the meaning provided in section 76.55(e)(1) of the Commission's rules (47 C.F.R. 76.55(e)(1)).".

TITLE II—PUBLIC BROADCASTING EMPOWERMENT COMMISSION

SEC. 201. ESTABLISHMENT.

There is established a commission to be known as the Commission on Public Broadcasting Empowerment (referred to in this section as the "Commission").

SEC. 202. DUTIES.

(a) STUDY AND RECOMMENDATIONS.—The Commission shall—

(1) conduct a comprehensive study of—

(A) alternatives for providing long-term funding for public broadcasting services other than with appropriated Federal funds, with particular emphasis on the development of earned income opportunities;

(B) the feasibility of generating revenue for a trust fund based upon spectrum grants or other sources of funding;

(C) the effectiveness and adequacy of those means of generating revenue for public broadcasting services made available by title I of this Act;

(D) the impact that particular funding methods may have on the purpose, role, and availability of public broadcasting, particularly in smaller markets;

(E) funding distribution formulas for smaller markets that take into account the special nature of such markets, including the additional infrastructure investment necessary to obtain sufficient audience reach; and

(F) opportunities for reducing the cost of public broadcasting through increased efficiencies of production, distribution, and operation without impairing universal access to public broadcasting; and

(2) submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Commerce of the House of Representatives a report setting forth the results of its study and making recommendations for—

(A) long-term funding for public broadcasting that would not compromise its essential noncommercial nature;

(B) improving the economic efficiency with which public broadcasting operates;

(C) guaranteeing universal access, particularly to rural and underserved areas; and

(D) stimulating the development of regional and local programming centers in order to increase geographic diversity in the origination of programming.

(b) INTERIM AND FINAL REPORTS.—The Commission shall submit a preliminary report under subsection (a)(2) not later than December 31, 1997, and a final report not later than December 31, 1998.

(c) TRUST FUND ESTABLISHED.—

(1) IN GENERAL.—There is hereby established in the Treasury of the United States a trust fund to be known as the "Public Broadcasting Trust Fund".

(2) ACCOUNTS.—The Public Broadcasting Trust Fund shall consist of such accounts as may be provided by law. Each such Account shall consist of such amounts as may be appropriated, credited, or paid to it as provided by law.

(3) EXPENDITURES.—Amounts in the Public Broadcasting Trust Fund shall be available for making such expenditures as may be provided by law.

(4) MANAGEMENT.—The Public Broadcasting Trust Fund shall be managed in accordance with the provisions of section 9602 of the Internal Revenue Code of 1986.

SEC. 203. MEMBERSHIP.

(a) COMPOSITION.—

(1) APPOINTMENTS.—The Commission shall be composed of 12 voting members and 3 ex officio members to be appointed not later than 60 days after the date of the enactment of this Act as follows:

(A) SENATORS.—One Senator shall be appointed by the Majority Leader of the Senate, and one Senator shall be appointed by the Minority Leader of the Senate.

(B) MEMBERS OF THE HOUSE OF REPRESENTATIVES.—One Member of the House of Representatives shall be appointed by the Speaker of the House of Representatives, and one Member of the House of Representatives shall be appointed by the Minority Leader of the House of Representatives.

(C) ADDITIONAL MEMBERS.—Eight members shall be appointed by the President, without regard to political affiliation, on the basis of demonstrated expertise in public broadcasting, education, entertainment, finance, or investment.

(2) EX OFFICIO MEMBERS.—The Secretary of Commerce, the Chairman of the Federal Communications Commission, and the President of the Corporation for Public Broadcasting shall serve on the Commission as nonvoting ex officio members.

(b) VACANCIES.—Any vacancy on the Commission shall be filled in the manner in which the original appointment was made. The vacancy shall not affect the power of the remaining members to execute the duties of the Commission.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall elect a chairperson and a vice chairperson from among the members of the Commission.

(d) QUORUM.—Eight members of the Commission shall constitute a quorum for all purposes, except that a lesser number may constitute a quorum for the purpose of holding hearings.

SEC. 204. COMPENSATION.

(a) PAY.—Members of the Commission shall serve without compensation.

(b) TRAVEL EXPENSES.—Members of the Commission shall be allowed reasonable travel expenses, including a per diem allowance, in accordance with section 5703 of title 5, United States Code, when performing duties of the Commission.

SEC. 205. POWERS.

(a) MEETINGS.—The Commission shall first meet not later than 30 days after the date on which all members are appointed, and the Commission shall meet thereafter on the call of the chairperson or a majority of the members.

(b) HEARINGS AND SESSIONS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(c) ACCESS TO INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out this title, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the chairperson or vice chairperson of the Commission, the head of such agency shall furnish such information to the Commission.

(d) USE OF FACILITIES AND SERVICES.—Upon the request of the Commission, the head of any Federal agency may make available to the Commission any of the facilities and services of such agency.

(e) PERSONNEL FROM OTHER AGENCIES.—On the request of the Commission, the head of any Federal agency may detail any of the personnel of such agency to serve as an Executive Director of the Commission or assist the Commission in carrying out the duties of the Commission. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(f) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the chairperson of the Commission may accept for the Commission voluntary services provided by a member of the Commission.

SEC. 206. TERMINATION.

The Commission shall terminate 30 days after the date of the submission of the final report of the Commission to Congress.

SEC. 207. AUTHORIZATION OF APPROPRIATIONS.

(a) COMMISSION.—There are authorized to be appropriated to the Commission such sums as may be necessary to carry out the provisions of title II of this Act.

(b) CORPORATION FOR PUBLIC BROADCASTING.—Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended—

(1) by striking "and" after "1995,"; and

(2) by striking "1996." and inserting "1996, and $250,000,000 for each of fiscal years 1998, 1999, and 2000.".

SPECTRUM REFORM DISCUSSION DRAFT

Mr. PRESSLER. Mr. President, I rise today to take another step in my overall telecommunications and information policy reform agenda. As I have stated many times, the historic enactment earlier this year of the Telecommunications Act of 1996 was only the first step in a new national telecommunications policy for 21st Century America.

Today, I am putting out for public comment a discussion draft of spectrum reform legislation to institute comprehensive reforms in how the Federal Government uses—and fails to use—our most important valuable national resource, the radio frequency spectrum.

THE SPECTRUM AND ITS USES

The radio spectrum is to the information age what oil and steel where to the Industrial Age. Like any resource, it is finite. Therefore it must be managed responsibly.

This valuable resource is one of the principle building blocks for tomorrow's "Information Economy." It also is critical to delivering new and valuable services to the American public.

All of us have seen the contribution traditional radio-based services—such as public and commercial broadcasting—have made to our national life. We have seen the benefits of low-cost satellite communications, which have enormously expanded the range of news, information, and entertainment choices. We have seen the proven value of cellular radiotelephones. In addition, there are an array of other critical radio-based communications services—everything from the radar systems so important to air traffic control, to the radios policemen, firemen, and ambulances use, to communications networks central to maintaining a strong national defense.

From its very beginning, wireless communication has played a vital role in protecting lives and property. Through the development of radio and television broadcasting, it has delivered information and entertainment programming to the public at large. More recently, wireless, spectrum-based telecommunications services, products and technologies have proven indispensable enablers and drivers of productivity and economic growth, as well as international competitiveness.

Wireless technology can deliver telecommunications and information services directly to individuals on the move. No longer is being away from the office desk or factory floor an impediment to doing business. Fixed locations that cannot be served economically by wireline facilities because of physical infeasibility or prohibitively high costs are made accessible. Wireless services also are critically important in bringing competition to the wireline telephone network—one of the key goals of the Telecommunications Act.

Today, there is an almost limitless demand for the use of this spectrum. In other words, the spectrum is an enormously valuable, yet finite natural resource. This is the crux of the problem with our current spectrum policy structure. Unless a reformation plan is developed to create a more effective and efficient use of the spectrum, a vast array of new spectrum-based products, services, and technologies will go unrealized for the American people.

THE FUTURE

We are on the cusp of great change. Over the past couple of years, we in the Congress and the Federal Communications Commission [FCC] have accelerated the deployment of a whole new generation of pocket phones—so-called "Personal Communications Services." Just this spring, the FCC authorized a new generation of wireless computers—radio-based systems that may make it possible for us to interconnect our schools and provide our students with access to the Internet on a low-cost, highly, effective basis.

America has pioneered the development of digital television. Later this year, actual digital broadcast operations may begin. By the turn of the century—less than 4 years from now—we could have the equivalent of a digital overlay network in the United States, relying on a new electronic infrastructure broadcasters hope to put in place.

These and other accomplishments have been achieved despite a regulatory framework that dates to the days of Marconi. It is a policy designed for an environment characterized by stable technology and stable, predictable demand for very basic communications. Under this antiquated model, the Government—not consumers—largely decides who uses frequencies, what they are used for, and how they are used—a government-sponsored electronic industrial policy.

This system is slow. It is anticompetitive. It is antifree speech.

INEFFICIENCIES IN THE CURRENT POLICY

As with other systems of central planning, the spectrum management system currently utilized in the United States tends to result in inefficient use of the spectrum resource. Federal regulators —rather than consumers—decide whether taxis, telephone service, broadcasters, or foresters are in greatest need of spectrum. Not surprisingly it is a highly politicized process. Most important, new services, products and technologies are delayed or, worse yet, denied. This obviously harms consumers.

Consider cellular phones, the lengthy delay in making cellular telephone service available imposed tremendous cost on the economy. One study estimated the delay cost the economy $86 billion. As important, American consumers were denied a new productivity and security tool for many years.

Equally troubling, the system constrains competition. One of the most important qualities of a competitive industry is the ability of new firms to enter the business. Yet, the bureaucratic allocation process typically provides for a set number of licenses for each service. This precludes additional competitors. Only two cellular franchises, for instance, are allowed in each market.

Delays associated with the allocation and assignment processes, while perhaps acceptable in a slow changing world, are seriously out of step with the fast-changing, high-technology world of today. Pressures on the traditional radio frequency management structure are increasing. Demand for channels is outstripping supply.

The current environment hobbles progress. It makes it hard for innovators to gain access to the radio spectrum resources they need to deliver technology's promise to the American people.

Another problem with current policy is that the Federal Government alone claims nearly one-third of this critical resource for itself. Since 1992, there has been a bipartisan commitment to privatize some of the spectrum the Government has warehoused. Among the benefits of that bipartisan effort has been a series of spectrum auctions. Those auctions have produced more than $20 billion for the U.S. Treasury. Although spectrum auctions have provided significant revenues for the U.S. Treasury, the overriding policy reason for adopting a spectrum auction policy is not—I repeat not—to provide more money for the Government.

Much more important, spectrum auctions have accelerated access to the resource by private sector entrepreneurs. The key policy goal achieved with auctions is placing the spectrum resource in the hands of those who value it most highly. Those who will put it to its best, highest valued use.

The FCC's current auction authority expires in 1998. We need to address these issues before then. We then ought to make the FCC's auction authority permanent.

But as I stated here on the Senate floor on March 13 much more definitely needs to be done.

Under the comprehensive discussion draft of spectrum reform legislation I am unveiling today, a far reaching series of reforms would be initiated.

SPECTRUM AUCTION AUTHORITY AND EXHAUSTIVE LICENSING

The spectrum reform discussion draft would expand the FCC's spectrum auction authority. This change would, once and for all, place the spectrum issue outside of the budget context and squarely in the arena of communications policy.

The FCC also would be required to exhaustively license all available spectrum by selecting bands of unallocated and unassigned frequencies to be auctioned. Any existing licensees in these bands would be protected and grandfathered. Indeed, they would gain flexibility in use within their actual or implied service area and spectrum block. The FCC is directed to maximize the value of spectrum licenses by selecting broad, low frequency bands of contiguous spectrum that are not fully assigned. The spectrum licensee seeking flexibility in use also may apply for any adjacent or cochannel spectrum contiguous to its existing license that is allocated but unassigned.

SPECTRUM FLEXIBILITY

The key reform contained in this discussion draft is freedom in spectrum use. While important, auctions are not the most important reform contained in this legislation. Much more important is replacing the current Government mandated industrial policy system with a market-based approach.

Auctions only tell you who gets a license. We now need to discuss what the license allows you to do.

Like land, the Government shouldn't tell people what they can do with frequencies. So long as they don't interfere with their neighbors, they should be able to use it for whatever consumers want.

Like newspapers, the Government shouldn't tell broadcasters what they say or how they say it. That should be up to viewers.

Simply put, frequencies should be treated more like private property.

However, in making these policy changes we should build on the current system. Many licensees already have a great deal of flexibility in what they can do. Let's build on that and give them more freedoms.

Mr. President, at the core of the spectrum reform I am today proposing is the concept of spectrum flexibility. Flexibility for a changing world.

For instance, radio frequency management historically has limited the permissible uses of allocated bands and assigned channels. This, in part, has been a function of technology, as well as the characteristics associated with particular frequencies.

For example, channels allocated to the Forest Products Service traditionally have been quite low frequencies. This is because those frequencies have been shown to have the greatest ability to penetrate underbrush, leaves, and other obstructions naturally occurring in a forest. New digital communications technologies have gone a long way toward changing this reality. Today's digital technology includes error correction and other features which lessen interference.

Another good example of why today's technology requires increased spectrum flexibility occurs in spread spectrum and digital overlay. These techniques make it possible for multiple communications pathways to be established within the same radio frequency channel. In other words, using this technology, broadcasters could transmit communications in addition to video and sound signals. Radio broadcast channels today, for example, already provide local links for paging operations. Government policy must allow multiple, more intensive use of radio frequency resources where there is no perceptible adverse technical impact.

Allowing radio frequency licensees greater flexibility also could facilitate equipment and systems modernization and upgrading in the public sector. This would enhance public safety. For example, many public communications systems today are in need of modernization, to meet the demand for more cost-effective and responsive law enforcement, fire safety, and emergency medical services. At the same time, the financial resources available to many public safety communications organizations are quite limited.

If local police forces were permitted greater flexibility in use of their channels, however, this challenge would be less severe. Switching to new digital communications techniques typically achieves a significant increase in the total number of channels available—in some cases, by a factor of four or more. Thus, a local police department could increase the number of channels available to support its operations and, at the same time, have capacity available which it could lease or barter with private communications organizations. Such arrangements could generate the funds needed to finance modernization.

Greater flexibility is a public interest win-win situation—an option that benefits all involved and affords the general public both better service and more communications options.

The FCC already has taken steps to allow some radio licensees more flexible use. The Commission's cellular radiotelephone rules, for example, place few constraints on permissible communications. The same is true in the case of the new PCS services. What is needed, however, is far greater application of this fundamental principle of flexible spectrum use. My bill does just that.

Under this discussion draft, each existing and future licensee would have increased flexibility in use including: The right to use assigned spectrum for any service, under any regulatory classification, and under any technical parameters. In addition, the licenses would have the right to freely transfer the license to others.

The flexible use would have to be within the licensee's existing or implied service area and spectrum block and could not be inconsistent with international treaty obligations of the United States. The spectrum licensee also would bear the burden of showing any new use was within the existing or

implied service area and spectrum block.

SPECTRUM PRIVATIZATION

Another major feature of the draft legislation is spectrum privatization. Simply put, under the discussion draft, the Federal Government would be obliged to relinquish one-quarter of its spectrum stockpile. Spectrum auctions would be held to place that spectrum into the hands of the public as quickly as possible. In addition, Government agencies would be required to rely, to the maximum extent possible, on the private sector to meet their radiocommunications needs. Taking into account the taxes paid, if nothing else, this would definitely help the public and strengthen the American information technology economy.

SPECTRUM MANAGEMENT CONSOLIDATION

The discussion draft would place the responsibility for managing the spectrum in the United States solely with the FCC. The Commission would be required to factor in critical national defense, law enforcement, and national policy priorities. However, the current regime divides responsibility between the FCC and the Department of Commerce, would be streamlined. This would improve the overall management process. It also would increase accountability.

SELF-MANAGED REGULATION

One of the more promising options for radio frequency management reform is expanded use of self-managed regulation—the use of private sector radio frequency coordinator groups to handle routine engineering, frequency coordination, and other functions which, in the past, typically had been undertaken by FCC staff.

At present, the FCC relies on frequency coordinators to handle many of the routine chores associated with private mobile radio systems. Organizations such as the National Association of Business & Educational Radio [NABER], the Associated Public-Safety Communications Officers [APCO], and the Special Industrial Radio Service Association [SIRSA] process applications, conduct engineering surveys, and otherwise facilitate licensing and channel usage in these specific private radio services. The FCC does not generally rely on frequency coordinators, however, with regard to broadcast services, satellite communications, and other large frequency using services.

The task of being a frequency coordinator depends, in large part, upon two things: Access to computerized data bases; and some expertise in radio frequency engineering. Access to data bases today, of course, is routine. At the same time the number of individuals with substantial radio frequency management expertise is growing. This is due in part to Federal Government and defense agency downsizing. There is, in short, no good reason to assume that multiple frequency coordinators could not be sanctioned by the FCC. This would have the effect of broadening users' options.

Competition among frequency coordinator groups, moreover, should have the effect of ensuring efficient charges and effective, responsive operations. That has been true in virtually every market in which competition has been introduced. It should prove true in this case as well. That is why the discussion draft directs the FCC to expand substantially the agency's use of private sector frequency coordinator groups.

PUBLIC SAFETY SPECTRUM

The draft legislation also directs the FCC to make spectrum block grants to States for public safety spectrum needs. In lieu of processing, issuing, and renewing tens of thousands of public safety communications licenses—at significant cost to licensees, as well as the FCC—the agency would issue 55 block grants to the chief executive officer of each State, Guam, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia. It would then be the responsibility of State Governors to determine eligibility, to ensure compliance with standard FCC—and other—operating rules, and to resolve disputes among public safety licensees within their jurisdiction.

This reform would reduce delays and heighten responsiveness to actual user requirements. It would lessen substantially the burdens of traditional regulation now borne by the FCC. Most important, it would tend to ensure more and better public safety communications for State residents.

BROADCAST TELEVISION SPECTRUM

Mr. President, this draft legislation also would resolve the controversy that has surrounded the digital—or high-definition—television issue. It would speed up the migration of broadcast television to digital channels. At the same time, it would firm up the plans which have been announced regarding the retrocession of one 6 Mhz channel—assets which could be used for many purposes in addition to straight broadcast television.

Spectrum in the VHF and UHF television bands has the potential of being extremely valuable for a variety of uses. Current licensing policy, however, keeps this spectrum locked up in a single, narrowly defined use. The fundamental thrust of this alternative broadcast TV spectrum policy is to allow markets to guide the spectrum to its highest valued use, while preserving the current level of free television service, noncompetitively assigning an additional 6 MHz to each existing NTSC licensee, and ensuring the public is fairly compensated for the use of spectrum. This alternative proposal recognizes the equities of incumbent full power broadcast licensees in the band to fully and fairly compete in the digital era, most especially their desire to convert to digital technology. At the same time—and let me be very clear on this point—it will maintain the current level of free television service for American consumers.

THE NEED FOR REFORM

Mr. President, we enacted comprehensive telecommunications legislation earlier this year for one very simple reason. It became more and more apparent to all of us that the traditional, highly bureaucratized telecommunications regulatory system no longer served the public's best interest. There were unexplainable delays. New services were not being offered. New investment and job opportunities were not materializing fast enough.

The oldtime telecommunications regulatory system, in short, had become the classical regulatory bottleneck. It was stalling forward progress. As a result—after nearly two decades of struggling with these issues—this Congress developed and enacted comprehensive reform legislation.

The discussion draft I am unveiling today is very much the other side of that fundamental regulatory reform equation. It addresses issues and choices that Congress, the FCC, and the executive branch have wrestled with for years. The approach is fair and balanced—and, balanced very much in terms of helping the American public while strengthening national competitiveness. I believe it could usher in a dynamic, vibrant "Wireless Era" in which American entrepreneurial capitalism leads the world into a robust high-technology future that will benefit all Americans.

Congress has spent years examining the way we manage other natural resources—from water, grazing, and timber issues so critical to my part of the country, to the fisheries vitally important to the Northeast, the Northwest, and, of course, Alaska. The natural resource this draft legislation focuses upon is just as important to America.

This discussion draft was crafted in consultation with a wide range of engineering, economic, and public policy experts. It is based, in large part, upon the extensive open hearings which the Senate Committee on Commerce, Science, and Transportation has conducted over the past few years.

This is a worthy regulatory reform initiative. It could pay enormous public policy dividends. Let me stress, however, that the unveiling of this discussion draft is merely the beginning of what I hope will be a spirited, robust debate. I look forward to continuing to work cooperatively with all of my colleagues in the Senate and the House to develop sound, consensus legislation that can be introduced in the near future. I also want to encourage all affected parties to provide comments to the committee regarding this proposal.

Mr. President, the radio frequency management and use reforms contained in this spectrum reform discussion draft hold significant promise. They would reduce regulatory burdens. They would foster important public policies including advances in technology and innovation, greater choice and more customer options, and more effective, efficient, and responsive use of this valuable national resource.

Mr. President, I ask unanimous consent that a summary of the discussion draft together with the draft legislative language itself be printed in the RECORD.

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

SUMMARY OF PRESSLER SPECTRUM BILL DISCUSSION DRAFT: THE ELECTROMAGNETIC SPECTRUM MANAGEMENT POLICY REFORM AND PRIVATIZATION ACT

SPECTRUM AUCTION AUTHORITY

Permanent Authority. FCC's spectrum auction authority is extended and made permanent.

Expanded Authority. FCC's spectrum auction authority to make spectrum license assignments is expanded with the following limited exceptions: non-mutually exclusive applications; public safety services; digital television licenses for broadcasters; and spectrum and associated orbits within an international satellite system. FCC's auction authority also expanded to include allocations, where consistent with the Act.

Exhaustive Licensing. FCC required to exhaustively license all available spectrum by selecting bands of unallocated and unassigned frequencies to be auctioned. Any existing licensees in these bands will be protected and grandfathered and gain flexibility in use within their actual or implied service area and spectrum block. FCC is directed to maximize the value of spectrum licenses by selecting broad, low frequency bands of contiguous spectrum that are not fully assigned.

VOLUNTARY REALLOCATION—SPECTRUM FLEXIBILITY

Flexibility In Use. Each existing and future nonbroadcast licensee will have flexibility in use which includes: the right to use assigned spectrum for any service; under any regulatory classification; under any technical parameters; and the right to freely transfer this right to others.

Limitations. The flexible use must be within the licensee's existing or implied service area and spectrum block and cannot be inconsistent with international treaty obligations of the United States. The spectrum licensee bears the burden of showing that any new use is within the existing or implied service area and spectrum block.

The spectrum licensee seeking flexibility in use may also apply for any adjacent or co-channel spectrum contiguous to its existing license that is allocated but unassigned.

GOVERNMENT SPECTRUM USERS

Flexibility In Use. Government spectrum users are also granted spectrum flexibility rights, including the right to transfer any spectrum rights now assigned to them to any government or private sector entity and to receive compensation for rights transferred.

Privatization. The Federal government is required to make an additional 25 percent of its exclusive or shared spectrum below 5 GHz available to the FCC for allocation to private sector spectrum licensees using spectrum auctions.

BRAC-Like Commission. A Presidentially appointed Advisory Committee On Withdrawal will be established to determine how to make available the 25 percent of spectrum for privatization and to determine what, if any, amount of spectrum beyond the mandatory 25 percent which will be made available to the private sector over a period of 10 years.

Financial Incentives. To encourage government agency and personnel cooperation, financial incentives will be developed to reward them for opening more spectrum for private sector use.

Relocation Compensation. Federal government users are allowed to accept compensation, including in-kind reimbursement of costs, from any entity to defray the costs of relocating the Federal entities operations from one set of spectrum frequencies to another.

Additional Privatization. The Act adopts as statutory law OMB's Circular A-76 which requires Federal agencies to undertake an extensive cost-benefit analysis prior to vertically integrating or continuing to vertically integrate to meet their needs, and to take into account taxes forgone when the Government chooses to make rather than buy products or services to meet its needs. A-76 analysis has simply not been consistently—nor continuously—applied to Government radio communications requirements. The new bill changes that by obliging Federal agencies to systematically review their communications systems and operations, and shift to private sector suppliers wherever feasible.

Technology Teaming. The number of communications channels can be significantly multiplied if the analog communications facilities used by many Federal agencies were changed to digital. Federal agencies will be required to team with a private company to install advanced, digital capability and increased capacity, which in turn can be equitably apportioned between agency and private partner.

Multi-Agency Systems. Federal agencies will be required to explore not only the availability of private sector suppliers but also other government agency suppliers. Today each Federal agency maintains—and jealously guards—its own system. As a result, there are very few "common user" systems.

CONSOLIDATION OF FEDERAL SPECTRUM MANAGEMENT FUNCTION

NTIA Eliminated. Management of spectrum for Federal government agencies, together with the IRAC Secretariat and associated support activities, is transferred from NTIA to the FCC.

National Security Safety Valve. The President may veto any FCC action which limits the amount of spectrum available to government users, limits the uses to which spectrum may be put, or interferes with or compromises Federal use, if such action substantially harms national security or public safety.

NON-EXCLUSIVE LICENSES

For non-exclusive spectrum licenses not assigned by spectrum auction, the FCC will have the authority to use other economic incentives, including user fees, to ensure that spectrum is assigned and used efficiently and that the public is fairly compensated for the use of the spectrum.

SELF MANAGED REGULATION

FCC is directed to substantially expand its use of private sector frequency coordinator groups thus reducing need for FCC in house engineering.

PUBLIC SAFETY SPECTRUM BLOCK GRANTS

Each State will assume responsibility as a block grant licensee for managing the spectrum currently allocated to public safety uses within its State boundaries.

Each State may grant licensees the same flexibility in use available to private FCC licensees.

Interference disputes between the States will be resolved by the FCC.

BROADCAST TV SPECTRUM—DEPOSIT, RETURN AND OVERLAY (A MARKET-BASED ALTERNATIVE TO A GOVERNMENT MANDATED AND DICTATED TRANSITION POLICY)

Purpose. Spectrum in the VHF and UHF television bands is potentially extremely valuable for a variety of uses. Current licensing policy, however, keeps this spectrum "locked up" in a single, narrowly defined use. The fundamental thrust of this alternative broadcast TV spectrum policy is to allow markets to guide the spectrum to its highest valued use (as up front spectrum auctions would) while preserving the current level of free television service, noncompetitively assigning an additional 6 MHz to each existing NTSC licensee, and ensuring the public is fairly compensated for the use of spectrum. This alternative proposal recognizes the equities of incumbent full power broadcast licensees in the band to fully and fairly compete in the digital era, most especially their desire to convert to digital technology. At the same time it will maintain the current level of free television service for American consumers.

No Standards Setting. FCC is specifically precluded from mandating an HDTV or digital television (DTV) standard for broadcast licensees or establishing a requirement that all TV sets sold or imported must be digital compatible by a date certain.

Deposit. One 6 MHz DTV channel will be assigned non-competitively to each existing NTSC licensee. Each existing NTSC licensee will have the choice of receiving a DTV license for payment of a fee (Deposit) or to simply keep their existing NTSC license and relinquishing their right to the DTV license. The deposit will be based on the market value of the license determined by the auction of the overlay licenses (see below). Any DTV licenses not accepted will be auctioned by the FCC as part of an overlay license.

Return. The money deposited for the DTV license can be paid in installments over a period of 15 years with the money going into an escrow account. Interest accrued will go to the U.S. Treasury for deficit reduction. After 15 years from the date the FCC assigns a DTV license, the broadcast licensee can relinquish a 6 MHz license and reclaim the full amount of its deposit (Return), less interest accrued, or continue to maintain NTSC and/or DTV license operations as outlined below. The amount of the deposit returned to the broadcast licensee will decrease 20 percent for each year that the return of a 6 MHz channel is delayed past 15 years.

DTV Flexibility/Transferability. DTV licensees will have full flexibility, without imposition of economic fees as required in the Telecommunications Act of 1996, to use their assigned DTV channels within their designated service area for any service consistent with the technical limits imposed by the FCC to prevent interference to NTSC and other DTV assignments. DTV licensees may voluntarily transfer their license at any time, separate from or together with their existing NTSC channel.

No Mandates. DTV licensees will not be required to meet a minimum service requirement or construction schedule.

Protecting Consumer Investment. Existing full power NTSC stations will be grandfathered indefinitely. An NTSC licensee will be permitted to continue providing standard NTSC television service or to transfer its license to another party who will then become the NTSC licensee.

NTSC Flexibility Subject To Replacement Of Free Service. An NTSC licensee will also be given flexibility within its assigned channel and service area to provide any services, without imposition of economic fees as required in the Telecommunications Act of 1996, other than standard NTSC service subject to technical limits imposed by the FCC to prevent interference to DTV and other NTSC assignments. Before any NTSC service may be reduced or discontinued, however, the NTSC licensee must have provided a comparable free replacement for such service including necessary receiving equipment to allow such service to be displayed on standard NTSC receivers.

Exhaustive Licensing. FCC will define overlay licenses collectively covering all 402 MHz of spectrum in the current VHF and UHF TV bands and covering the entire U.S. Each overlay license will cover a block of one or more contiguous 6 MHz channels and a contiguous geographic area. The FCC will determine the appropriate spectrum block and area size.

Overlay Auction. Overlay licenses to exhaustively fill the entire 402 MHz allotted for television broadcasting in each market will be assigned by a simultaneous, multiple round auction.

Overlay Flexibility. Within its defined spectrum block and service area, an overlay licensee will be permitted to implement any service, subject to power limits defined by the FCC at the boundaries of such spectrum block and service area, and subject to additional technical restrictions as may be imposed by the FCC to protect NTSC and DTV licensees from harmful interference.

Overlay licenses will be freely transferable.

Overlay licenses may be aggregated to create larger service areas and spectrum blocks.

SPECTRUM REPORT

After 2 years the FCC will prepare a cost-benefit report on the results of the legislation together with any recommendations for additional legislation.

S. —

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 "Electromagnetic Spectrum Management Policy Reform and Privatization Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) New applications of wireless communications technologies await access to the electromagnetic spectrum to provide innovative services to the public.

(2) The spectrum, however, is often characterized as overcrowded and filled to capacity with current allocations.

(3) Capacity may now be underutilized due to the use of obsolete technologies, while bands with great promise for delivering better quality communications products to consumers fail to realize their potential.

(4) This seeming paradox may be the result of a regulatory structure that is increasingly inefficient in the dynamic worlds of telecommunications and information technologies.

(5) This inefficiency results from structural defects in the system itself, not in the expertise of, or competence at, the regulatory agencies.

(6) Central allocation mechanisms provide insufficient information with which to rank competing uses for spectrum, or competing technologies for delivering those uses.

(7) Approximately one-third of the usable spectrum is allocated to government or otherwise unavailable for private sector use. Innovations to help and encourage the government to use spectrum more efficiently should be adopted.

(8) The dramatic acceleration in the pace of technological change and the increasing complexity of allocation and assignment decisions make the case for an overhaul of the current system more compelling than ever before.

(9) Lack of capital and outmoded equipment have led to inefficient utilization of the spectrum bands used by Federal agencies and public safety users.

(10) The management of spectrum can be substantially reformed by giving most licensees the freedom and incentive to use the spectrum more efficiently.

(11) In particular, within its explicit or implicit service area and spectrum block, a licensee should be given—

(A) service and technical flexibility;

(B) freedom to resell or sublease; and

(C) freedom to pick regulatory classification.

(12) To get the full benefit of liberalizing existing licenses, currently unassigned or unallocated spectrum will have to be made available in an efficient manner. The Commission will have to exhaustively license this spectrum expeditiously. These new assignments should—

(A) be exclusive;

(B) provide new licensees marketplace freedoms similar to those enjoyed by existing licensees; and

(C) be assigned through simultaneous multiple round auctions where there are mutually exclusive applicants.

(13) Similar incentive-based reforms should be adopted for the spectrum used by the Federal government and by the public safety community, including substantial privatization, flexibility in use, financial incentives and compensation for relocation and band clearing, consolidation of the Federal spectrum management function, and spectrum block grants to the States.

(14) An alternative broadcast television spectrum policy is needed to allow markets to guide the spectrum to its highest valued use while preserving the current level of free television service, noncompetitively and flexibly assigning an additional 6 megahertz to each existing NTSC licensee, and ensuring that the public is fairly compensated for the use of spectrum.

(15) All reforms should encourage private dispute resolution and avoid prolonged administrative delays.

SEC. 3. DEFINITIONS.

When used in this Act—

(1) COMMISSION.—The term "Commission" means the Federal Communications Commission.

(2) FLEXIBILITY IN USE.—The term "flexibility in use" means—

(A) the right to use assigned spectrum for any service (including but not limited to those defined by the Commission), under any regulatory classification, and under any technical parameters, if the use is within the licensee's existing or implied service area and spectrum block and is not inconsistent with international treaty obligations of the United States, and

(B) the right to freely transfer this right to others.

(3) IMPLIED SERVICE AREA.—The term "implied service area" means the service area implied by the potential power level and antenna height for a licensee, even if that area is not expressly defined in a license.

(4) SERVICE AREA.—The term "service area" means the geographic area over which a licensee may provide service and is protected from interference.

(5) SPECTRUM BLOCK.—The term "spectrum block" means the range of frequencies over which the apparatus licensed by the Commission is authorized to transmit signals.

SEC. 4. SPECTRUM AUCTION AUTHORITY.

(a) SPECTRUM AUCTION AUTHORITY MADE PERMANENT.—Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) is amended—

(1) by striking paragraph (11); and

(2) by redesignating paragraphs (12) and (13) as paragraphs (11) and (12).

(b) EXPANSION OF SPECTRUM AUCTION AUTHORITY.—

(1) IN GENERAL.—Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) GENERAL AUTHORITY.—If mutually exclusive applications are accepted for any initial license or construction permit which will involve use of electromagnetic spectrum, then the Commission shall grant such license or permit to a qualified applicant through a system of competitive bidding that meets the requirements of this subsection. The Commission may also use auctions to allocate spectrum where it determines that such an auction is consistent with the purposes of this Act.

"(2) EXEMPTIONS.—The Commission may not apply the competitive bidding authority granted by this subsection to licenses or construction permits issued by the Commission—

"(A) for public safety radio services, including non-Government uses the sole or principal purpose of which is to protect the safety of life, health, and property and which are not made commercially available to the public;

"(B) for initial licenses or construction permits for new terrestrial digital television services assigned by the Commission to existing terrestrial broadcast licenses; or

"(C) for spectrum and associated orbits used in the provision of any satellite within a global satellite system.".

(2) CONFORMING AMENDMENT.—Section 309(j)(6) of such Act is amended—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) through (H) as subparagraphs (E) through (G), respectively.

(c) EXHAUSTIVE SPECTRUM LICENSING POLICY.—

(1) IN GENERAL.—The Commission shall complete all actions necessary to permit the allocation and assignment by competitive bidding pursuant to section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) of licenses for the use of bands of frequencies that—

(A) in the aggregate span not less than 250 megahertz and that are located below 5 gigahertz, within 1 year after the date of enactment of this Act; and

(B) in the aggregate span not less than 5 gigahertz and that are located between 5 gigahertz and 60 gigahertz, within 2 years after the date of enactment of this Act; and

(C) have not, as of the date of enactment of this Act—

(i) been assigned or designated by Commission regulation for assignment pursuant to such section;

(ii) been identified by the Secretary of Commerce pursuant to section 113 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923); or

(iii) been reserved for exclusive Federal Government use pursuant to section 305 of the Communications Act of 1934 (47 U.S.C. 305); and

(D) may include spectrum exhaustively licensed throughout the United States under the provisions of section 337(c)(4)(C) of the Communications Act of 1934.

(2) CRITERIA FOR BAND SELECTION.—In making available bands of frequencies for competitive bidding pursuant to paragraph (1), the Commission shall, to the greatest extent possible, maximize the value of the spectrum licenses by—

(A) selecting broad, low-frequency bands of contiguous spectrum that are not fully assigned; and

(B) exhaustively licensing it throughout the United States.

(d) EFFECTIVE DATE.—The amendment made by subsection (b) does not apply with respect to any license or permit for a terrestrial radio or television broadcast station for which the Commission has accepted mutually exclusive applications on or before the date of enactment of this Act.

SEC. 5. VOLUNTARY REALLOCATION; SPECTRUM FLEXIBILITY.

(a) IN GENERAL.—Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 337. SPECTRUM LICENSE USE FLEXIBILITY.

"(a) FLEXIBILITY IN USE.—Notwithstanding any other provision of this title to the contrary, each holder of a nonbroadcast license granted under this title is hereby granted flexibility in use. A licensee may change the use for which the license was granted to provide any other use of that license within its existing explicit or implied service area and spectrum block, unless the Commission disapproves the holder's application for such change under subsection (c).

"(b) ADDITIONAL SPECTRUM.—The holder of a nonbroadcast license making application for a change of use under subsection (a) may include in the application an application for any adjacent or co-channel spectrum contiguous to its nonbroadcast license to which the change of use application relates that is allocated but unassigned.

"(c) APPLICATION; PROCEDURE.—

"(1) APPLICATION.—An application for flexibility in use under subsection (a), or for flexibility in use and for additional spectrum under subsection (b), shall be made in such form and at such time as the Commission may require and shall include an adequate interference showing.

"(2) PUBLIC NOTIFICATION.—Within 10 days after receiving an application under this section, the Commission shall publish notice of the application in the Federal Register.

"(3) APPROVAL OF USE FLEXIBILITY APPLICATION.—

"(A) IN GENERAL.—The Commission shall approve an application for flexibility in use under subsection (a) unless it determines that—

"(i) the applicant fails to demonstrate that the new use is within the licensee's existing explicit or implied service area or spectrum block;

"(ii) the applicant fails to make an adequate interference showing; or

"(iii) the new use is inconsistent with treaty obligations of the United States.

"(B) COMMISSION FAILURE TO ACT.—If no objection is filed with the Commission and the Commission fails to act on the application within 60 days, the application shall be deemed approved.

"(C) THIRD PARTY CHALLENGES.—A co-channel licensee or adjacent channel licensee has standing to object to the approval of an application under subsection (a) if the objection is filed in writing with the Commission within 30 days after the date on which the notice of application is published in the Federal Register.

"(D) ARBITRATION OF INTERFERENCE DISPUTES.—

"(i) If an objection based on interference cannot be resolved to the satisfaction of the parties within 60 days after the close of the comment cycle for the application, then either the applicant or the person making the objection may invoke binding arbitration to resolve any unresolved issues by notifying the Commission in writing.

"(ii) Upon receipt of such notification, the Commission shall appoint an arbitrator to resolve the dispute.

"(iii) An arbitrator appointed by the Commission under clause (ii) shall resolve the dispute within 60 days after appointment.

"(iv) The costs of arbitration shall be paid by the applicant for license use flexibility or as assigned by the arbitrator.

"(E) INTERFERENCE GUIDELINES.—The Commission shall prepare interference guidelines similar to those now in use for personal communications services bands for applications affecting occupied bands that would provide a safe harbor for any licensee seeking to change its license use.

"(4) APPROVAL OF ADDITIONAL SPECTRUM REQUESTS.—

"(A) FILING WINDOW FOR COMPETING APPLICATIONS.—Any person may apply for spectrum requested by another person if the application is filed within 30 days after notice of the other person's application is first published in the Federal Register.

"(B) APPROVAL OF NONCONTESTED APPLICATIONS.—The Commission shall approve an application for additional spectrum under subsection (b) if no other applicant applies for that spectrum within 30 days after publication of notice of the application in the Federal Register, unless it determines that—

"(i) the applicant fails to demonstrate that the new use is within the licensee's existing explicit or implied service area or spectrum block;

"(ii) the applicant fails to make an adequate interference showing; or

"(iii) the new use is inconsistent with treaty obligations of the United States.

"(C) COMMISSION FAILURE TO ACT.—If no objection is filed with the Commission and the Commission fails to act on the application within 60 days, the application shall be deemed approved.

"(D) THIRD PARTY CHALLENGES.—A co-channel licensee or adjacent channel licensee has standing to object to the approval of an application under subsection (a) if the objection is filed in writing with the Commission within 30 days after the date on which the notice of application is published in the Federal Register.

"(E) ARBITRATION OF INTERFERENCE DISPUTES.—

"(i) If an objection based on interference cannot be resolved to the satisfaction of the parties within 60 days after the close of the comment cycle for the application, then either the applicant or the person making the objection may invoke binding arbitration to resolve any unresolved issues by notifying the Commission in writing.

"(ii) Upon receipt of such notification, the Commission shall appoint an arbitrator to resolve the dispute.

"(iii) An arbitrator appointed by the commission under clause (ii) shall resolve the dispute within 90 days after appointment.

"(iv) The costs of arbitration shall be paid by the applicant for license use flexibility or as assigned by the arbitrator.

"(F) INTERFERENCE GUIDELINES.—The Commission shall prepare interference guidelines similar to those now in use for personal communications services bands for applications affecting occupied bands that would provide a safe harbor for any licensee seeking to change its license use.

"(G) AUCTION OF CONTESTED SPECTRUM.—If mutually exclusive applications are accepted for spectrum under subsection (b), then the Commission shall assign the spectrum through the use of a system of competitive bidding.

"(H) EXPANSION OF AUCTIONED SPECTRUM.—In auctioning spectrum under subparagraph (G), the Commission may auction larger blocks of spectrum encompassing the spectrum requested by the applicant under subsection (b) if—

"(i) there are inconsistent and overlapping requests for the unassigned spectrum; or

"(ii) it would enhance the efficient use of spectrum.".

SEC. 6. GOVERNMENT SPECTRUM USE REFORMS.

(a) MINIMUM REALLOCATION OF GOVERNMENT FREQUENCIES.—

(1) IN GENERAL.—Section 114 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 924) is amended by adding at the end thereof the following:

"(c) MINIMUM WITHDRAWAL SCHEDULE.—

"(1) IN GENERAL.—Over a period of 10 years beginning with fiscal year 1997, the President shall take action under subsection (a) to withdraw or limit the assignment of not less than 25 percent of the exclusive or shared spectrum allocated for Federal government use below 5 gigahertz and make available the spectrum withdrawn, or otherwise made available, to the Commission for allocation to private sector licensees using competitive bidding.

"(2) ADVISORY COMMITTEE ON WITHDRAWAL.—The President shall appoint an advisory committee of 7 members to advise the Commission and the President on the choice of spectrum for withdrawal or limitation of assignment under paragraph (1) of this subsection. The advisory committee shall also advise the President and the Commission concerning the potential for withdrawal or limitation of additional spectrum beyond the 25 percent of frequencies that are required to be privatized under paragraph (1) of this subsection, if any. The advisory committee shall include 3 representatives of affected Federal departments or agencies, 3 representatives of the private sector with experience and expertise in telecommunications, and 1 representative of the public, and shall meet at such times and places as the President shall require. The President shall designate a chairman and vice chairman and provide for appropriate administrative support. The members of the advisory committee shall serve at the pleasure of the President.".

(b) IDENTIFICATION AND REALLOCATION OF FREQUENCIES.—Section 113 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 901

et seq.) is amended by adding at the end thereof the following:

"(f) RELOCATION OF FEDERAL GOVERNMENT STATIONS.—

"(1) IN GENERAL.—In order to expedite the efficient use of the electromagnetic spectrum and notwithstanding section 3302(b) of title 31, United States Code, any Federal entity which operates a Federal Government station may accept payment in advance or in-kind reimbursement of costs, or a combination of payment in advance and in-kind reimbursement, from any person to defray entirely the expenses of relocating the Federal entity's operations from one or more radio spectrum frequencies to any other frequency or frequencies, including, without limitation, the costs of any modification, replacement, or reissuance of equipment, facilities, operating manuals, regulations, or other expenses incurred by that entity. Any such payment shall be deposited in the account of such Federal entity in the Treasury of the United States. Funds deposited according to this section shall be available, without appropriation or fiscal year limitation, only for the operations of the Federal entity for which such funds were deposited under this section.

"(2) PROCESS FOR RELOCATION.—Any person seeking to relocate a Federal Government station that has been assigned a frequency within a band allocated for mixed Federal and non-Federal use may submit a petition for such relocation to the Commission. The Commission shall limit the Federal Government station's operating license to secondary status when the following requirements are met—

"(A) the person seeking relocation of the Federal Government station has guaranteed to defray entirely, through payment in advance, in-kind reimbursement of costs, or a combination thereof, all relocation costs incurred by the Federal entity, including all engineering, equipment, site acquisition and construction, and regulatory fee costs;

"(B) the person seeking relocation completes all activities necessary for implementing the relocation, including construction of replacement facilities (if necessary and appropriate) and identifying and obtaining on the Federal entity's behalf new frequencies for use by the relocated Federal Government station (where such station is not relocating to other technology or to spectrum reserved exclusively for Federal use);

"(C) any necessary replacement facilities, equipment modifications, or other changes have been implemented and tested to ensure that the Federal Government station is able to accomplish its purposes successfully; and

"(D) the Commission has determined that the proposed use of the spectrum frequency band to which the Federal entity will relocate its operations is—

"(i) consistent with obligations undertaken by the United States in international agreements and with United States national security and public safety interests; and

"(ii) suitable for the technical characteristics of the band and consistent with other uses of the band.

In exercising its authority under this subparagraph with respect to issues that have national security or foreign relations implications, the Commission shall consult with the Secretary of Defense or the Secretary of State, or both, as appropriate.

"(3) RIGHT TO RECLAIM.—If within one year after the relocation the Federal Government station demonstrates to the Commission that the new facilities or spectrum are not comparable to the facilities or spectrum from which the Federal Government station was relocated, the person seeking such relocation must take reasonable steps to remedy any defects or pay the Federal entity for the costs of returning the Federal Government station to the spectrum from which such station was relocated.

"(g) FEDERAL ACTION TO EXPEDITE SPECTRUM TRANSFER.—Any Federal Government station which operates on electromagnetic spectrum that has been identified for reallocation for mixed Federal and non-Federal use in the Spectrum Reallocation Final Report or by the President pursuant to recommendation of the Advisory Committee on Withdrawal shall, to the maximum extent practicable through the use of the authority granted under subsection (f) and any other applicable provision of law, take action to relocate its spectrum use to other frequencies that are reserved for Federal use or to consolidate its spectrum use with other Federal Government stations in a manner that maximizes the spectrum available for non-Federal use.

"(h) DEFINITIONS.—For purposes of this section—

"(1) FEDERAL ENTITY.—The term 'Federal entity' means any Department, agency, or other element of the Federal Government that utilizes radio frequency spectrum in the conduct of its authorized activities, including a Federal power agency.

"(2) SPECTRUM REALLOCATION FINAL REPORT.—The term 'Spectrum Reallocation Final Report' means the report submitted by the Secretary to the President and Congress in compliance with the requirements of subsection (a)."; and

(2) by striking "(a) or (d)(1)" in section 114(a)(1) and inserting "(a), (d)(1), or (f)".

(c) FLEXIBILITY IN USE OF GOVERNMENT SPECTRUM LICENSES.—Part B of title I of the Telecommunications Authorization Act of 1992 (47 U.S.C. 921 et seq.) is amended by adding at the end thereof the following:

"SEC. 118. FLEXIBILITY IN USE FOR GOVERNMENT LICENSE-HOLDERS.

"(a) IN GENERAL.—Notwithstanding any other provision of law to the contrary, any department, agency, or instrumentality of the United States that holds an exclusive spectrum license may change the use of that license under section 337 of the Communications Act of 1934 (47 U.S.C. 337) in the same manner and to the same extent as any other holder of an exclusive nonbroadcast license.

"(b) INCENTIVES.—To the extent consistent with its existing authority, each department, agency, or instrumentality of the United States may establish financial incentives to assist in providing more government-assigned spectrum for reallocation or assignment beyond the percentage allocated under section 114(c) of this Act (47 U.S.C. 924(c)).

"(c) REGULATIONS.—The Commission shall promulgate regulations to carry out the provisions of this section after consultation with the heads of departments, agencies, and instrumentalities of the United States that hold spectrum licenses.".

(d) FEDERAL RADIOCOMMUNICATIONS; PRIVATE ENTERPRISE RELIANCE.—It shall be the policy of the United States to rely on competitive private enterprise to the maximum extent possible to meet the radiocommunications requirements of the Federal Government. This policy shall apply to all radiocommunications systems first authorized after December 31, 1996, and shall be applied to all systems authorized as of that date in accordance with regulations adopted pursuant to this Act.

(e) BUSINESS-GOVERNMENT RADIOCOMMUNICATIONS PARTNERSHIPS; TECHNOLOGY TEAMING.—

(1) The Commission, in consultation with the Director of the Office of Management and Budget, within 6 months after the date of enactment of this Act shall adopt rules applicable to all departments, agencies, and instrumentalities of the United States Government that—

(A) encourage the utilization, to the greatest extent possible, of previously conducted surveys of all radiocommunications systems operated by such department, agency, or instrumentality for the purpose of increasing the efficiency of those systems; and

(B) authorize the head of each department, agency, and instrumentality of the United States Government to enter into contracts, leases, partnerships, teaming agreements, and other cooperative business-government arrangements, that will enable the private sector to participate, in whole or significant part, in the upgrading of government radiocommunications systems, and permit an equitable apportionment of the use of such upgraded systems to meet both government as well as private sector needs.

(2) APPLICATION TO LEGISLATIVE AND JUDICIAL BRANCHES.—

(A) THE CONGRESS.—As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, the regulations promulgated by the Commission under paragraph (1) are deemed to have been adopted by each House of the Congress, respectively, as rules applicable only to that House. The rules so adopted supersede other rules of each House of the Congress only to the extent that they are inconsistent with those other rules, and they are enacted with full recognition of the constitutional right of each House to change them, to the extent that they relate to that House, in the same manner and to the same extent as any other rule of that House.

(B) THE FEDERAL JUDICIARY.—The judicial branch of the United States Government is authorized and requested to adopt the regulations promulgated by the Commission under paragraph (1) as applicable to the operations of that branch.

(3) COMPETITIVE PROCUREMENT TECHNIQUES.—Each department, agency, and instrumentality of the United States Government is authorized and encouraged to employ competitive procurement techniques in selecting private sector partners for the purpose of mutually benefiting from the upgrading of technology associated with Federal radiocommunications systems, except that—

(A) the head of any such department, agency, or instrumentality may waive compliance with competitive procurement techniques in whole or part, if it is in the government's interests; and

(B) business-government arrangements undertaken under this Act shall not be subject to limitations regarding gifts and bequests to Federal agencies.

The provisions of this paragraph shall apply to the legislative and judicial branches of the United States Government to the extent that such branches adopt the same or similar rules.

(4) REPORT.—The President shall include as part of the Budget of the United States for each fiscal year beginning after the date of enactment of this Act, a report detailing the number and scope of cooperative business-government radiocommunications arrangements undertaken in accordance with this Act for the preceding fiscal year.

(f) GOVERNMENT COMMUNICATIONS SYSTEMS; MULTIPLE USE AND APPLICATION.—

(1) It is the policy of the United States to encourage and facilitate the multiple, shared use of Federal radiocommunications systems to the maximum extent possible, in order to foster more effective and efficient use of radio spectrum resources.

(2) To implement this policy, the Commission in consultation with the Director of the Office of Management and Budget, and the Administrator of the General Services Administration and other appropriate officers or employees of the United States Government, within 1 year after the date of enactment of this Act shall adopt rules, regulations, and budgetary guidelines which—

(A) establish a Federal radiocommunications system register, to be maintained by the Director, or his designee, which register shall set forth capacity which could be available for use by other Federal agencies;

(B) require the heads of all Federal agencies seeking additional radio spectrum licenses or assignments to certify that they have fully considered the availability of private sector radiocommunications alternatives; and, based upon review of the register required by this Act, have also fully considered the feasibility of shared use of other Federal agency systems; and

(C) require all Federal agencies holding radio spectrum licenses or assignments promptly, and on a continuing basis, to assess the feasibility and desirability of sharing the capacity of their radiocommunications systems with other Federal agencies, and to report their findings for inclusion in the register required by this Act.

(g) CONSOLIDATION OF FREQUENCY MANAGEMENT RESPONSIBILITIES.—The radio frequency management functions of the National Telecommunications and Information Administration (hereinafter referred to as "NTIA"), including the Interdepartmental Radio Advisory Committee secretariat and associated support activities (including the NTIA's electromagnetic compatibility analysis operations), under the National Telecommunications and Information Administration Organization Act are hereby transferred to the Commission.

(h) PRESIDENTIAL INVALIDATION.—The President may invalidate any Commission action that—

(1) limits the amount of spectrum available to departments, agencies, or instrumentalities of the United States;

(2) limits the uses to which such spectrum may be put; or

(3) interferes with or compromises any use by any such department, agency, or instrumentality

if, after a hearing on the record, the President finds that such action would substantially harm national security or public safety.

SEC. 7. NONEXCLUSIVE LICENSES.

The Commission may use such other economic incentives as it deems appropriate, including user fees, to ensure that nonexclusive licenses and licenses not issued utilizing competitive bidding are used efficiently and that the public is fairly compensated for the use of the spectrum. In establishing the amount of such fees, the Commission shall consider such factors as spectrum bandwidth, frequency location, area of operation, service area population, and the value of the spectrum as determined by prices paid for spectrum in Commission auctions.

SEC. 8. SELF-MANAGED REGULATION; EXPANDED RELIANCE OF FREQUENCY COORDINATION.

(a) REPORT.—Not later than 90 days after the date of the date of enactment of this Act, the Commission shall report to the Chairman of the Committee on Commerce, Science, and Transportation of the Senate and the Chairman of the Committee on Commerce of the House of Representatives regarding the radio frequency management, recordskeeping, coordination, and other functions undertaken by the Commission that could be performed by private sector radio frequency coordinator groups.

(b) ASSESSMENT.—In preparing this report, the Commission shall assess the feasibility and desirability of relying upon nonprofit industry self-regulatory organizations as well as for-profit organizations, and shall also assess and report on the potential revenue which might inure to the Government by selecting private sector radio frequency coordinator groups through competitive bidding procedures, including auctions.

(c) RULEMAKING.—Following the transmittal of its report, the Commission shall initiate a rulemaking or rulemakings with a view toward implementing the report's findings, and shall conclude such proceedings within 6 months.

SEC. 9. BLOCK GRANTS OF PUBLIC SAFETY SPECTRUM TO STATES.

The Commission shall delegate to the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, and each State responsibility for assigning and managing radio frequency spectrum allocated for public safety communications use. In making that delegation, the Commission shall consider, among other matters—

(1) a requirement that the polity to which the spectrum responsibility is delegated notify the Commission of its assignment of spectrum and its management activities;

(2) permitting each such polity to exercise or to grant licensees the same flexibility in use that is available to private sector license holders whose license is granted by the Commission;

(3) providing for the binding resolution of interference disputes between such polities by the Commission; and

(4) a requirement that each polity manage its public safety spectrum allocation to ensure efficient interoperability between its own wireless communications systems and those of Federal law enforcement, public safety, and disaster assistance agencies, to the greatest extent feasible.

SEC. 10. FLEXIBLE NTSC AND DTV LICENSES; DEPOSIT AND RETURN; FLEXIBLE OVERLAY VHF AND UHF BAND LICENSES.

(a) IN GENERAL—Part I of title III of the Communications Act of 1934, as amended by section 5 of this Act, is amended by adding at the end thereof the following:

"SEC. 338. BROADCAST TELEVISION SPECTRUM POLICY.

"(a) ASSIGNMENT OF FLEXIBLE DTV LICENSES TO EXISTING BROADCASTERS.—

"(1) ASSIGNMENT.—The Commission shall assign one 6 megahertz DTV channel, on a non-competitive basis, to each existing NTSC licensee. An existing NTSC licensee to whom such a channel is assigned may—

"(A) receive a DTV license for a deposit; or

"(B) decline to accept a DTV license.

Any DTV license declined shall be auctioned by the Commission as part of an overlay license. The amount of the deposit shall be based on the market value of the license as shown by the auction of the overlay licenses and adjusted for relevant economic factors, such as the size and population of the area served. The Commission may waive the deposit in whole or in part for broadcasters in small markets and for small broadcasters competing in large markets.

"(2) USE OF DTV LICENSE.—A licensee to which a DTV license is assigned under paragraph (1)—

"(A) shall enjoy flexibility in use (within the meaning of that term as used in section 337(a)) of the license consistent with technical limits imposed by the Commission to prevent interference to NTSC and other DTV assignments;

"(B) may not be required to meet a minimum service requirement or construction schedule; and

"(C) may transfer or relinquish its DTV license at any time.

"(3) REASSIGNMENT OF RELINQUISHED LICENSES.—Except as provided in paragraph (1), the Commission may not reassign any DTV license relinquished by the licensee to whom it was assigned or transferred. Any spectrum that had been previously encumbered by a relinquished DTV license shall be available for use by overlay licensees (within the meaning of subsection (c)).

"(4) DEPOSIT AND RETURN.—

"(A) The amount to be paid as a deposit for a DTV license under paragraph (1)—

"(i) may be paid to the Commission in installments over a 15-year period beginning on the date on which the license is assigned; and

"(ii) shall be held in escrow and invested in interest-bearing obligations of the United States.

"(B) Amounts received as interest earned on deposits held in escrow under subparagraph (A) shall be available to the United States for tax reduction or deficit reduction purposes.

"(C) Fifteen years after a DTV license is assigned to an NTSC licensee under paragraph (1), the licensee may relinquish its NTSC license or its DTV license. If an NTSC licensee relinquishes either license under this subparagraph, then the amount of the deposit paid by the licensee shall be returned to the licensee, without interest, reduced by 20 percent for each year the licensee continues NTSC operations in excess of the 15-year period beginning on the date on which the DTV license is assigned to the licensee.

"(b) EXISTING NTSC LICENSES.—

"(1) GRANT OF FLEXIBILITY.—An NTSC licensee with a valid NTSC license on the date of enactment of the Electromagnetic Spectrum Management Policy Reform and Privatization Act—

"(A) may provide standard NTSC television service after such date of enactment;

"(B) may transfer its NTSC license to any other person who is qualified to be an NTSC licensee; and

"(C) shall enjoy flexibility in use (within the meaning of that term as used in section 337(a)) of the license, subject to technical limits imposed by the Commission to prevent interference to DTV and other NTSC assignments.

"(2) REDUCTION OR DISCONTINUANCE OF NTSC SERVICE.—An NTSC licensee may not reduce or discontinue any NTSC service unless the licensee provides comparable replacement for such service free to viewers, as defined and approved by the Commission, including necessary receiving equipment for all such service to be displayed on standard NTSC receivers. An NTSC license relinquished by a licensee who provides such comparable free replacement service may not be reassigned by the Commission.

"(3) REASSIGNMENT OF ABANDONED OR REVOKED LICENSES.—An NTSC license that is—

"(A) abandoned by the licensee without providing comparable free replacement service (within the meaning of such term as it is used in paragraph (2) of this subsection); or

"(B) revoked by the Commission,

shall be reassigned by the Commission by auction for standard NTSC service, with the same flexibility in use rights provided to other NTSC licensees.

"(c) ASSIGNMENT OF NEW OVERLAY LICENSES.—

"(1) IN GENERAL.—The Commission shall assign overlay licenses by a simultaneous, multiple round auction. Any spectrum previously encumbered by NTSC or DTV licenses that have been relinquished shall be available for use by overlay licensees in accordance with such terms and conditions, consistent with the other provisions of this section, as the Commission may establish.

"(2) USE.—An overlay licensee—

"(A) shall enjoy flexibility in use (within the meaning of that term as used in section 337(a)) of the license, subject to—

"(i) power limits set by the Commission at the boundaries of the spectrum block and service area; and

"(ii) such additional technical restrictions as may be imposed by the Commission to protect NTSC and DTV licensees, and authorized land mobile services, from harmful interference;

"(B) may aggregate multiple overlay licenses to create larger spectrum blocks and service areas; and

"(C) may transfer an overlay license to any other person qualified to be an overlay licensee.

"(d) DEFINITIONS.—For purposes of this section—

"(1) DTV.—The term 'DTV' means digital television.

"(2) NTSC.—The term 'NTSC' means the National Television Systems Committee.

"(3) NTSC LICENSEE.—The term 'NTSC licensee' means a licensee assigned a television channel allotted for full power television service under the Commission's rules.

"(4) OVERLAY LICENSE.—

"(A) IN GENERAL.—The term 'overlay license' shall be defined by the Commission.

"(B) INDIVIDUALLY.—As defined by the Commission, each overlay license shall cover—

"(i) a block of one or more contiguous 6 megahertz channels; and

"(ii) a contiguous geographic area,

as determined by the Commission.

"(C) COLLECTIVELY.—As defined by the Commission, overlay licenses shall cover collectively—

"(i) all 402 megahertz of spectrum in the VHF and UHF television bands; and

"(ii) the entire area of the United States.

"SEC. 339. COMMISSION MAY NOT ESTABLISH DTV STANDARDS OR DTV RECEPTION SET REQUIREMENTS.

"Notwithstanding any other provision of law to the contrary, the Commission may not—

"(1) establish DTV (as defined in section 338(d)(1)) standards; nor

"(2) require that television receivers manufactured in, or imported into, the United States be capable of receiving and decoding DTV signals.".

SEC. 11. REPEAL OF FEES IMPOSED ON BROADCASTERS FOR ANCILLARY AND SUPPLEMENTARY SERVICES.

Section 336 of the Communications Act of 1934 (47 U.S.C. 336) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (e) and (f).

SEC. 12. SPECTRUM REPORT.

Two years after the date of enactment of this Act, the Commission shall report the results of implementation of this Act, together with a cost-benefit analysis of such results, and any recommendations for additional legislation related thereto, to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Commerce of the House of Representatives.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 2980. An act to amend title 18, United States Code, with respect to stalking; to the Committee on the Judiciary.

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 150. Concurrent resolution authorizing the use of the Capitol Grounds for an event displaying racing, restored, and customized motor vehicles and transporters; to the Committee on Rules and Administration.

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-2543. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of an interim rule relative to a freeze on paging applications (received on April 26, 1996); to the Committee on Commerce, Science, and Transportation.

EC-2544. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the report of rules relative to Premerger Notification and Trade Regulation (received on April 26, 1996); to the Committee on Commerce, Science, and Transportation.

EC-2545. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule (RIN 2125-AC17); to the Committee on Environment and Public Works.

EC-2546. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of final rules (FRL-5455-4, FRL-5454-6, FRL-5455-4, FRL-5451-9, FRL-5463-9, FRL-5459-3, FRL-5463-1, FRL-5462-7, FRL-5424-2, FRL-5458-9, FRL-5464-1, FRL-5448-9, FRL-5461-7, FRL-5452-6, FRL-5465-1, FRL-5461-2); to the Committee on Environment and Public Works.

EC-2547. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of final rules (RIN 2137-AC79, RIN 2120-AA65, RIN 2120-AA65, RIN 2120-AA66, RIN 2127-AG22, RIN 2127-AG28, RIN 2127-AF68, RIN 2127-AF79, RIN, RIN 2127-AF65, RIN 2127-AG30, RIN 2115-AE47, RIN 2120-AA64, RIN 2137-AC69) (received April 29, 1996); to the Committee on Commerce, Science, and Transportation.

EC-2548. A communication from the Acting Assistant Secretary of State, Legislative Affairs, transmitting, pursuant to law, a report on military expenditures for countries receiving U.S. assistance; to the Committee on Appropriations.

EC-2549. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of final rules (FRL-5465-5, FRL-5458-8, FRL-5465-9, FRL-5467-9, FRL-5359-5, FRL-5364-5, FRL-5358-5, FRL-5365-2, FRL-5362-9, FRL-5360-3, FRL-4995-8, FRL-5365-6) received on April 30, 1996; to the Committee on Environment and Public Works.

EC-2550. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of final rules (FRL-5501-1, FRL-5500-9, FRL-5467-8, FRL-5501-3, FRL-5468-2, FRL-5500-4, FRL-5364-9, FRL-5366-8, FRL-5354-1, FRL-5365-1) received on May 3, 1996; to the Committee on Environment and Public Works.

EC-2551. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of final rules (FRL-5436-1, FRL-5464-8, FRL-5468-5, FRL-5456-9, FRL-5467-3, FRL-5468-8, FRL-5464-2, FRL-5466-1) received on April 30, 1996; to the Committee on Environment and Public Works.

EC-2552. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule (RIN 2120-AA64) received on April 30, 1996; to the Committee on Commerce, Science, and Transportation.

EC-2553. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of final rules (RIN 2120-AA64, RIN 2120,AF10, RIN 2120-AA66, RIN 2125-AD90, RIN 2127-AA67, RIN 2133-AB14) received on May 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC-2554. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule (RIN 2120-AA64) received on May 3, 1996; to the Committee on Commerce, Science, and Transportation.

EC-2555. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule (RIN 2120-AA64, RIN 2127-AF71, RIN 2132-AA46, RIN 2120-AA66, RIN 2115-AA97, RIN 2115-AE46, RIN 2120-AG05, RIN 2120-AE57) received on May 3, 1996; to the Committee on Commerce, Science, and Transportation.

EC-2556. A communication from the Administrator of the National Aeronautics and

Space Administration, transmitting, pursuant to law, the report of the determination and findings relative to the Integrated Financial Management System; to the Committee on Commerce, Science, and Transportation.

EC–2557. A communication from the Acting Assistant Secretary of State, Legislative Affairs, transmitting, pursuant to law, the report of a certification regarding the incidental capture of sea turtles in commercial shrimping operations; to the Committee on Commerce, Science, and Transportation.

EC–2558. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report of the Maritime Administration for fiscal year 1995; to the Committee on Commerce, Science, and Transportation.

EC–2559. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report of the Appropriate Crew Size Study; to the Committee on Commerce, Science, and Transportation.

EC–2560. A communication from the Acting General Counsel of the Department of Commerce, transmitting, a draft of proposed legislation entitled "The Weather Service Modernization Streamlining Act of 1996"; to the Committee on Commerce, Science, and Transportation.

EC–2561. A communication from the Secretary of the Consumer Product Safety Commission, transmitting, pursuant to law, the report of a rule received on April 30, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2562. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule received on May 3, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2563. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule received on May 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2564. A communication from the Program Management Officer of the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule (RIN 0648–AG80) received on May 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2565. A communication from the Program Management Officer of the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule received on May 8, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2566. A communication from the Program Management Officer of the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule received on May 8, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2567. A communication from the Associate Director of the National Institute of Standards and Technology, Department of Commerce, transmitting, pursuant to law, the report of rules (RIN 0693–ZA02, RIN 0693–ZA06) received on May 3, 1996; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1014. A bill to improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, and for other purposes (Rept. No. 104–260).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1425. A bill to recognize the validity of rights-of-way granted under section 2477 of the Revised Statutes, and for other purposes (Rept. No. 104–261).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 1627. A bill to designate the visitor center at Jean Lafitte National Historical Park in New Orleans, LA, as the "Laura C. Hudson Visitor Center." (Rept. No. 104–262).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amended preamble:

S.J. Res. 42. A joint resolution designating the Civil War Center at Louisiana State University as the United States Civil War Center, making the center the flagship institution for planning the sesquicentennial commemoration of the Civil War, and for other purposes (Rept. No. 104–263).

By Mr. ROTH, from the Committee on Finance, with an amendment in the nature of a substitute:

H.R. 1642. A bill to extend nondiscriminatory treatment (most-favored-nation treatment) to the products of Cambodia, and for other purposes (Rept. No. 104–264).

By Mr. ROTH, from the Committee on Finance, without amendment:

H.R. 2853. A bill to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria (Rept. No. 104–265).

By Mr. THURMOND, from the Committee on Armed Services, without amendment:

S. 1710. A bill to authorize multiyear contracting for the C-17 aircraft program, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

Nina Gershon, of New York, to be United States District Judge for the Eastern District of New York.

Mary Ann Vial Lemmon, of Louisiana, to be United States District Judge for the Eastern District of Louisiana.

Edmund A. Sargus, Jr., of Ohio, to be United States District Judge for the Southern District of Ohio.

Dean D. Pregerson, of California, to be United States District Judge for the Central District of California.

W. Craig Broadwater, of West Virginia, to be United States District Judge for the Northern District of West Virginia.

Walker D. Miller, of Colorado, to be United States District Judge for the District of Colorado.

(The above nominations were reported with the recommendation that they be confirmed.)

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. ASHCROFT (for himself, Mr. LOTT, Mr. DEWINE, Mr. MACK, Mr. HATCH, Mr. SMITH, Mr. CRAIG, and Mr. SHELBY):

S. 1741. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes; to the Committee on Finance.

By Mr. SPECTER (for himself and Mr. SANTORUM):

S. 1742. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to exempt minor parties from liability under the Act, and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ASHCROFT (for himself, Mr. LOTT, Mr. DEWINE, Mr. MACK, Mr. HATCH, Mr. SMITH, Mr. CRAIG, and Mr. SHELBY):

S. 1741. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes; to the Committee on Finance.

THE WORKING AMERICANS WAGE RESTORATION ACT

Mr. ASHCROFT. Mr. President, during this year when so much discussion is being focused on the future of America, I think it is important for us to inventory what it is that has made America a place of opportunity and a land which has welcomed individuals with initiative and industry from around the world. I think one of the key components of the American culture which has allowed that to happen has been the component of growth. We have understood that the purpose of government is to provide a framework for growth, that growth should be the characteristic which identifies America as the land of opportunity. As a matter of fact, that citizens and corporations, individuals, and institutions should enjoy conditions of growth—that is the reason to have government. It is the reason to have public safety, so people can grow and develop. It is the reason to have national defense, so the Nation can grow. Not that we would have big government, but that we would have a largeness in terms of opportunity and citizenship; so that we could, indeed, meet the needs of the next generation.

It has been the kind of thing that has allowed us, as a country, to welcome all comers. It is the kind of thing that inspired Emma Lazarus to write the poem on the base of the Statue of Liberty:

Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,

Send these, the homeless, tempest-tossed, to me:
I lift my lamp beside the golden door.

That is only available—we can only have that kind of optimism about the future—if we have growth, if we promote growth; growth not for the government but growth for the community, growth for the citizen, growth for the individual. That is the purpose of government.

Yet, during the 1990's we find ourselves with a sense of discomfort, a sense of dis-ease, if you will, not disease, but dis-ease. We find that workers' wages are stagnant, some of them slipping. And we do not have that sense of growth. We do not find ourselves with that large reservoir of confidence that is rightfully American. What should we do? Where are we? People feel that we are adrift.

We have a forgotten middle class. It has been detected in the Presidential campaigns. It has been understood by people who have been out among the voters. You and I have detected it when we have talked to folks. They feel like there is a flatness, there is a staleness.

You feel like there has not been any growth. Then you begin to look for a reason. All of a sudden it becomes apparent. The Commerce Department of the U.S. Government last week told us about growth. It told us about the growth in the amount of taxes that government has been taking from individuals. It told us that we have reached an all-time high in terms of the taxes that individuals are paying. We tax people more now in America than we have taxed them at any time in history. We tax people more than we taxed them to fight the war in Vietnam, to win the Second World War. We tax people more now than we taxed them to spend our way out of the Great Depression. We made the world safe for democracy in World War I taxing people a lot less than we tax people now.

It is beginning to dawn on America, on citizens, that we have had growth in taxes but we have not had growth in wages. People are beginning to understand that what you choose to spend by government you cannot choose to spend as individuals. The Government has stolen the increase in wages from people, the working people of the United States, for the last several years. The tax increases of this decade, including the 1993 tax increase of President Clinton, the largest tax increase in the history of America, has literally siphoned off the pay increase, the take-home pay addition that people would have had in the United States. It is time for us to understand that high taxes have hurt the ability of people to have more take-home pay.

I would like to correct this. I think we ought to correct this. I think it is time for us to give people back the taxes which we took from them. It is time for us to restore to the American people the wage increases which have been stolen by Government. So it is my privilege today to introduce a measure, which I think is important to millions and millions of working Americans.

I want to introduce the Working Americans Wage Restoration Act. This measure is a measure which is designed to increase the take-home pay of well over 77 million working Americans. It is a measure which would say that individuals, when they pay their Social Security taxes, have a right to deduct that tax payment from their income taxes. The payroll taxes, the Social Security taxes, would continue to be paid. There is nothing in this measure which would impair the Social Security trust fund. But right now American workers are being taxed on a tax. They pay their Social Security taxes but they also have to pay income tax on the money they use to pay their Social Security tax. A tax on a tax is something America has never long tolerated. It is time for us to say that we will not double tax American workers in this way.

It is especially egregious, it is especially aggravating, it is a special affront to the American people to say to them that you have to pay this tax on a tax. Half the tax is paid by people, the other half is paid by corporations. And, guess what, corporations do not pay a tax on a tax. Corporations can deduct from their income tax the amount of Social Security tax they pay as a part of the payroll tax.

So it is time for us to provide equity to the American people. For most Americans, the payroll tax is the most substantial of all taxes. So my proposal, which I send to the desk, is a proposal to eliminate the tax on this tax. Mr. President, I submit a bill for filing today at this time.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. ASHCROFT. Mr. President, this bill has endorsements of a wide variety of groups and individuals. Jack Kemp, who was the chairman of the Tax Reform Commission, appointed by our leader, has endorsed this. It was a part of the Commission report. Carroll Campbell, of the Tax Reform Commission; Grover Norquist, Americans for Tax Reform; David Keating, National Taxpayers Union; David Keene and Bill Pascoe, American Conservative Union; Steve Moore, Cato Institute; Jack Faris, NFIB; Steve Entin, of IRET; Aldona Robbins, Fiscal Associates; Tom Schatz, of Citizens Against Government Waste; Jim Carter, of the RNC; Greg Conko, of Competitive Enterprise Institute; Paul Huard, National Association of Manufacturers; Paul Beckner, Nancy Mitchell, and Decy Gray, Citizens for a Sound Economy; Beau Boulter, of the United Seniors Association, has endorsed this; Karen Kerrigan, of the Small Business Survival Committee; J. D. Foster, of the Tax Foundation; David L. Thompson, the Business Leadership Council—all have endorsed this matter, and we are grateful for their endorsements.

This matter is cosponsored in the Senate by Senators LOTT, DEWINE, MACK, HATCH, SMITH, CRAIG, and SHELBY and sponsored in the House by Congressman NETHERCUTT, cosponsored by Congressmen CRANE, HOSTETTLER and Congresswoman DUNN. I thank all of these people, along with Gordon Jones, of the Seniors Coalition, for their participation in promoting this important idea.

Mr. President, I yield the floor.

Mr. CRAIG. Mr. President, I am pleased to join my colleague from Missouri, JOHN ASHCROFT, in the introduction of this legislation, and I thank him for the thoughtfulness and, most important, the foresightedness that I think this legislation represents.

The Senator spoke well when he said Americans will not for long tolerate double taxation, and it is unique in the area of Social Security taxes that we allow corporate America, in their partnering in this tax, to deduct it, but we do not allow the individual who must pay that tax do so. So, as a result of the first $62,700 of income, the individual is, in essence, double taxed.

My colleague from Missouri today has introduced legislation in essence saying that the time of that fallacy is over and that, if we really want to restore the wage-earning capability of the American worker, we should let them keep the money they have earned, and we do so with this legislation today. For a typical two-income family—and most families are becoming that now—the Federal income tax liability would be dropped by more than $1,000.

Here we are at this moment on the floor of the Senate trying to resolve the issue of a Federal gas tax that pulls billions of dollars out of the pocketbook of the American taxpayer. We have seen a frustration expressed by working men and women in this country for the last several years that they just do not get ahead. They keep getting a salary increase, but nothing comes home, which does not translate into money in the back pocket or money to buy the new car or money to help finance their children's education or money to improve their lifestyle in some form.

In fact, out of all that frustration, and while our President talks about a strong economy, it is an economy that is just millions of jobs less strong than it ought to be for the very reason that the Senator from Missouri has so articulately spoken: the dragdown, if you will, of the ability of the American producers, working men and women, to retain that which they work so hard for and, therefore, to collect it, to put it in savings, if they will, to spend it

for their own purposes, to provide for their children.

In other words, the American dream does not quite seem to be as clear as it used to be. I suggest, Mr. President, that one of the reasons is this kind of Government intrusion, if you will, double taxation. The legislation, the Working Americans Wage Restoration Act, introduced today by my colleague, JOHN ASHCROFT, that I have cosponsored along with others, in my opinion, begins to, once again, brighten the American dream.

It is part of what we are here on the floor debating today. Some of our colleagues argue that the way you solve the human crisis in this country, no matter how that crisis is defined, is to bring about a Government program. I suggest that most Americans in our country today can solve their own crises if they simply have the tools of solution. One of the great tools of solution for problem solving is the ability to retain your own earnings so you can spend it for yourself and your family to improve your lot in society or to correct a problem that has somehow gone wrong.

This legislation offers that opportunity, and I hope that it gets heard, gets debated. I relish an opportunity for the Senate to debate it and vote upon it.

Mr. President, as we will in the next little while decide whether this Senate is going to vote on a gas tax repeal or whether we are going to find some loophole, as the other side now struggles to do to argue that this is no good, is going to be a unique challenge for all of us.

Like you, I did not vote for this gas tax increase. I am a Westerner, and I recognize the kind of burden you place on somebody who must commute the long miles in the West, or the farmer or rancher who uses fuel as a tremendous tool of their production, and we lessen their ability to profit when we increase the cost of their tools, their tools of incomemaking, if you will.

That is part of what this debate is all about. But the idea that we would use a gas tax, which we have traditionally directed toward roads and bridges and improving the transportation of our country and, therefore, improving the ability of this economy to expand that my colleague from Missouri talks about—the business of growth in the economy should be the business of Government not getting in the way but staying out of the way and promoting that growth. The gas tax has been one that always has. It has promoted growth in the economy by the building of roads and bridges and allowing the kind of flow of labor that has been the hallmark of our society.

But this President, President Clinton, said, "I need that money to pay for social programs," even when in 1992, Candidate Clinton said, "I won't increase the gas tax. It's the wrong kind of thing to do. It does not allow the economy to grow and expand."

But of course, promises made, promises broken, tax increase, billions of dollars now pouring out of the economy of our country and into the hands of Government to be spent in social programs.

Is it a big part of the gas increase, the fuel costs that consumers are about today? No, it is not, but it is an important issue to be debated and voted upon to return not only the gas tax to its traditional use but to reduce the overall ability of Government to spend and to expand programs.

You are going to hear more talk today, as you have had for the last several days, that somehow this does damage to Government. I suggest you just cut the spending of Government in direct relation to the amount of revenue that will remain not as a tax but as an income to the consumer in the consumer's pocket.

Right now, every time that consumer pulls up to a gas pump, sticks the nozzle in the tank of their car, they see a tremendous outpouring from the pocketbook.

So, if we were to pass legislation of the kind just introduced by my colleague from Missouri, if we were to repeal the gas tax and allow that to remain in the pocket of the consumer, we would see the kind of growth and job creation in our economy that we have not seen, that cannot be talked about by this administration because of the taxes that have been pushed through stifling the overall ability of that economy to grow.

Growth, progrowth, work incentives, 500,000 new jobs possibly created by the legislation of the Senator from Missouri, that two-income family being able to retain more of their income, $1,000-plus a year—that is the type of thing this Congress ought to be talking about and doing something about instead of talking about, "Oh, my goodness, this takes away from our ability to spend. We might have to reduce this program or that program."

Mr. President, we just left tax freedom day. We just said to the American taxpayer, "Today is the day when you've paid your taxes, and you can start earning for yourself." Last week I stood on the floor of the Senate and said that the first 3 hours of every working day the taxpayer, or the worker, spent their time working for Government, both at the State and Federal level.

Somehow that must change if we are to get the kind of productivity in our economy, job creation and self-well-being to once again brighten the American dream instead of progressively dimming it, as Government can so successfully do if it constantly takes away from the individuals their ability to earn, save, invest, retain, provide for themselves and their families.

So I thank my colleague from Missouri for his insightfulness and innovativeness in proposing this legislation. I hope that in the coming year this becomes a major part of what this Congress is about and what this Senate is about in providing for the American people.

By Mr. SPECTER (for himself and Mr. SANTORUM)

S. 1742. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to exempt minor parties from liability under the act, and for other purposes; to the Committee on Environment and Public Works.

THE SUPERFUND MINOR PARTY LIABILITY RELIEF ACT OF 1996

Mr. SPECTER. Mr. President, today I am introducing legislation to expedite the cleanup of our Nation's toxic waste sites. My bill, the Superfund Minor Party Liability Relief Act, would exempt minor parties that contribute insignificant levels of waste to such sites from liability under the Superfund law. This will reduce the litigation brought by the primary polluters of toxic waste sites and reduce the current delays in cleaning up the sites.

Since the 1980 enactment of the Superfund law, 1,321 sites have been placed on the National Priorities List. I find it disturbing, however, that 16 years later only 83 sites have been cleaned up and removed from the list. I am also troubled by a recent report issued by the RAND Corp. which found that transaction costs for industrial firms and insurance companies, representing primarily legal fees, account for up to 88 percent of their total Superfund-related expenses.

Pennsylvania has 110 Superfund sites, many of which have been on the National Priorities List for years. The Congressional Budget Office estimates the average cleanup time for Superfund sites to be approximately 12 years. One such site, the Keystone Sanitation landfill, located in Adams County, PA, was added to the National Priorities List July 22, 1987. The Environmental Protection Agency selected the remedy for cleaning up the site in 1990. The site, however, remains contaminated as a multitude of minor party defendants with little or no responsibility for the environmental contamination of the site are forced to litigate to protect their rights and the courts are tied up with endless motions and appeals.

I am concerned with the impact of such a delay on the adults and children who live and play in close proximity to the Keystone site. The site continues to be a source of ground water contamination, which, if left untreated, will continue to threaten the health and safety of local residents.

This legislation would reduce such delays in remediating toxic waste sites

by forcing the primary parties responsible for the pollution to focus on restoring sites to a safe condition instead of using their resources to shift blame to the multitude of minor contributors of negligible amount of waste. My bill will reduce the waste of money and time by exempting minor parties from liability at the outset, when a site is selected for the National Priorities List. This should expedite the legal proceedings and encourage major polluters to work constructively with federal, state, and local governments on actual cleanup.

Specifically, this bill would exempt from liability those minor parties who have only contributed up to 110 gallons of liquid material or up to 200 pounds of solid material to a contaminated site. This exemption, however, would not apply to parties considered to have contributed significantly to a site's contamination. Thus, on Superfund sites containing tens of thousands of gallons of liquid contamination, or tons of solid hazardous waste, we would narrow the litigation field to only the significant parties. I am willing to examine whether or not these are the appropriate levels, but I am advised by some of the litigants involved in Pennsylvania Superfund cleanups that such relief will go a long way toward alleviating the undue burden they currently face.

It is unclear whether Congress will finally enact comprehensive Superfund reform legislation this year. Therefore, I urge my colleagues, many of whom represent communities with similar situations, to consider passing this important commonsense reform. There is a broad consensus among the American people that we ought to alleviate the unfair cost burden placed on small businesses and cash strapped municipalities by ensuring that the parties most responsible for the existence of toxic waste sites are the ones responsible for remediating the sites. I believe this bill will go a long way toward simplifying and expediting the Superfund cleanup process and I encourage my colleagues to support this legislation.

ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the names of the Senator from Maryland [Mr. SARBANES] and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 1144

At the request of Mr. MURKOWSKI, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1144, a bill to reform and enhance the management of the National Park System, and for other purposes.

S. 1145

At the request of Mr. FAIRCLOTH, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1145, a bill to abolish the Department of Housing and Urban Development and provide for reducing Federal spending for housing and community development activities by consolidating and eliminating programs, and for other purposes.

S. 1419

At the request of Mrs. KASSEBAUM, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1419, a bill to impose sanctions against Nigeria.

S. 1487

At the request of Mr. GRAMM, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive Medicare reimbursement for health care services provided to certain Medicare-eligible covered military beneficiaries.

S. 1578

At the request of Mr. FRIST, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from Hawaii [Mr. INOUYE], and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 1578, a bill to amend the Individuals with Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes.

S. 1610

At the request of Mr. BOND, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 1610, a bill to amend the Internal Revenue Code of 1986 to clarify the standards used for determining whether individuals are not employees.

S. 1639

At the request of Mr. DOLE, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1639, a bill to require the Secretary of Defense and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Defense with reimbursement from the Medicare Program for health care services provided to Medicare-eligible beneficiaries under TRICARE.

S. 1657

At the request of Mr. FAIRCLOTH, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 1657, a bill requiring the Secretary of the Treasury to make recommendations for reducing the national debt.

S. 1740

At the request of Mr. NICKLES, the names of the Senator from Indiana [Mr. COATS], the Senator from North Carolina [Mr. HELMS], the Senator from Oklahoma [Mr. INHOFE], and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 1740, a bill to define and protect the institution of marriage.

SENATE CONCURRENT RESOLUTION 42

At the request of Mrs. KASSEBAUM, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Concurrent Resolution 42, a concurrent resolution concerning the emancipation of the Iranian Baha'i community.

SENATE RESOLUTION 226

At the request of Mr. DOMENICI, the names of the Senator from Montana [Mr. BURNS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Vermont [Mr. JEFFORDS], the Senator from Oklahoma [Mr. INHOFE], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of Senate Resolution 226, a resolution to proclaim the week of October 13 through October 19, 1996, as "National Character Counts Week."

AMENDMENTS SUBMITTED

THE WHITE HOUSE TRAVEL OFFICE EXPENSES AND FEES REIMBURSEMENT ACT

DOLE AMENDMENT NO. 3961

Mr. DOLE proposed an amendment to amendment No. 3955 proposed by him to the bill (H.R. 2937) for the reimbursement of legal expenses and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that Office on May 19, 1993; as follows:

Strike the word "enactment" and insert the following:

TITLE —FUEL TAX RATES

SEC. . REPEAL OF 4.3-CENT INCREASE IN FUEL TAX RATES ENACTED BY THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993 AND DEDICATED TO GENERAL FUND OF THE TREASURY.

(a) IN GENERAL.—Section 4081 of the Internal Revenue Code of 1986 (relating to imposition of tax on gasoline and diesel fuel) is amended by adding at the end the following new subsection:

"(f) REPEAL OF 4.3-CENT INCREASE IN FUEL TAX RATES ENACTED BY THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993 AND DEDICATED TO GENERAL FUND OF THE TREASURY.—

"(1) IN GENERAL.—During the applicable period, each rate of tax referred to in paragraph (2) shall be reduced by 4.3 cents per gallon.

"(2) RATES OF TAX.—The rates of tax referred to in this paragraph are the rates of tax otherwise applicable under—

"(A) subsection (a)(2)(A) (relating to gasoline and diesel fuel),

"(B) sections 4091(b)(3)(A) and 4092(b)(2) (relating to aviation fuel),

"(C) section 4042(b)(2)(C) (relating to fuel used on inland waterways),

"(D) paragraph (1) or (2) of section 4041(a) (relating to diesel fuel and special fuels),

"(E) section 4041(c)(2) (relating to gasoline used in noncommercial aviation), and

"(F) section 4041(m)(1)(A)(i) (relating to certain methanol or ethanol fuels).

"(3) COMPARABLE TREATMENT FOR COMPRESSED NATURAL GAS.—No tax shall be imposed by section 4041(a)(3) on any sale or use during the applicable period.

"(4) COMPARABLE TREATMENT UNDER CERTAIN REFUND RULES.—In the case of fuel on which tax is imposed during the applicable period, each of the rates specified in sections 6421(f)(2)(B), 6421(f)(3)(B)(ii), 6427(b)(2)(A), 6427(l)(3)(B)(ii), and 6427(l)(4)(B) shall be reduced by 4.3 cents per gallon.

"(5) COORDINATION WITH HIGHWAY TRUST FUND DEPOSITS.—In the case of fuel on which tax is imposed during the applicable period, each of the rates specified in subparagraphs (A)(i) and (C)(i) of section 9503(f)(3) shall be reduced by 4.3 cents per gallon.

"(6) APPLICABLE PERIOD.—For purposes of this subsection, the term 'applicable period' means the period after the 6th day after the date of the enactment of this subsection and before January 1, 1997."

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 3. FLOOR STOCK REFUNDS.

(a) IN GENERAL.—If—

(1) before the tax repeal date, tax has been imposed under section 4081 or 4091 of the Internal Revenue Code of 1986 on any liquid, and

(2) on such date such liquid is held by a dealer and has not been used and is intended for sale,

there shall be credited or refunded (without interest) to the person who paid such tax (hereafter in this section referred to as the "taxpayer") an amount equal to the excess of the tax paid by the taxpayer over the amount of such tax which would be imposed on such liquid had the taxable event occurred on such date.

(b) TIME FOR FILING CLAIMS.—No credit or refund shall be allowed or made under this section unless—

(1) claim therefor is filed with the Secretary of the Treasury before the date which is 6 months after the tax repeal date, and

(2) in any case where liquid is held by a dealer (other than the taxpayer) on the tax repeal date—

(A) the dealer submits a request for refund or credit to the taxpayer before the date which is 3 months after the tax repeal date, and

(B) the taxpayer has repaid or agreed to repay the amount so claimed to such dealer or has obtained the written consent of such dealer to the allowance of the credit or the making of the refund.

(c) EXCEPTION FOR FUEL HELD IN RETAIL STOCKS.—No credit or refund shall be allowed under this section with respect to any liquid in retail stocks held at the place where intended to be sold at retail.

(d) DEFINITIONS.—For purposes of this section—

(1) the terms "dealer" and "held by a dealer" have the respective meanings given to such terms by section 6412 of such Code; except that the term "dealer" includes a producer, and

(2) the term "tax repeal date" means the 7th day after the date of the enactment of this Act.

(e) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (b) and (c) of section 6412 of such Code shall apply for purposes of this section.

SEC. 4. FLOOR STOCKS TAX.

(a) IMPOSITION OF TAX.—In the case of any liquid on which tax was imposed under section 4081 or 4091 of the Internal Revenue Code of 1986 before January 1, 1997, and which is held on such date by any person, there is hereby imposed a floor stocks tax of 4.3 cents per gallon.

(b) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(1) LIABILITY FOR TAX.—A person holding a liquid on January 1, 1997, to which the tax imposed by subsection (a) applies shall be liable for such tax.

(2) METHOD OF PAYMENT.—The tax imposed by subsection (a) shall be paid in such manner as the Secretary shall prescribe.

(3) TIME FOR PAYMENT.—The tax imposed by subsection (a) shall be paid on or before June 30, 1997.

(c) DEFINITIONS.—For purposes of this section—

(1) HELD BY A PERSON.—A liquid shall be considered as "held by a person" if title thereto has passed to such person (whether or not delivery to the person has been made).

(2) GASOLINE AND DIESEL FUEL.—The terms "gasoline" and "diesel fuel" have the respective meanings given such terms by section 4083 of such Code.

(3) AVIATION FUEL.—The term "aviation fuel" has the meaning given such term by section 4093 of such Code.

(4) SECRETARY.—The term "Secretary" means the Secretary of the Treasury or his delegate.

(d) EXCEPTION FOR EXEMPT USES.—The tax imposed by subsection (a) shall not apply to gasoline, diesel fuel, or aviation fuel held by any person exclusively for any use to the extent a credit or refund of the tax imposed by section 4081 or 4091 of such Code is allowable for such use.

(e) EXCEPTION FOR FUEL HELD IN VEHICLE TANK.—No tax shall be imposed by subsection (a) on gasoline or diesel fuel held in the tank of a motor vehicle or motorboat.

(f) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—

(1) IN GENERAL.—No tax shall be imposed by subsection (a)—

(A) on gasoline held on January 1, 1997, by any person if the aggregate amount of gasoline held by such person on such date does not exceed 4,000 gallons, and

(B) on diesel fuel or aviation fuel held on such date by any person if the aggregate amount of diesel fuel or aviation fuel held by such person on such date does not exceed 2,000 gallons.

The preceding sentence shall apply only if such person submits to the Secretary (at the time and in the manner required by the Secretary) such information as the Secretary shall require for purposes of this paragraph.

(2) EXEMPT FUEL.—For purposes of paragraph (1), there shall not be taken into account fuel held by any person which is exempt from the tax imposed by subsection (a) by reason of subsection (d) or (e).

(3) CONTROLLED GROUPS.—For purposes of this subsection—

(A) CORPORATIONS.—

(i) IN GENERAL.—All persons treated as a controlled group shall be treated as 1 person.

(ii) CONTROLLED GROUP.—The term "controlled group" has the meaning given to such term by subsection (a) of section 1563 of such Code; except that for such purposes the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in such subsection.

(B) NONINCORPORATED PERSONS UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraph (A) shall apply to a group of persons under common control where 1 or more of such persons is not a corporation.

(g) OTHER LAW APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4081 of such Code in the case of gasoline and diesel fuel and section 4091 of such Code in the case of aviation fuel shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply with respect to the floor stock taxes imposed by subsection (a) to the same extent as if such taxes were imposed by such section 4081 or 4091.

SEC. 5. BENEFITS OF TAX REPEAL SHOULD BE PASSED ON TO CONSUMERS.

(a) PASSTHROUGH TO CONSUMERS.—

(1) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) consumers immediately receive the benefit of the repeal of the 4.3-cent increase in the transportation motor fuels excise tax rates enacted by the Omnibus Budget Reconciliation Act of 1993, and

(B) transportation motor fuels producers and other dealers take such actions as necessary to reduce transportation motor fuels prices to reflect the repeal of such tax increase, including immediate credits to customer accounts representing tax refunds allowed as credits against excise tax deposit payments under the floor stocks refund provisions of this Act.

(2) STUDY.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the repeal of the 4.3-cent increase in the fuel tax imposed by the Omnibus Budget Reconciliation of 1993 to determine whether there has been a passthrough of such repeal.

(B) REPORT.—Not later than January 31, 1997, the Comptroller General of the United States shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the results of the study conducted under subparagraph (A).

SEC. ___. AUTHORIZATION OF APPROPRIATIONS FOR EXPENSES OF ADMINISTRATION OF THE DEPARTMENT OF ENERGY.

Section 660 of the Department of Energy Organization Act (42 U.S.C. 7270) is amended—

(1) by inserting "(a) IN GENERAL.—" before "APPROPRIATIONS"; and

(2) by adding at the end the following:

"(b) FISCAL YEARS 1997 THROUGH 2002.—There are authorized to be appropriated for salaries and expenses of the Department of Energy for departmental administration and other activities in carrying out the purposes of this Act—

"(1) $104,000,000 for fiscal year 1997;

"(2) $104,000,000 for fiscal year 1998;

"(3) $100,000,000 for fiscal year 1999;

"(4) $90,000,000 for fiscal year 2000;

"(5) $90,000,000 for fiscal year 2001; and

"(6) $90,000,000 for fiscal year 2002.".

SPECTRUM AUCTION

SEC. . SPECTRUM AUCTIONS.

(a) COMMISSION OBLIGATION TO MAKE ADDITIONAL SPECTRUM AVAILABLE BY AUCTION.—

(1) IN GENERAL.—The Federal Communications Commission shall complete all actions necessary to permit the assignment, by March 31, 1998, by competitive bidding pursuant to section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) of licenses for the use of bands of frequencies that—

(A) individually span not less than 12.5 megahertz, unless a combination of smaller bands can, notwithstanding the provisions of paragraph (7) of such section, reasonably be expected to produce greater receipts;

(B) in the aggregate span not less than 25 megahertz;

(C) are located below 3 gigahertz; and

(D) have not, as of the date of enactment of this Act—

(i) been assigned or designated by Commission regulation for assignment pursuant to such section;

(ii) been identified by the Secretary of Commerce pursuant to section 113 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923); or

(iii) reserved for Federal Government use pursuant to section 305 of the Communications Act of 1934 (47 U.S.C. 305).

(2) CRITERIA FOR REASSIGNMENT.—In making available bands of frequencies for competitive bidding pursuant to paragraph (1), the Commission shall—

(A) seek to promote the most efficient use of the spectrum;

(B) take into account the cost to incumbent licensees of relocating existing uses to other bands of frequencies or other means of communication;

(C) take into account the needs of public safety radio services;

(D) comply with the requirements of international agreements concerning spectrum allocations; and

(E) take into account the costs to satellite service providers that could result from multiple auctions of like spectrum internationally for global satellite systems.

(b) FEDERAL COMMUNICATIONS COMMISSION MAY NOT TREAT THIS SECTION AS CONGRESSIONAL ACTION FOR CERTAIN PURPOSES.—The Federal Communication Commission may not treat the enactment of this Act or the inclusion of this section in this Act as an expression of the intent of Congress with respect to the award of initial licenses of construction permits for Advanced Television Services, as described by the Commission in its letter of February 1, 1996, to the Chairman of the Senate Committee on Commerce, Science, and Transportation.

TITLE I—BANKING, HOUSING, AND RELATED PROVISIONS

SEC. 1001. TABLE OF CONTENTS.

The table of contents for this title is as follows:

TITLE I—BANKING, HOUSING, AND RELATED PROVISIONS

Sec. 1001. Table of contents.
Sec. 1011. Special assessment to capitalize SAIF.
Sec. 1012. Financing Corporation assessments shared proportionally by all insured depository institutions.
Sec. 1013. Merger of BIF and SAIF.
Sec. 1014. Creation of SAIF Special Reserve.
Sec. 1015. Refund of amounts in deposit insurance fund in excess of designated reserve amount.
Sec. 1016. Assessment rates for SAIF members may not be less than assessment rates for BIF members.
Sec. 1017. Assessments authorized only if needed to maintain the reserve ratio of a deposit insurance fund.
Sec. 1018. Definitions.

SEC. 1011. SPECIAL ASSESSMENT TO CAPITALIZE SAIF.

(a) IN GENERAL.—Except as provided in subsection (f), the Board of Directors shall impose a special assessment on the SAIF-assessable deposits of each insured depository institution at a rate applicable to all such institutions that the Board of Directors, in its sole discretion, determines (after taking into account the adjustments described in subsections (g) through (j)) will cause the Savings Association Insurance Fund to achieve the designated reserve ratio on March 31, 1996.

(b) FACTORS TO BE CONSIDERED.—In carrying out subsection (a), the Board of Directors shall base its determination on—

(1) the monthly Savings Association Insurance Fund balance most recently calculated;

(2) data on insured deposits reported in the most recent reports of condition filed not later than 70 days before the date of enactment of this Act by insured depository institutions; and

(3) any other factors that the Board of Directors deems appropriate.

(c) DATE OF DETERMINATION.—For purposes of subsection (a), the amount of the SAIF-assessable deposits of an insured depository institution shall be determined as of March 31, 1995.

(d) DATE PAYMENT DUE.—The special assessment imposed under this section shall be paid to the Corporation not later than 60 days after the date of enactment of this Act.

(e) ASSESSMENT DEPOSITED IN SAIF.—Notwithstanding any other provision of law, the proceeds of the special assessment imposed under this section shall be deposited in the Savings Association Insurance Fund.

(f) EXEMPTIONS FOR CERTAIN INSTITUTIONS.—

(1) EXEMPTION FOR WEAK INSTITUTIONS.—

(A) IN GENERAL.—The Board of Directors may, by order, in its sole discretion, exempt any insured depository institution that the Board of Directors determines to be weak, from paying the special assessment imposed under this section if the Board of Directors determines that the exemption would reduce risk to the Savings Association Insurance Fund.

(B) GUIDELINES REQUIRED.—Not later than 30 days after the date of enactment of this Act, the Board of Directors shall prescribe guidelines setting forth the criteria that the Board of Directors will use in exempting institutions under subparagraph (A). Such guidelines shall be published in the Federal Register.

(2) EXEMPTION FOR CERTAIN NEWLY CHARTERED AND OTHER DEFINED INSTITUTIONS.—

(A) IN GENERAL.—In addition to the institutions exempted from paying the special assessment under paragraph (1), the Board of Directors shall exempt any insured depository institution from payment of the special assessment if the institution—

(i) was in existence on October 1, 1995, and held no SAIF-assessable deposits prior to January 1, 1993;

(ii) is a Federal savings bank which—

(I) was established de novo in April 1994 in order to acquire the deposits of a savings association which was in default or in danger of default; and

(II) received minority interim capital assistance from the Resolution Trust Corporation under section 21A(w) of the Federal Home Loan Bank Act in connection with the acquisition of any such savings association; or

(iii) is a savings association, the deposits of which are insured by the Savings Association Insurance Fund, which—

(I) prior to January 1, 1987, was chartered as a Federal savings bank insured by the Federal Savings and Loan Insurance Corporation for the purpose of acquiring all or substantially all of the assets and assuming all or substantially all of the deposit liabilities of a national bank in a transaction consummated after July 1, 1986; and

(II) as of the date of that transaction, had assets of less than $150,000,000.

(B) DEFINITION.—For purposes of this paragraph, an institution shall be deemed to have held SAIF-assessable deposits prior to January 1, 1993, if—

(i) it directly held SAIF-assessable insured deposits prior to that date; or

(ii) it succeeded to, acquired, purchased, or otherwise holds any SAIF-assessable deposits as of the date of enactment of this Act that were SAIF-assessable deposits prior to January 1, 1993.

(3) EXEMPT INSTITUTIONS REQUIRED TO PAY ASSESSMENTS AT FORMER RATES.—

(A) PAYMENTS TO SAIF AND DIF.—Any insured depository institution that the Board of Directors exempts under this subsection from paying the special assessment imposed under this section shall pay semiannual assessments—

(i) during calendar years 1996 and 1997, into the Savings Association Insurance Fund, based on SAIF-assessable deposits of that institution, at assessment rates calculated under the schedule in effect for Savings Association Insurance Fund members on June 30, 1995; and

(ii) during calendar years 1998 and 1999—

(I) into the Deposit Insurance Fund, based on SAIF-assessable deposits of that institution as of December 31, 1997, at assessment rates calculated under the schedule in effect for Savings Association Insurance Fund members on June 30, 1995; or

(II) in accordance with clause (i), if the Bank Insurance Fund and the Savings Association Insurance Fund are not merged into the Deposit Insurance Fund.

(B) OPTIONAL PRO RATA PAYMENT OF SPECIAL ASSESSMENT.—This paragraph shall not apply with respect to any insured depository institution (or successor insured depository institution) that has paid, during any calendar year from 1997 through 1999, upon such terms as the Corporation may announce, an amount equal to the product of—

(i) 12.5 percent of the special assessment that the institution would have been required to pay under subsection (a), if the Board of Directors had not exempted the institution; and

(ii) the number of full semiannual periods remaining between the date of the payment and December 31, 1999.

(g) SPECIAL ELECTION FOR CERTAIN INSTITUTIONS FACING HARDSHIP AS A RESULT OF THE SPECIAL ASSESSMENT.—

(1) ELECTION AUTHORIZED.—If—

(A) an insured depository institution, or any depository institution holding company which, directly or indirectly, controls such institution, is subject to terms or covenants in any debt obligation or preferred stock outstanding on September 13, 1995; and

(B) the payment of the special assessment under subsection (a) would pose a significant risk of causing such depository institution or holding company to default or violate any such term or covenant,

the depository institution may elect, with the approval of the Corporation, to pay such special assessment in accordance with paragraphs (2) and (3) in lieu of paying such assessment in the manner required under subsection (a).

(2) 1ST ASSESSMENT.—An insured depository institution which makes an election under paragraph (1) shall pay an assessment of 50 percent of the amount of the special assessment that would otherwise apply under subsection (a), by the date on which such special assessment is otherwise due under subsection (d).

(3) 2D ASSESSMENT.—An insured depository institution which makes an election under paragraph (1) shall pay a 2d assessment, by the date established by the Board of Directors in accordance with paragraph (4), in an amount equal to the product of 51 percent of the rate determined by the Board of Directors under subsection (a) for determining the amount of the special assessment and the SAIF-assessable deposits of the institution on March 31, 1996, or such other date in calendar year 1996 as the Board of Directors determines to be appropriate.

(4) DUE DATE OF 2D ASSESSMENT.—The date established by the Board of Directors for the payment of the assessment under paragraph (3) by a depository institution shall be the earliest practicable date which the Board of Directors determines to be appropriate, which is at least 15 days after the date used by the Board of Directors under paragraph (3).

(5) SUPPLEMENTAL SPECIAL ASSESSMENT.—An insured depository institution which makes an election under paragraph (1) shall pay a supplemental special assessment, at the same time the payment under paragraph (3) is made, in an amount equal to the product of—

(A) 50 percent of the rate determined by the Board of Directors under subsection (a) for determining the amount of the special assessment; and

(B) 95 percent of the amount by which the SAIF-assessable deposits used by the Board of Directors for determining the amount of the 1st assessment under paragraph (2) exceeds, if any, the SAIF-assessable deposits used by the Board for determining the amount of the 2d assessment under paragraph (3).

(h) ADJUSTMENT OF SPECIAL ASSESSMENT FOR CERTAIN BANK INSURANCE FUND MEMBER BANKS.—

(1) IN GENERAL.—For purposes of computing the special assessment imposed under this section with respect to a Bank Insurance Fund member bank, the amount of any deposits of any insured depository institution which section 5(d)(3) of the Federal Deposit Insurance Act treats as insured by the Savings Association Insurance Fund shall be reduced by 20 percent—

(A) if the adjusted attributable deposit amount of the Bank Insurance Fund member bank is less than 50 percent of the total domestic deposits of that member bank as of June 30, 1995; or

(B) if, as of June 30, 1995, the Bank Insurance Fund member—

(i) had an adjusted attributable deposit amount equal to less than 75 percent of the total assessable deposits of that member bank;

(ii) had total assessable deposits greater than $5,000,000,000; and

(iii) was owned or controlled by a bank holding company that owned or controlled insured depository institutions having an aggregate amount of deposits insured or treated as insured by the Bank Insurance Fund greater than the aggregate amount of deposits insured or treated as insured by the Savings Association Insurance Fund.

(2) ADJUSTED ATTRIBUTABLE DEPOSIT AMOUNT.—For purposes of this subsection, the "adjusted attributable deposit amount" shall be determined in accordance with section 5(d)(3)(C) of the Federal Deposit Insurance Act.

(i) ADJUSTMENT TO THE ADJUSTED ATTRIBUTABLE DEPOSIT AMOUNT FOR CERTAIN BANK INSURANCE FUND MEMBER BANKS.—Section 5(d)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1815(d)(3)) is amended—

(1) in subparagraph (C), by striking "The adjusted attributable deposit amount" and inserting "Except as provided in subparagraph (K), the adjusted attributable deposit amount"; and

(2) by adding at the end the following new subparagraph:

"(K) ADJUSTMENT OF ADJUSTED ATTRIBUTABLE DEPOSIT AMOUNT.—The amount determined under subparagraph (C)(i) for deposits acquired by March 31, 1995, shall be reduced by 20 percent for purposes of computing the adjusted attributable deposit amount for the payment of any assessment for any semiannual period after December 31, 1995 (other than the special assessment imposed under section 1011(a) of the Balanced Budget Act of 1996), for a Bank Insurance Fund member bank that, as of June 30, 1995—

"(i) had an adjusted attributable deposit amount that was less than 50 percent of the total deposits of that member bank; or

"(ii)(I) had an adjusted attributable deposit amount equal to less than 75 percent of the total assessable deposits of that member bank;

"(II) had total assessable deposits greater than $5,000,000,000; and

"(III) was owned or controlled by a bank holding company that owned or controlled insured depository institutions having an aggregate amount of deposits insured or treated as insured by the Bank Insurance Fund greater than the aggregate amount of deposits insured or treated as insured by the Savings Association Insurance Fund.".

(j) ADJUSTMENT OF SPECIAL ASSESSMENT FOR CERTAIN SAVINGS ASSOCIATIONS.—

(1) SPECIAL ASSESSMENT REDUCTION.—For purposes of computing the special assessment imposed under this section, in the case of any converted association, the amount of any deposits of such association which were insured by the Savings Association Insurance Fund as of March 31, 1995, shall be reduced by 20 percent.

(2) CONVERTED ASSOCIATION.—For purposes of this subsection, the term "converted association" means—

(A) any Federal savings association—

(i) that is a member of the Savings Association Insurance Fund and that has deposits subject to assessment by that fund which did not exceed $4,000,000,000, as of March 31, 1995; and

(ii) that had been, or is a successor by merger, acquisition, or otherwise to an institution that had been, a State savings bank, the deposits of which were insured by the Federal Deposit Insurance Corporation prior to August 9, 1989, that converted to a Federal savings association pursuant to section 5(i) of the Home Owners' Loan Act prior to January 1, 1985;

(B) a State depository institution that is a member of the Savings Association Insurance Fund that had been a State savings bank prior to October 15, 1982, and was a Federal savings association on August 9, 1989;

(C) an insured bank that—

(i) was established de novo in order to acquire the deposits of a savings association in default or in danger of default;

(ii) did not open for business before acquiring the deposits of such savings association; and

(iii) was a Savings Association Insurance Fund member as of the date of enactment of this Act; and

(D) an insured bank that—

(i) resulted from a savings association before December 19, 1991, in accordance with section 5(d)(2)(G) of the Federal Deposit Insurance Act; and

(ii) had an increase in its capital in conjunction with the conversion in an amount equal to more than 75 percent of the capital of the institution on the day before the date of the conversion.

SEC. 1012. FINANCING CORPORATION ASSESSMENTS SHARED PROPORTIONALLY BY ALL INSURED DEPOSITORY INSTITUTIONS.

(a) IN GENERAL.—Section 21 of the Federal Home Loan Bank Act (12 U.S.C. 1441) is amended—

(1) in subsection (f)(2)—

(A) in the matter immediately preceding subparagraph (A)—

(i) by striking "Savings Association Insurance Fund member" and inserting "insured depository institution"; and

(ii) by striking "members" and inserting "institutions"; and

(B) by striking ", except that—" and all that follows through the end of the paragraph and inserting ", except that—

"(A) the Financing Corporation shall have first priority to make the assessment; and

"(B) no limitation under clause (i) or (iii) of section 7(b)(2)(A) of the Federal Deposit Insurance Act shall apply for purposes of this paragraph."; and

(2) in subsection (k)—

(A) by striking "section—" and inserting "section, the following definitions shall apply:";

(B) by striking paragraph (1);

(C) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(D) by adding at the end the following new paragraph:

"(3) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' has the same meaning as in section 3 of the Federal Deposit Insurance Act.".

(b) CONFORMING AMENDMENT.—Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended by striking subparagraph (D).

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective on January 1, 1997.

SEC. 1013. MERGER OF BIF AND SAIF.

(a) IN GENERAL.—

(1) MERGER.—The Bank Insurance Fund and the Savings Association Insurance Fund shall be merged into the Deposit Insurance Fund established by section 11(a)(4) of the Federal Deposit Insurance Act, as amended by this section.

(2) DISPOSITION OF ASSETS AND LIABILITIES.—All assets and liabilities of the Bank Insurance Fund and the Savings Association Insurance Fund shall be transferred to the Deposit Insurance Fund.

(3) NO SEPARATE EXISTENCE.—The separate existence of the Bank Insurance Fund and the Savings Association Insurance Fund shall cease.

(b) SPECIAL RESERVE OF THE DEPOSIT INSURANCE FUND.—

(1) IN GENERAL.—Immediately before the merger of the Bank Insurance Fund and the Savings Association Insurance Fund, if the reserve ratio of the Savings Association Insurance Fund exceeds the designated reserve ratio, the amount by which that reserve ratio exceeds the designated reserve ratio shall be placed in the Special Reserve of the Deposit Insurance Fund, established under section 11(a)(5) of the Federal Deposit Insurance Act, as amended by this section.

(2) DEFINITION.—For purposes of this subsection, the term "reserve ratio" means the ratio of the net worth of the Savings Association Insurance Fund to aggregate estimated deposits insured by the Savings Association Insurance Fund.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective on January 1, 1998, if no insured depository institution is a savings association on that date.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) DEPOSIT INSURANCE FUND.—Section 11(a)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)) is amended—

(A) by redesignating subparagraph (B) as subparagraph (C);

(B) by striking subparagraph (A) and inserting the following:

"(A) ESTABLISHMENT.—There is established the Deposit Insurance Fund, which the Corporation shall—

"(i) maintain and administer;

"(ii) use to carry out its insurance purposes in the manner provided by this subsection; and

"(iii) invest in accordance with section 13(a).

"(B) USES.—The Deposit Insurance Fund shall be available to the Corporation for use with respect to Deposit Insurance Fund members."; and

(C) by striking "(4) GENERAL PROVISIONS RELATING TO FUNDS.—" and inserting the following:

"(4) ESTABLISHMENT OF THE DEPOSIT INSURANCE FUND.—".

(2) OTHER REFERENCES.—Section 11(a)(4)(C) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)(C), as redesignated by paragraph (1) of this subsection) is amended by striking "Bank Insurance Fund and the Savings Association Insurance Fund" and inserting "Deposit Insurance Fund".

(3) DEPOSITS INTO FUND.—Section 11(a)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)) is amended by adding at the end the following new subparagraph:

"(D) DEPOSITS.—All amounts assessed against insured depository institutions by the Corporation shall be deposited in the Deposit Insurance Fund.".

(4) SPECIAL RESERVE OF DEPOSITS.—Section 11(a)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(5)) is amended to read as follows:

"(5) SPECIAL RESERVE OF DEPOSIT INSURANCE FUND.—

"(A) ESTABLISHMENT.—

"(i) IN GENERAL.—There is established a Special Reserve of the Deposit Insurance Fund, which shall be administered by the Corporation and shall be invested in accordance with section 13(a).

"(ii) LIMITATION.—The Corporation shall not provide any assessment credit, refund, or other payment from any amount in the Special Reserve.

"(B) EMERGENCY USE OF SPECIAL RESERVE.—Notwithstanding subparagraph (A)(ii), the Corporation may, in its sole discretion, transfer amounts from the Special Reserve to the Deposit Insurance Fund, for the purposes set forth in paragraph (4), only if—

"(i) the reserve ratio of the Deposit Insurance Fund is less than 50 percent of the designated reserve ratio; and

"(ii) the Corporation expects the reserve ratio of the Deposit Insurance Fund to remain at less than 50 percent of the designated reserve ratio for each of the next 4 calendar quarters.

"(C) EXCLUSION OF SPECIAL RESERVE IN CALCULATING RESERVE RATIO.—Notwithstanding any other provision of law, any amounts in the Special Reserve shall be excluded in calculating the reserve ratio of the Deposit Insurance Fund under section 7.".

(5) FEDERAL HOME LOAN BANK ACT.—Section 21B(f)(2)(C)(ii) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(C)(ii)) is amended—

(A) in subclause (I), by striking "to Savings Associations Insurance Fund members" and inserting "to insured depository institutions, and their successors, which were Savings Association Insurance Fund members on September 1, 1995"; and

(B) in subclause (II), by striking "to Savings Associations Insurance Fund members" and inserting "to insured depository institutions, and their successors, which were Savings Association Insurance Fund members on September 1, 1995".

(6) REPEALS.—

(A) SECTION 3.—Section 3(y) of the Federal Deposit Insurance Act (12 U.S.C. 1813(y)) is amended to read as follows:

"(y) DEFINITIONS RELATING TO THE DEPOSIT INSURANCE FUND.—

"(1) DEPOSIT INSURANCE FUND.—The term 'Deposit Insurance Fund' means the fund established under section 11(a)(4).

"(2) RESERVE RATIO.—The term 'reserve ratio' means the ratio of the net worth of the Deposit Insurance Fund to aggregate estimated insured deposits held in all insured depository institutions.

"(3) DESIGNATED RESERVE RATIO.—The designated reserve ratio of the Deposit Insurance Fund for each year shall be—

"(A) 1.25 percent of estimated insured deposits; or

"(B) a higher percentage of estimated insured deposits that the Board of Directors determines to be justified for that year by circumstances raising a significant risk of substantial future losses to the fund.".

(B) SECTION 7.—Section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817) is amended—

(i) by striking subsection (*l*);

(ii) by redesignating subsections (m) and (n) as subsections (*l*) and (m), respectively;

(iii) in subsection (b)(2), by striking subparagraphs (B) and (F), and by redesignating subparagraphs (C), (E), (G), and (H) as subparagraphs (B) through (E), respectively.

(C) SECTION 11.—Section 11(a) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)) is amended—

(i) by striking paragraphs (6) and (7); and

(ii) by redesignating paragraph (8) as paragraph (6).

(7) SECTION 5136 OF THE REVISED STATUTES.—Paragraph Eleventh of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended in the fifth sentence, by striking "affected deposit insurance fund" and inserting "Deposit Insurance Fund".

(8) INVESTMENTS PROMOTING PUBLIC WELFARE; LIMITATIONS ON AGGREGATE INVESTMENTS.—The 23d undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 338a) is amended in the fourth sentence, by striking "affected deposit insurance fund" and inserting "Deposit Insurance Fund".

(9) ADVANCES TO CRITICALLY UNDERCAPITALIZED DEPOSITORY INSTITUTIONS.—Section 10B(b)(3)(A)(ii) of the Federal Reserve Act (12 U.S.C. 347b(b)(3)(A)(ii)) is amended by striking "any deposit insurance fund in" and inserting "the Deposit Insurance Fund of".

(10) AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—Section 255(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended—

(A) by striking "Bank Insurance Fund" and inserting "Deposit Insurance Fund"; and

(B) by striking "Federal Deposit Insurance Corporation, Savings Association Insurance Fund;".

(11) FURTHER AMENDMENTS TO THE FEDERAL HOME LOAN BANK ACT.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended—

(A) in section 11(k) (12 U.S.C. 1431(k))—

(i) in the subsection heading, by striking "SAIF" and inserting "THE DEPOSIT INSURANCE FUND"; and

(ii) by striking "Savings Association Insurance Fund" each place such term appears and inserting "Deposit Insurance Fund";

(B) in section 21A(b)(4)(B) (12 U.S.C. 1441a(b)(4)(B)), by striking "affected deposit insurance fund" and inserting "Deposit Insurance Fund";

(C) in section 21A(b)(6)(B) (12 U.S.C. 1441a(b)(6)(B))—

(i) in the subparagraph heading, by striking "SAIF-INSURED BANKS" and inserting "CHARTER CONVERSIONS"; and

(ii) by striking "Savings Association Insurance Fund member" and inserting "savings association";

(D) in section 21A(b)(10)(A)(iv)(II) (12 U.S.C. 1441a(b)(10)(A)(iv)(II)), by striking "Savings Association Insurance Fund" and inserting "Deposit Insurance Fund";

(E) in section 21B(e) (12 U.S.C. 1441b(e))—

(i) in paragraph (5), by inserting "as of the date of funding" after "Savings Association Insurance Fund members" each place such term appears;

(ii) by striking paragraph (7); and

(iii) by redesignating paragraph (8) as paragraph (7); and

(F) in section 21B(k) (12 U.S.C. 1441b(k))—

(i) by striking paragraph (8); and

(ii) by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively.

(12) AMENDMENTS TO THE HOME OWNERS' LOAN ACT.—The Home Owners' Loan Act (12 U.S.C. 1461 et seq.) is amended—

(A) in section 5 (12 U.S.C. 1464)—

(i) in subsection (c)(5)(A), by striking "that is a member of the Bank Insurance Fund";

(ii) in subsection (c)(6), by striking "As used in this subsection—" and inserting "For purposes of this subsection, the following definitions shall apply:";

(iii) in subsection (o)(1), by striking "that is a Bank Insurance Fund member";

(iv) in subsection (o)(2)(A), by striking "a Bank Insurance Fund member until such time as it changes its status to a Savings Association Insurance Fund member" and inserting "insured by the Deposit Insurance Fund";

(v) in subsection (t)(5)(D)(iii)(II), by striking "affected deposit insurance fund" and inserting "Deposit Insurance Fund";

(vi) in subsection (t)(7)(C)(i)(I), by striking "affected deposit insurance fund" and inserting "Deposit Insurance Fund"; and

(vii) in subsection (v)(2)(A)(i), by striking ", the Savings Association Insurance Fund" and inserting "or the Deposit Insurance Fund"; and

(B) in section 10 (12 U.S.C. 1467a)—

(i) in subsection (e)(1)(A)(iii)(VII), by adding "or" at the end;

(ii) in subsection (e)(1)(A)(iv), by adding "and" at the end;

(iii) in subsection (e)(1)(B), by striking "Savings Association Insurance Fund or Bank Insurance Fund" and inserting "Deposit Insurance Fund";

(iv) in subsection (e)(2), by striking "Savings Association Insurance Fund or the Bank Insurance Fund" and inserting "Deposit Insurance Fund"; and

(v) in subsection (m)(3), by striking subparagraph (E), and by redesignating subparagraphs (F), (G), and (H) as subparagraphs (E), (F), and (G), respectively.

(13) AMENDMENTS TO THE NATIONAL HOUSING ACT.—The National Housing Act (12 U.S.C. 1701 et seq.) is amended—

(A) in section 317(b)(1)(B) (12 U.S.C. 1723i(b)(1)(B)), by striking "Bank Insurance Fund for banks or through the Savings Association Insurance Fund for savings associations" and inserting "Deposit Insurance Fund"; and

(B) in section 526(b)(1)(B)(ii) (12 U.S.C. 1735f-14(b)(1)(B)(ii)), by striking "Bank Insurance Fund for banks and through the Savings Association Insurance Fund for savings associations" and inserting "Deposit Insurance Fund".

(14) FURTHER AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(A) in section 3(a)(1) (12 U.S.C. 1813(a)(1)), by striking subparagraph (B) and inserting the following:

"(B) includes any former savings association.";

(B) in section 5(b)(5) (12 U.S.C. 1815(b)(5)), by striking "the Bank Insurance Fund or the Savings Association Insurance Fund;" and inserting "Deposit Insurance Fund,";

(C) in section 5(d) (12 U.S.C. 1815(d)), by striking paragraphs (2) and (3);

(D) in section 5(d)(1) (12 U.S.C. 1815(d)(1))—

(i) in subparagraph (A), by striking "reserve ratios in the Bank Insurance Fund and the Savings Association Insurance Fund" and inserting "the reserve ratio of the Deposit Insurance Fund";

(ii) by striking subparagraph (B) and inserting the following:

"(2) FEE CREDITED TO THE DEPOSIT INSURANCE FUND.—The fee paid by the depository institution under paragraph (1) shall be credited to the Deposit Insurance Fund.";

(iii) by striking "(1) UNINSURED INSTITUTIONS.—"; and

(iv) by redesignating subparagraphs (A) and (C) as paragraphs (1) and (3), respectively, and moving the margins 2 ems to the left;

(E) in section 5(e) (12 U.S.C. 1815(e))—

(i) in paragraph (5)(A), by striking "Bank Insurance Fund or the Savings Association Insurance Fund" and inserting "Deposit Insurance Fund";

(ii) by striking paragraph (6); and

(iii) by redesignating paragraphs (7), (8), and (9) as paragraphs (6), (7), and (8), respectively;

(F) in section 6(5) (12 U.S.C. 1816(5)), by striking "Bank Insurance Fund or the Savings Association Insurance Fund" and inserting "Deposit Insurance Fund";

(G) in section 7(b) (12 U.S.C. 1817(b))—

(i) in paragraph (1)(D), by striking "each deposit insurance fund" and inserting "the Deposit Insurance Fund";

(ii) in clauses (i)(I) and (iv) of paragraph (2)(A), by striking "each deposit insurance fund" each place such term appears and inserting "the Deposit Insurance Fund";

(iii) in paragraph (2)(A)(iii), by striking "a deposit insurance fund" and inserting "the Deposit Insurance Fund";

(iv) by striking clause (iv) of paragraph (2)(A);

(v) in paragraph (2)(C) (as redesignated by paragraph (6)(B) of this subsection)—

(I) by striking "any deposit insurance fund" and inserting "the Deposit Insurance Fund"; and

(II) by striking "that fund" each place such term appears and inserting "the Deposit Insurance Fund";

(vi) in paragraph (2)(D) (as redesignated by paragraph (6)(B) of this subsection)—

(I) in the subparagraph heading, by striking "FUNDS ACHIEVE" and inserting "FUND ACHIEVES"; and

(II) by striking "a deposit insurance fund" and inserting "the Deposit Insurance Fund";

(vii) in paragraph (3)—

(I) in the paragraph heading, by striking "FUNDS" and inserting "FUND";

(II) by striking "that fund" each place such term appears and inserting "the Deposit Insurance Fund";

(III) in subparagraph (A), by striking "Except as provided in paragraph (2)(F), if" and inserting "If";

(IV) in subparagraph (A), by striking "any deposit insurance fund" and inserting "the Deposit Insurance Fund"; and

(V) by striking subparagraphs (C) and (D) and inserting the following:

"(C) AMENDING SCHEDULE.—The Corporation may, by regulation, amend a schedule promulgated under subparagraph (B).."; and

(viii) in paragraph (6)—

(I) by striking "any such assessment" and inserting "any such assessment is necessary";

(II) by striking "(A) is necessary—";

(III) by striking subparagraph (B);

(IV) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and moving the margins 2 ems to the left; and

(V) in subparagraph (C) (as redesignated), by striking "; and" and inserting a period;

(H) in section 11(f)(1) (12 U.S.C. 1821(f)(1)), by striking ", except that—" and all that follows through the end of the paragraph and inserting a period;

(I) in section 11(i)(3) (12 U.S.C. 1821(i)(3))—

(i) by striking subparagraph (B);

(ii) by redesignating subparagraph (C) as subparagraph (B); and

(iii) in subparagraph (B) (as redesignated), by striking "subparagraphs (A) and (B)" and inserting "subparagraph (A)";

(J) in section 11A(a) (12 U.S.C. 1821a(a))—

(i) in paragraph (2), by striking "LIABILITIES.—" and all that follows through "Except" and inserting "LIABILITIES.—Except";

(ii) by striking paragraph (2)(B); and

(iii) in paragraph (3), by striking "the Bank Insurance Fund, the Savings Association Insurance Fund," and inserting "the Deposit Insurance Fund";

(K) in section 11A(b) (12 U.S.C. 1821a(b)), by striking paragraph (4);

(L) in section 11A(f) (12 U.S.C. 1821a(f)), by striking "Savings Association Insurance Fund" and inserting "Deposit Insurance Fund";

(M) in section 13 (12 U.S.C. 1823)—

(i) in subsection (a)(1), by striking "Bank Insurance Fund, the Savings Association Insurance Fund," and inserting "Deposit Insurance Fund, the Special Reserve of the Deposit Insurance Fund,";

(ii) in subsection (c)(4)(E)—

(I) in the subparagraph heading, by striking "FUNDS" and inserting "FUND"; and

(II) in clause (i), by striking "any insurance fund" and inserting "the Deposit Insurance Fund";

(iii) in subsection (c)(4)(G)(ii)—

(I) by striking "appropriate insurance fund" and inserting "Deposit Insurance Fund";

(II) by striking "the members of the insurance fund (of which such institution is a member)" and inserting "insured depository institutions";

(III) by striking "each member's" and inserting "each insured depository institution's"; and

(IV) by striking "the member's" each place such term appears and inserting "the institution's";

(iv) in subsection (c), by striking paragraph (11);

(v) in subsection (h), by striking "Bank Insurance Fund" and inserting "Deposit Insurance Fund";

(vi) in subsection (k)(4)(B)(i), by striking "Savings Association Insurance Fund" and inserting "Deposit Insurance Fund"; and

(vii) in subsection (k)(5)(A), by striking "Savings Association Insurance Fund" and inserting "Deposit Insurance Fund";

(N) in section 14(a) (12 U.S.C. 1824(a)) in the fifth sentence—

(i) by striking "Bank Insurance Fund or the Savings Association Insurance Fund" and inserting "Deposit Insurance Fund"; and

(ii) by striking "each such fund" and inserting "the Deposit Insurance Fund";

(O) in section 14(b) (12 U.S.C. 1824(b)), by striking "Bank Insurance Fund or Savings Association Insurance Fund" and inserting "Deposit Insurance Fund";

(P) in section 14(c) (12 U.S.C. 1824(c)), by striking paragraph (3);

(Q) in section 14(d) (12 U.S.C. 1824(d))—

(i) by striking "BIF" each place such term appears and inserting "DIF"; and

(ii) by striking "Bank Insurance Fund" each place such term appears and inserting "Deposit Insurance Fund";

(R) in section 15(c)(5) (12 U.S.C. 1825(c)(5))—

(i) by striking "the Bank Insurance Fund or Savings Association Insurance Fund, respectively" each place such term appears and inserting "the Deposit Insurance Fund"; and

(ii) in subparagraph (B), by striking "the Bank Insurance Fund or the Savings Association Insurance Fund, respectively" and inserting "the Deposit Insurance Fund";

(S) in section 17(a) (12 U.S.C. 1827(a))—

(i) in the subsection heading, by striking "BIF, SAIF," and inserting "THE DEPOSIT INSURANCE FUND"; and

(ii) in paragraph (1), by striking "the Bank Insurance Fund, the Savings Association Insurance Fund," each place such term appears and inserting "the Deposit Insurance Fund";

(T) in section 17(d) (12 U.S.C. 1827(d)), by striking "the Bank Insurance Fund, the Savings Association Insurance Fund," each place such term appears and inserting "the Deposit Insurance Fund";

(U) in section 18(m)(3) (12 U.S.C. 1828(m)(3))—

(i) by striking "Savings Association Insurance Fund" each place such term appears and inserting "Deposit Insurance Fund"; and

(ii) in subparagraph (C), by striking "or the Bank Insurance Fund";

(V) in section 18(p) (12 U.S.C. 1828(p)), by striking "deposit insurance funds" and inserting "Deposit Insurance Fund";

(W) in section 24 (12 U.S.C. 1831a) in subsections (a)(1) and (d)(1)(A), by striking "appropriate deposit insurance fund" each place such term appears and inserting "Deposit Insurance Fund";

(X) in section 28 (12 U.S.C. 1831e), by striking "affected deposit insurance fund" each place such term appears and inserting "Deposit Insurance Fund";

(Y) by striking section 31 (12 U.S.C. 1831h);

(Z) in section 36(i)(3) (12 U.S.C. 1831m(i)(3)) by striking "affected deposit insurance fund" and inserting "Deposit Insurance Fund";

(AA) in section 38(a) (12 U.S.C. 1831o(a)) in the subsection heading, by striking "FUNDS" and inserting "FUND";

(BB) in section 38(k) (12 U.S.C. 1831o(k))—

(i) in paragraph (1), by striking "a deposit insurance fund" and inserting "the Deposit Insurance Fund"; and

(ii) in paragraph (2)(A)—

(I) by striking "A deposit insurance fund" and inserting "The Deposit Insurance Fund"; and

(II) by striking "the deposit insurance fund's outlays" and inserting "the outlays of the Deposit Insurance Fund"; and

(CC) in section 38(o) (12 U.S.C. 1831o(o))—

(i) by striking "ASSOCIATIONS.—" and all that follows through "Subsections (e)(2)" and inserting "ASSOCIATIONS.—Subsections (e)(2)";

(ii) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and moving the margins 2 ems to the left; and

(iii) in paragraph (1) (as redesignated), by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and moving the margins 2 ems to the left.

(15) AMENDMENTS TO THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989.—The Financial Institutions Reform, Recovery, and Enforcement Act (Public Law 101–73; 103 Stat. 183) is amended—

(A) in section 951(b)(3)(B) (12 U.S.C. 1833a(b)(3)(B)), by striking "Bank Insurance Fund, the Savings Association Insurance Fund," and inserting "Deposit Insurance Fund"; and

(B) in section 1112(c)(1)(B) (12 U.S.C. 3341(c)(1)(B)), by striking "Bank Insurance Fund, the Savings Association Insurance Fund," and inserting "Deposit Insurance Fund".

(16) AMENDMENT TO THE BANK ENTERPRISE ACT OF 1991.—Section 232(a)(1) of the Bank Enterprise Act of 1991 (12 U.S.C. 1834(a)(1)) is amended by striking "section 7(b)(2)(H)" and inserting "section 7(b)(2)(G)".

(17) AMENDMENT TO THE BANK HOLDING COMPANY ACT.—Section 2(j)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(j)(2)) is amended by striking "Savings Association Insurance Fund" and inserting "Deposit Insurance Fund".

SEC. 1014. CREATION OF SAIF SPECIAL RESERVE.

Section 11(a)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(6)) is amended by adding at the end the following new subparagraph:

"(L) ESTABLISHMENT OF SAIF SPECIAL RESERVE.—

"(i) ESTABLISHMENT.—If, on January 1, 1998, the reserve ratio of the Savings Association Insurance Fund exceeds the designated reserve ratio, there is established a Special Reserve of the Savings Association Insurance Fund, which shall be administered by the Corporation and shall be invested in accordance with section 13(a).

"(ii) AMOUNTS IN SPECIAL RESERVE.—If, on January 1, 1998, the reserve ratio of the Savings Association Insurance Fund exceeds the designated reserve ratio, the amount by which the reserve ratio exceeds the designated reserve ratio shall be placed in the Special Reserve of the Savings Association Insurance Fund established by clause (i).

"(iii) LIMITATION.—The Corporation shall not provide any assessment credit, refund, or other payment from any amount in the Special Reserve of the Savings Association Insurance Fund.

"(iv) EMERGENCY USE OF SPECIAL RESERVE.—Notwithstanding clause (iii), the Corporation may, in its sole discretion, transfer amounts from the Special Reserve of the Savings Association Insurance Fund to the Savings Association Insurance Fund for the purposes set forth in paragraph (4), only if—

"(I) the reserve ratio of the Savings Association Insurance Fund is less than 50 percent of the designated reserve ratio; and

"(II) the Corporation expects the reserve ratio of the Savings Association Insurance Fund to remain at less than 50 percent of the designated reserve ratio for each of the next 4 calendar quarters.

"(v) EXCLUSION OF SPECIAL RESERVE IN CALCULATING RESERVE RATIO.—Notwithstanding any other provision of law, any amounts in the Special Reserve of the Savings Association Insurance Fund shall be excluded in calculating the reserve ratio of the Savings Association Insurance Fund.".

SEC. 1015. REFUND OF AMOUNTS IN DEPOSIT INSURANCE FUND IN EXCESS OF DESIGNATED RESERVE AMOUNT.

Subsection (e) of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(e)) is amended to read as follows:

"(e) REFUNDS.—

"(1) OVERPAYMENTS.—In the case of any payment of an assessment by an insured depository institution in excess of the amount due to the Corporation, the Corporation may—

"(A) refund the amount of the excess payment to the insured depository institution; or

"(B) credit such excess amount toward the payment of subsequent semiannual assessments until such credit is exhausted.

"(2) BALANCE IN INSURANCE FUND IN EXCESS OF DESIGNATED RESERVE.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), if, as of the end of any semiannual assessment period, the amount of the actual reserves in—

"(i) the Bank Insurance Fund (until the merger of such fund into the Deposit Insurance Fund pursuant to section 1013 of the Balanced Budget Act of 1996); or

"(ii) the Deposit Insurance Fund (after the establishment of such fund),

exceeds the balance required to meet the designated reserve ratio applicable with respect to such fund, such excess amount shall be refunded to insured depository institutions by the Corporation on such basis as the Board of Directors determines to be appropriate, taking into account the factors considered under the risk-based assessment system.

"(B) REFUND NOT TO EXCEED PREVIOUS SEMIANNUAL ASSESSMENT.—The amount of any refund under this paragraph to any member of a deposit insurance fund for any semiannual assessment period may not exceed the total amount of assessments paid by such member to the insurance fund with respect to such period.

"(C) REFUND LIMITATION FOR CERTAIN INSTITUTIONS.—No refund may be made under this paragraph with respect to the amount of any assessment paid for any semiannual assessment period by any insured depository institution described in clause (v) of subsection (b)(2)(A).".

SEC. 1016. ASSESSMENT RATES FOR SAIF MEMBERS MAY NOT BE LESS THAN ASSESSMENT RATES FOR BIF MEMBERS.

Section 7(b)(2)(C) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(E), as redesignated by section 1013(d)(6) of this Act) is amended—

(1) by striking "and" at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting "; and"; and

(3) by adding at the end the following new clause:

"(iii) notwithstanding any other provision of this subsection, during the period beginning on the date of enactment of the Balanced Budget Act of 1996, and ending on January 1, 1998, the assessment rate for a Savings Association Insurance Fund member may not be less than the assessment rate for a Bank Insurance Fund member that poses a comparable risk to the deposit insurance fund.".

SEC. 1017. ASSESSMENTS AUTHORIZED ONLY IF NEEDED TO MAINTAIN THE RESERVE RATIO OF A DEPOSIT INSURANCE FUND.

(a) IN GENERAL.—Section 7(b)(2)(A)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)(i)) is amended in the matter preceding subclause (I), by inserting "when necessary, and only to the extent necessary" after "insured depository institutions".

(b) LIMITATION ON ASSESSMENT.—Section 7(b)(2)(A)(iii) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)(iii)) is amended to read as follows:

"(iii) LIMITATION ON ASSESSMENT.—Except as provided in clause (v), the Board of Directors shall not set semiannual assessments with respect to a deposit insurance fund in excess of the amount needed—

"(I) to maintain the reserve ratio of the fund at the designated reserve ratio; or

"(II) if the reserve ratio is less than the designated reserve ratio, to increase the reserve ratio to the designated reserve ratio.".

(c) EXCEPTION TO LIMITATION ON ASSESSMENTS.—Section 7(b)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)) is amended by adding at the end the following new clause:

"(v) EXCEPTION TO LIMITATION ON ASSESSMENTS.—The Board of Directors may set semiannual assessments in excess of the amount permitted under clauses (i) and (iii) with respect to insured depository institutions that exhibit financial, operational, or compliance weaknesses ranging from moderately severe to unsatisfactory, or are not well capitalized, as that term is defined in section 38.".

SEC. 1018. DEFINITIONS.

For purposes of this title—

(1) the term "Bank Insurance Fund" means the fund established pursuant to section (11)(a)(5)(A) of the Federal Deposit Insurance Act, as that section existed on the day before the date of enactment of this Act;

(2) the terms "Bank Insurance Fund member" and "Savings Association Insurance Fund member" have the same meanings as in section 7(*l*) of the Federal Deposit Insurance Act;

(3) the terms "bank", "Board of Directors", "Corporation", "insured depository institution", "Federal savings association", "savings association", "State savings bank", and "State depository institution" have the same meanings as in section 3 of the Federal Deposit Insurance Act;

(4) the term "Deposit Insurance Fund" means the fund established under section 11(a)(4) of the Federal Deposit Insurance Act, as amended by section 1013(d) of this Act;

(5) the term "depository institution holding company" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(6) the term "designated reserve ratio" has the same meaning as in section 7(b)(2)(A)(iv) of the Federal Deposit Insurance Act;

(7) the term "Savings Association Insurance Fund" means the fund established pursuant to section 11(a)(6)(A) of the Federal Deposit Insurance Act, as that section existed on the day before the date of enactment of this Act; and

(8) the term "SAIF-assessable deposit"—

(A) means—

(i) a deposit that is subject to assessment for purposes of the Savings Association Insurance Fund under the Federal Deposit Insurance Act; and

(ii) a deposit that section 5(d)(3) of the Federal Deposit Insurance Act treats as insured by the Savings Association Insurance Fund; and

(B) includes a deposit assumed after March 31, 1995, if the insured depository institution, the deposits of which are assumed, is not an insured depository institution when the special assessment is imposed under section 1011(a) of this Act.

THE TAXPAYER BILL OF RIGHTS 2

GLENN AMENDMENT NO. 3962

(Ordered to lie on the table.)

Mr. GLENN submitted an amendment intended to be proposed by him to the bill (H.R. 2337) to amend the Internal Revenue Code of 1986 to provide for increased taxpayer protections; as follows:

At the end of title XII, insert the following new section:

SEC. 1212. PENALTY FOR UNAUTHORIZED INSPECTION OF TAX RETURNS OR TAX RETURN INFORMATION.

(a) IN GENERAL.—Part I of subchapter A of chapter 75 (relating to crimes, other offenses, and forfeitures) is amended by adding after section 7213 the following new section:

"SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION.

"(a) PROHIBITION.—It shall be unlawful for—

"(1) any officer or employee of the United States or any former such officer or employee,

"(2) any person described in section 6103(n), an officer or employee of any such person, or any former such officer or employee, or

"(3) any person described in subsection (d), (l)(3)(B)(i), (l) (6), (7), (8), (9), (10) or (12), or (m) (2), (4), (6), or (7) of section 6103,

willfully to inspect (as defined in section 6103(b)(7)), except as authorized by this title, any return or return information (as defined in section 6103(b)).

"(b) PENALTY.—

"(1) IN GENERAL.—Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding $1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution.

"(2) FEDERAL OFFICERS OR EMPLOYEES.—An officer or employee of the United States who is convicted of any violation of subsection (a) shall, in addition to any other punishment, be dismissed from office or discharged from employment."

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter A of chapter 75 is amended by inserting after the item relating to section 7213 the following new item:

"7213A. Unauthorized inspection of returns or return information.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on and after the date of the enactment of this Act.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Wednesday, May 15, 1996, at 10 a.m., to hold a hearing on campaign finance reform.

For further information concerning this hearing, please contact Bruce Kasold of the committee staff on 224-3448.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that two oversight field hearings have been scheduled to receive testimony on the Tongass land management plan and the administration of timber sale contracts.

The first hearing will take place on Tuesday, May 28, 1996 at 10:30 a.m., in Ketchikan, AK. Ted Ferry Civic Center, 888 Venetia Avenue, Ketchikan, AL, 99901. The second hearing is scheduled for Wednesday, May 29, 1996, at 9 a.m., in Juneau, AL. Centennial Hall Convention Center, Ballroom 3, 101 Egan Drive, Juneau, AL, 99801.

Because of the limited time available and the interest in the subject matter, and in order to have a balanced hearing, witnesses will be by invitation. Written testimony will be accepted for the RECORD. Oral testimony will be limited to 5 minutes. Witnesses testifying at the hearing are requested to bring 10 copies of their testimony with them on the day of the hearing. In addition, please send or fax a copy in advance to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. Fax 202-228-0539.

For further information, please contact Mark Rey, Energy and Natural Resources Committee, at 202-224-6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, May 9, 1996, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this oversight hearing is to receive testimony on the recent increases in gasoline prices.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LOTT. Mr. President, I ask Unanimous Consent on behalf of the Governmental Affairs Committee to meet on Thursday, May 9 at 10 a.m. for a hearing on IRS Oversight.

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

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, May 9, 1996, at 10:00 a.m. to hold an executive business meeting.

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

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, May 9, 1996 at 9:30 a.m. to conduct an Oversight Hearing on the impact of the U.S. Supreme Court's recent decision in Seminole Tribe versus Florida. The hearing will be held in room G-50 of the Dirksen Senate Office Building.

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

THE SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER DEVELOPMENT CORPORATION AND RELATED MATTERS

Mr. LOTT. Mr. President, I ask unanimous consent that the special committee to investigate Whitewater Development Corporation and related matters be authorized to meet during the session of the Senate on Thursday, May 9, 1996 to conduct hearings pursuant to Senate Resolution 120.

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

SUBCOMMITTEE ON CHILDREN AND FAMILIES

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Children and Families of the Committee on Labor and Human Resources be authorized to hold a hearing on Family and Medical Leave Act oversight during the session of the Senate on Thursday, May 9, 1996, at 9:30 a.m.

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

ADDITIONAL STATEMENTS

DEFENSE OF MARRIAGE ACT

• Mr. COATS. Mr. President, today I am pleased to cosponsor Senator DOLE's and Senator NICKLES' bill (S. 1740) defining marriage as a legal union between one man and one woman.

Marriage is the institution that civilizes our society by humanizing our lives. It is the social, legal, and spiritual relationship that prepares the next generation for its duties and opportunities. A 1884 decision of the Supreme Court called it "the sure foundation of all that is stable and noble in our civilization."

The definition of marriage is not created by politicians and judges, and it cannot be changed by them. It is rooted in our history, our laws, our deepest moral and religious convictions, and our nature as human beings. It is the union of one man and one woman. This fact can be respected or it can be resented, but it cannot be altered.

Our society has a compelling interest in respecting that definition. The

breakdown of traditional marriage is our central social crisis—the cause of so much anguish and suffering, particularly for our children. Our urgent responsibility is to nurture and strengthen that institution, not undermine it with trendy moral relativism.

The institution of marriage is our most valuable cultural inheritance. It is our duty—perhaps our first duty—to pass it intact to the future.

The distortion of marriage is sometimes defended as a form of tolerance. But this represents a fundamental misunderstanding, both of marriage and tolerance.

I believe strongly in tolerance, not only for the peace of society, but because it is the proper way to treat others. As individuals, we should never compromise our moral convictions. But we should always treat others with respect and dignity.

A government, however, has another duty. All law embodies some moral consensus. No society can be indifferent to its moral life, because there are consequences for us all.

Every government must set certain standards as sign posts. It must create expectations for responsible behavior. Not every lifestyle is equal for the purpose of the common good. This does not mean the persecution of those who fall short of the standard, but it does mean giving legal preference to that standard. A tolerant society does not need to be an indifferent society.

A government that values freedom can permit some things that it would not encourage or condone. But a government must also promote things that are worthy examples and social ideals.

Government cannot be neutral in the debate over marriage. It has sound reasons to prefer the traditional family in its policies. As social thinker Michael Novak has written:

> A people whose marriage and families are weak have no solid institutions . . . family life is the seedbed of economic skills, money habits, attitudes toward work and the arts of independence.

When we prefer traditional marriage and family in our laws, it is not intolerance. Tolerance does not require us to say that all lifestyles are morally equal, only that no individual deserves to be persecuted. It does not require us to weaken our social ideals. It does not require a reconstruction of our most basic human institutions. It does not require special recognition for those who have rejected the standard.

It is amazing and disturbing that this legislation should be necessary. It is a sign of the times, and an indication of a deep moral confusion. But events have made this definition essential. The preservation of marriage has become an issue of self-preservation for our society. I strongly urge my colleagues to support this measure.•

TRIBUTE TO NANCY CHUDA

• Mrs. BOXER. Mr. President, I am pleased today to announce my intentions to introduce in the near future, a bill that will help protect the children of this country from the harmful effects of environmental contaminants. I can not think of a more appropriate time of the year than the time we recognize the special achievements of mothers, to focus this Nation's attention on protecting the health and safety of our children. Mr. President, I am working hard on this piece of legislation, not only because I am a mother, but because I want to pay tribute to one exceptional mother. This mother knows the intense sadness of losing her child.

This very special mother lives in my State and I am proud to call her my friend. Three years ago, Mrs. Nancy Chuda came to visit me to ask for help. Her little girl, all of 5 years old, had died of cancer—a nongenetic form of cancer. No one knows why or how or what caused little Colette Chuda to become afflicted. She was a normal, beautiful girl in every way. She liked to draw pictures of flowers and happy people. One thing is certain, she was blessed to have two wonderful parents. Nancy and Jim Chuda, despite their grief, chose to turn their own personal tragedy into something positive. They have labored endlessly to bring to the country's attention the environmental dangers that threaten our children. They want to make sure that what happened to their Colette will not happen to another child. No mother should have to go through what Nancy Chuda went through. If future deaths can be prevented, I know we all will be indebted to the tremendous energy and perseverance of Nancy Chuda.

Mr. President, science has shown us that children are special. They are not simply a smaller version of you and me. They are still growing, many of their internal systems are still in the process of developing and maturing, and, of course, their behavior is different. Studies show that they breathe faster. They come in contact with numerous objects in their quest to learn and explore the world around them. They eat differently—children consume foods in different amounts in proportion to their body weight. I can remember, when I was a kid, I ate mayonnaise sandwiches and I consumed whole boxes of cereal while watching TV. Today, there are more questions than ever with respect to children's developmental health. And Mr. President, I am sad to say there are very few answers.

The factors behind the special environmental risks that children face need special attention. A recent study issued by the National Academy of Sciences (NAS) reported on the effects of pesticides in the diets of infants and children. The study concluded that the Federal Government is not doing enough to protect our children from exposures to pesticides. The NAS study essentially confirmed what many in the regulatory community were already worried about. Although we may have the highest quality and the safest food in the world, the fact is that risk assessments of pesticides and toxic chemicals do not differentiate clearly enough between the risks to children and the risks to adults.

It has been estimated that up to one-half of a person's lifetime cancer risk may be incurred in the first 6 years of life. There is currently not enough information to know exactly how to account for all of the differences when conducting a risk assessment. We need to know more about what health risks our children are exposed to. We need to collect exposure data not only on our children's diets, but also, on our children's exposure to air pollutants and surface pollutants. The fact is that we do not have the data that allows us to quantify and measure the differences between how adults and children respond to environmental pollutants.

The absence of this data often precludes effective government regulation of environmental pollutants. In my bill, I intend to change this. We must ensure that our regulators have the data they need to be able to assess the risks of these substances to children. This would let them do their job of protecting our most vulnerable sector of society from environmental pollutants.

Although most people associate pesticide use with agriculture, children may be exposed to far greater health risks by other common uses of pesticides such as lawn and garden uses, household uses, and fumigation uses in schools.

Children come in contact with pesticides and other toxic substances, not only from the food they eat, but from the air they breathe, and the surfaces they touch. In communities with contaminated air, improving overall air quality for disease prevention is of vital importance. Some studies suggest that pediatric asthma is on the rise and is exacerbated by air pollution. Pollutants from tobacco smoke, stoves and fireplaces, household cleaners and paints, even glues and the synthetic fabrics used in furniture are all thought to be contributing factors. One EPA study showed that 85 percent of the total daily exposure to toxic chemicals comes from breathing air inside the home.

I firmly believe that citizens have a right to know what substances they are involuntarily subjected to, whether they live next to a farm or in the heart of South-Central Los Angeles. My bill will require pesticide applicators to keep records and submit reports to the EPA. Subsequently, EPA is directed to publish annual bulletins informing citizens of the types and amounts of pesticide chemicals that are being used

in and around their neighborhood, in their apartment buildings, and most importantly in their schools. My bill would give parents the ability to make informed decisions to protect their family. Public health and safety depends on its citizens and local officials knowing the toxic dangers that exist in their communities.

EPA's Toxics Release Inventory [TRI] collects chemical release information from manufacturing and several other industries. It is the Nation's most popular and highly successful community right to know program. TRI is generally well supported through voluntary compliance of industry. The program has prompted many companies to set ambitious pollution reduction goals as well as voluntary restrictions and improvements. My bill will apply a similar philosophy to other kinds of environmental contaminants. I am betting on the same outcome emerging from applicators and users of pesticides and believe this will benefit everyone concerned.

I strongly support the administration's policies over the past few years to place greater emphasis and attention on the environmental health issues that affect children. I especially applaud the Environmental Protection Agency for taking the lead. Last year EPA made it an agencywide policy to consider the risks to infants and children consistently and explicitly in every regulatory decision. EPA's stance has inspired me to include its policy in my bill and to expand its philosophy to other Federal agencies charged with regulating toxic substances and environmental pollutants. The factors behind the special environmental risks that children may face need and deserve special attention so that in the future we can prevent the kinds of problems that children have suffered from lead in paint, asbestos in schools, and pesticides in food.•

MAGRUDER PRIMARY SCHOOL

• Mr. WARNER. Mr. President, I am pleased today to have the opportunity to give well deserved recognition to an exemplary elementary school. Magruder Primary School in Newport News has been selected as a U.S. Department of Education Title I Distinguished School.

At Magruder Primary, "hard work pays off" isn't just a motto, it's a way of life. In 4 years time Magruder's reading scores leapt 79 percent—from 1 percent of second-graders reading at or above their grade level in 1992 to 80 percent for the most recent school year. Having placed last in reading achievement tests in 1992, the school is now number five in Newport News.

Many hard workers are to be commended for this outstanding accomplishment: teachers, administrators, parents, business leaders and, of course, the students.

As a strong believer in parental involvement, I am thrilled that Magruder's home-school coordinator makes certain that parents are actively involved in their child's education. This individual's responsibilities run the gamut—from retrieving forgotten permission slips to providing parents with homework enrichment tips.

I would also like to offer a special acknowledgment to the business partners who sponsored home reading programs, special assemblies and student incentives.

Mr. President, as stated in a recent Newport News Daily Press article, Magruder's demographics had the school destined for supposed failure. Eighty-four percent of its students receive free lunches; 69 percent live with only one parent. Other schools should take note. If Magruder Primary School can improve its reading scores, others can too.

Magruder Primary School stands as a beacon for the wise use of Federal dollars. While we must reign in an often intrusive government, some government programs are clearly worthwhile. Title I funding for our Nation's schools is such a program. Title I funding has helped Magruder Primary achieve this important success.•

TOURISM ORGANIZATION ACT

• Mr. HOLLINGS. Mr. President, I rise in support of the bill introduced yesterday to establish a U.S. Tourism Organization, S. 1735. I am pleased to cosponsor the legislation. Tourism is the second largest employer in my State and a critical component of my State's economic development. It is unfortunate that the U.S. Travel and Tourism Administration [USTTA] has become a victim of budgetary constraints, and I am pleased that S. 1735 will preserve a Federal role in crafting a coherent policy to promote the United States as a tourist destination. The bill will also provide for a repository of information to enable the tourism industry to develop a strategy to compete for the international tourism dollar. I hope that this new organization will become a model for public-private partnerships and will fill the void left by the elimination of USTTA•

MENTAL HEALTH CARE

• Mr. INOUYE. Mr. President, last month, when the Senate passed the Domenici-Wellstone mental health parity amendment by an overwhelming vote of 68 to 30, during our deliberations on the health insurance reform legislation, it was, in my judgment, a historic occasion.

Since President Jimmy Carter established his Commission on Mental Health, it has been clear to a number of us that, eventually, it would be in our Nation's best interest to ensure that those afflicted with mental illness are treated in the same manner as those afflicted with any other physical ailment. Unfortunately, probably primarily due to the stigma long attached to receiving mental health care, this has been a long and difficult process.

As I listened to the debate that Thursday evening and watched our colleagues vote, I kept thinking to myself how one individual, Senator DOMENICI, truly made a difference in the lives of our Nation's citizens. During the years we have served together in the U.S. Senate, I have been very pleased to work closely with him in a number of capacities, for example on the various Senate Appropriations subcommittees and, most recently, on behalf of our Nation's Native Americans.

Throughout our deliberations, our colleague has always made explicitly clear the importance of ensuring that the Congress and the administration, and ultimately the private sector, must, in fact, treat those afflicted with mental illness and their families in a humane and compassionate manner. Senator DOMENICI was willing to share with us his personal family experiences. I have no doubt that his resolve and persistence are the reasons that most of us voted on behalf of this important amendment.

I sincerely hope that the House-Senate conferees will ultimately accept the provisions of the Domenici-Wellstone amendment, as it represents excellent public policy. However, at this point, I just wanted to share my appreciation with my colleagues for the Senator from New Mexico's efforts over the years—he is truly the consummate public servant. All of us can learn from his dedication.•

IN CELEBRATION OF WOMEN IN PUBLIC SERVICE

• Mr. HATFIELD. Mr. President, I would like to take this opportunity to share with my colleagues a unique conference which took place earlier this week—the sixth annual Southern Women in Public Service conference hosted in Birmingham, AL, by the John C. Stennis Center for Public Service. The theme of this gathering was "Coming Together to Make a Difference." Over the past 6 years, this event has become the most significant annual bipartisan gathering of women political and business leaders throughout the South. The event has grown each year but the purpose remains the same: to make government better, more effective and more responsive by bringing women into public service leadership.

As a board member of the Stennis Center, I have watched this organization consistently enable women to pursue public service careers by providing an avenue in an area of the country

which needs it more than any other. This challenge is illustrated by the fact that only 1 of 8 women in the U.S. Senate is from the South; 1 Southern State has never elected a woman to statewide executive office while another has never sent a woman to Congress; 9 of the 11 States which rank lowest in the percentage of women in State legislatures are in the South and no Southern State currently has a female Governor. I can tell you however, Mr. President, this will not be the case for much longer. This conference is changing attitudes by its very visibility in training and inspiring women for appointed and elected office each year. In fact, the Stennis Center was credited this week as the last great glass ceiling breaker. Much credit goes to former Congresswoman Lindy Boggs, who serves as the chair of the conference year after year. She is an inspiration for many women and she is continuing to use her platform to define public service for others. Quite simply, Lindy is contagious.

Recently, our Nation celebrated the 75th anniversary of women's suffrage—to coin a phrase, women have come a long way, baby. We now have women serving in the public policy arena in nearly all capacities, yet the pace is agonizingly slow. In the early 1970's, only 4.5 percent of all State legislative seats were held by women. Today, 21 percent of the 7,424 State legislative seats in this country are held by women. Women hold 56 or 10.5 percent of the 535 seats in the 104th Congress. One State in the Union has a woman Governor—New Jersey, led by Christine Todd Whitman.

In 1994, four States had women Governors, including my own State of Oregon which was led by Barbara Roberts. Governor Roberts is currently teaching at the John K. Kennedy School at Harvard University. My State has a strong history of capable women serving in statewide and locally elected positions. Currently, the mayor of Portland is Vera Katz, a talented legislator. Our chief State school officer, Norma Paulus, serving in a nonpartisan, statewide elected capacity, has been the trailblazer for women in government in Oregon. Even with this history, Oregon only has women serving in 28 percent of its elected positions. I hope that the Stennis model can be duplicated in other regions across the country, with the Northwest at the top of the waiting list.

Among the reasons for increasing the number of women in public service leadership is to improve government at all levels. Women make up 52 percent of the population and the majority of all registered voters. Without large numbers of women in government, America is missing out on some of its most capable, effective leaders who can improve the quality of life not just for women, but for all Americans.

I would like to just add a word of personal tribute to all of the forms of public service women give. Some of our strongest role models were never elected but served in one of the most difficult positions of power—from Eleanor Roosevelt to Nancy Reagan to Hillary Clinton—all of these First Ladies deserve our gratitude for blazing the trail to serve their country. Their example will serve the initial "First Gentleman" quite well.

The Stennis Center, established in 1988 to exemplify the life of public service defined by Senator John C. Stennis of Mississippi, is doing quality work not only for women in the South, but for many of our own staff family. This is the second year of the John C. Stennis congressional staff fellows—a program which provides senior congressional staff with an opportunity to focus on improving the performance of Congress as an institution. The center also operates the John C. Stennis National Student Congress, a State executive development institute, a legislative staff management institute and a national black graduate students conference—an activity designed to recruit minorities to be congressional aides. All of this work is done by a small staff led by the very capable Mr. Rex G. Buffington II, the executive director of the center. We all owe Mr. Buffington and his staff a debt of gratitude for the time and effort they are expending, in the name of my friend John Stennis, to insure that young people are attracted to careers in public service, that training and development opportunities exist for those in public service and that congressional staff are better equipped to perform their duties more effectively and efficiently.

This week's conference provides just the most recent example. As one of the conference participants shared this week "If this conference didn't light your fire, then check your wood, because it must be wet." Mr. President, I suspect that many flames are burning bright right now.•

GIRL SCOUT GOLD AWARD

• Ms. MIKULSKI. Mr. President, each year an elite group of young women rise above the ranks of their peers and confront the challenge of attaining the Girl Scouts of the United States of America's highest rank in Scouting, the Girl Scout Gold Award.

It is with great pleasure that I recognize and applaud young women from the State of Maryland who are this year's recipients of this most prestigious and time honored award.

These outstanding young women are to be commended on their extraordinary commitment and dedication to their families, their friends, their communities, and to the Girl Scouts of the United States of America.

The qualities of character, perseverance, and leadership which enabled them to reach this goal will also help them to meet the challenges of the future. They are our inspiration for today and our promise for tomorrow.

I am honored to ask my colleagues to join me in congratulating the recipients of this award from the State of Maryland. They are the best and the brightest and serve as an example of character and moral strength for us all to imitate and follow.

Finally, I wish to salute the families, Scout leaders, and the Girl Scouts of Central Maryland who have provided these young women with continued support and encouragement.

It is with great pride that I submit a list of this year's Girl Scout Gold Award recipients from the State of Maryland, and I ask unanimous consent that the list be printed in the RECORD.

The list follows:

GOLD AWARD RECIPIENTS

Laura Lee Albright, Jessica Bolyard, Andrea Bedingfield, Ashley Berger, Melissa Boyle, Kelly Brooks, Lauretta Burgoon, Angela Comberiate, Teresa Crocker, Virginia Dentler, Jennifer Hafner, Shawn Hagy, Angie Henderson, Susan Hoffman, Karyn Kahler, Rachel King, Melissa Lauber, Tiffany Lee, Christina Mauzy, Amanda Morgan, Rebecca Morgenroth, Erin Morrow, Meriel Newsome, Kerry Nudelman, Lori Odom, Rebecca Otte, Elizabeth Palmer, Karen Phillips, Ilisa Pyatt, Allison Rachford, Shannon Smoot, Tecoya Shannon, Heather Simons, Faith Stewart, Kathleen Thorn, and Heather Wilson.•

REAR ADM. IRVE C. LeMOYNE

• Mr. KERREY. Mr. President, I rise today to recognize Rear Adm. Irve C. LeMoyne, the U.S. Navy's highest ranking and longest serving SEAL. Admiral LeMoyne retires this month after 35 years of service to our Nation. His extraordinary accomplishments have been instrumental in the evolution of this country's special operations forces and will have a lasting impact as the U.S. military enters the 21st century.

Admiral LeMoyne began his Navy career as an ensign in 1961. Following graduation from underwater demolition training and service with Underwater Demolition Team 22, he served in Vietnam with SEAL Team 1 and Underwater Demolition Team 11. During his tours in Vietnam, he led numerous successful combat operations and served as a senior provincial reconnaissance unit advisor. While commanding Underwater Demolition Team 11 he also participated in the recovery operations of Apollo 10, 11 and 12.

During several high-level assignments in Washington, DC, Admiral LeMoyne held key positions where he was responsible for integrating naval special warfare into the U.S. regional military strategy and was a driving force behind the modernization of the community.

In 1987 Admiral LeMoyne became the first commander of the Naval Special Warfare Command which was formed as the result of the Nunn-Cohen amendment to the National Defense Authorization Act for fiscal year 1987. His leadership of this command brought together the many components of Naval Special Warfare into a single community which was successfully integrated into the joint structure of the newly formed U.S. Special Operations Command.

As the Director of Resources and then as the Deputy Commander in Chief of the U.S. Special Operations Command, Admiral LeMoyne further ensured that not only Naval Special Warfare, but all special operations forces were prepared to meet the demands of Operations Desert Shield and Storm and the numerous contingency operations of the 1990's.

Throughout his career Admiral LeMoyne has been a driving force behind the modernization of Naval Special Warfare. His accomplishments have paved the way for special operations forces as this country approaches the 21st century. The legacy of his leadership and foresight will carry on well into the next century as special operations forces meet the challenges of the battlefield of the future.

I bid Admiral LeMoyne, his wife, Elizabeth, his son Irve C. Jr., and his daughter, Christian fair winds and following seas.•

BOEING'S 777 WINS PRESTIGIOUS ROBERT J. COLLIER TROPHY

• Mrs. MURRAY. Mr. President, I am honored and proud to recognize the Boeing Co. from my home State of Washington as the 1996 winner of the prestigious Collier Trophy presented by the National Aeronautic Association. The Collier Trophy, the industry's highest honor for aeronautics achievement, will be presented to the Boeing 777 team this evening here in the Nation's capital.

According to the National Aeronautic Association, Boeing was cited for, "designing, manufacturing and placing into service the world's most technologically advanced airline transport." These words are high praise, yet they only begin to describe the awesome innovations achieved by the 777 team. The 777 was developed under the theme "Working Together" and represents the work of thousands of Boeing employees, Boeing customers and program partners, thousands of suppliers, regulatory authorities, passengers, pilots, and flight attendants. The Working Together concept and process will be a model for future research and development efforts for U.S. industry.

The 777, with approximately 300 aircraft on order, positions the Boeing Co. and its family of aircraft to compete and succeed in the competitive global market for years to come. The 777 is the fourth Boeing Co. Collier Trophy winner; the B–52, the 747 and the 757-767 programs also received this coveted award.

The Boeing 777 is the first commercial jetliner designed and preassembled entirely by computer simulation. More than 235 design-build teams, linked electronically through advanced computers, worked together to create the airplane's parts and systems and to evaluate the aircraft from every perspective. This new and innovative development process enabled the 777 program to exceed its goal of reducing change, error, and rework by 50 percent. Importantly, Boeing plans to apply this new development model for maximum efficiency to other airplane programs.

The most exhaustive flight test program in commercial jetliner history helped the 777 earn simultaneous certification from the Federal Aviation Administration and the European Joint Aviation Authorities. The 777 is the first airplane in aviation history to earn FAA approval to fly extended-range twin-engine operations routes at service entry. This allowed airlines to offer the most direct routes between transoceanic cities beginning on the aircraft's first day of service. Before entering into service, the 777 set National Aeronautic Association-certified speed records between Seattle, Washington and cities in Sweden, Thailand, France, Germany, and Switzerland.

The 777 contains numerous other technological aircraft advancements. The fuselage is wider in cross-section than any other jetliner with similar seating capacity. Advanced composite materials have lowered direct operating costs, improved aircraft safety, and created new cargo opportunities for airlines. More than 7,000 hours of flight deck pilot simulation will provide more reliability, longer service life and better visibility for pilots. The landing gear features better weight distribution on runways while reducing weight and maintenance costs. The 777 will carry approximately 100 more passengers and has a noise footprint less than half that of the older jets it is designed to replace.

On May 15, 1995, United Airlines took delivery of the very first Boeing 777. This momentous occasion was marked by a special ceremony at the Seattle Museum of Flight. On June 7, 1995, the 777 entered commercial service with United as Flight No. 921, traveling from London's Heathrow Airport to Dulles Airport in Washington, DC.

More than 20 airlines have signed orders to purchase and fly the Boeing 777. Importantly, virtually all of the airlines are foreign customers including British Airways, China Southern, Cathay Pacific, Korean Air Lines, Thai Airways, Japan Airlines, South Africa Airways, and Saudi Arabia Airlines. This ensures that the Boeing Co. will remain one of America's premier exporters. I want to stress to my colleagues that this international aircraft is a job generator for my home State as well as Americans in virtually every State.

Congratulations to the 777 team, the Boeing Co., and the thousands of individual Washingtonians who labored to design and build this historic aircraft.•

IN HONOR OF M.D. PORTMAN OF COLUMBUS, OH

• Mr. GLENN. Mr. President, I rise today in tribute to a great American, a great Ohioan, and a man who might truly be called "Mr. Columbus"—Maury Portman.

On May 20, Maury will retire as a Columbus City Councilman—and thus close a career that has spanned not only 42 years in Columbus city government, but also 31 years on Council and 12 of those as council President.

I think it's fair to say that no single individual has done more to help Columbus grow from a mid-sized town in the 1950's to the Nation's 16th largest city in the 1990's than M.D. Portman. Indeed, virtually every major piece of progress Columbus has made over the past few decades has Maury's fingerprints on it. He wrote and sponsored the legislation creating the Columbus Department of Development, sponsored the legislation allocating city funds for the arts, sponsored the legislation creating the Municipal Airport Authority that runs Port Columbus, established various committees to curb racial tensions in the city, helped plan the outerbelt expressway around Columbus, worked to bring the Columbus City Center development to fruition and tirelessly lobbied me and my colleagues here in Washington to obtain Federal funds for a variety of neighborhood renewal projects.

In short, it can accurately be said of Maury Portman that Columbus could not have held the last half of the 20th century without him.

I think the editors at his hometown newspaper, the Columbus Dispatch put it well when they said: "Portman has been able to function so effectively because he never had a personal agenda. His energies were directed not to what would help him get ahead, but what was in the best interest of the community."

Mr. President, Maury Portman is a one-of-a-kind original. He personifies all that is best about public service. And the city of Columbus will miss his leadership greatly.

I feel fortunate to have known and worked with Maury—and I am proud to call him my friend. And now that his retirement is imminent, I know I speak for thousands upon thousands of people in central Ohio when I say: "Thank

you, Maury." Thank you for caring; thank you for always giving your best; thank you for always being there. We all wish you and your beautiful wife, Alice, good luck and Godspeed in whatever you decide to do next. And please know that just as you always remembered Columbus, Columbus will never forget you.•

SARAH EMILY MOORE JONES

• Ms. MIKULSKI. Mr. President, I would like to call to the attention of my colleagues the upcoming birthday of Mrs. Sarah Emily Moore Jones, a native Marylander. On Saturday, May 11, 1996, Mrs. Jones will become 92 years young. I know my colleagues join me in extending heartfelt birthday wishes to Mrs. Jones.

Mrs. Jones was born in Wetipquin, MD, the fourth of seven children. She attended Wetipquin Elementary School and Salisbury High School and received a degree in education from Bowie Normal, which is now Bowie State University. Mrs. Jones taught in the Wicomico County public school system in elementary and adult education. She is a faithful member of St. James Free Methodist Church, in Head of Creek, MD, where she served as the musician for over 40 years.

On June 27, 1925, Sarah Emily Moore married Matthew Jones of Head of Creek, MD. To that union, four children were born: Thelma Martin and Matthew Jones of Washington, DC, Linfred Jones of Quantico, MD, and Mary Hilda Elsey of Nanticoke, MD. Mrs. Jones has one stepson, Samuel Boslee of New Jersey. She is also a grandmother, a great grandmother, and a great great grandmother.

After her husband of 60 years passed away on September 6, 1985, Mrs. Jones continued to live independently until December 6, 1995, when she incurred a hip injury. As a result of her injury, and the surgery and rehabilitation that followed, she began living with her daughter, Thelma.

The ever soft-spoken, perpetually happy Sarah can be found smiling and composed through any circumstance. She is revered and loved by all whose lives she touches. I ask my colleagues to join me in wishing Sarah Jones a very happy 92d birthday.•

A MOTHER'S DAY WISH TO END GUN VIOLENCE

• Mrs. BOXER. Mr. President, this Sunday is Mother's Day, when millions of sons and daughters will gather to pay tribute to the women who raised them. Mother's Day is a joyous celebration for most, but for families touched by the epidemic of gun violence, it can be a cruel reminder of what they have lost.

I want to speak today about one such family, and I want to tell Senators how a mother from Orange County, CA, Mary Leigh Blek, chose to honor her son's memory by becoming a leader in the fight against violence.

On June 29, 1994, Mary Leigh Blek experienced every mother's nightmare—a 3 a.m. phone call from the police, telling that her beloved son Matthew had been shot and killed. Matthew Blek was walking his date home that night when three teenagers on a violent rampage shot him twice in the head.

The weapon used in that terrible crime was a junk gun, probably manufactured in southern California. Congress has prohibited the importation of these cheap, poor quality, and easily concealable firearms, but has allowed their domestic manufacture to soar unchecked.

For the past year, Mary Leigh Blek and her husband Charles have been on a crusade to stop the proliferation of these junk guns. "Silence is consent," she says, and Mary Leigh Blek has been anything but silent. She has become a tireless organizer in the anti-gun-violence movement—making speeches, attending rallies, and most recently testifying before a Committee of the California Legislature.

Mary Leigh Blek is determined to spare other mothers the pain that ripped her family apart. When I introduced the Junk Gun Violence Protection Act, a bill that would apply the same standards to domestically produced handguns as are currently applied to imports, Mary Leigh Blek was there. Once again, she told the story of how her son was slain and why these poor quality, easily concealable handguns should not be on the streets. I know it is hard for her to keep talking about this tragedy, and I admire her courage and the sense of public service that motivates her to keep up the fight.

This Mother's Day, I will think of Mary Leigh Blek. It is my hope that by next Mother's Day, the kind of gun that killed her son Matthew will no longer be out on the streets.•

AIDS EDUCATION

• Mr. LAUTENBERG. Mr. President, I rise today to commend the students and faculty at Cresskill High School in my State for proposing a weeklong focus on HIV/AIDS, from May 27 to June 2, 1996.

It's true that this is one of many spotlights that have been trained on this epidemic; and it's true that there have been many seminars and educational forums designed to inform the public about the devastation this disease causes and the medical and other support services available to sustain individuals and families living with HIV/AIDS.

But the fact is that despite statistics clearly demonstrating that AIDS is no respecter of racial, religious, ethnic, or economic lines, most people prefer to think it can't happen to them. The idea for this particular AIDS Education Week in New Jersey came from Jessica Pomerantz, a student at Cresskill High School, a suburban school in an area where families are not faced with problems of the inner cities. Jessica felt the need to talk about this precisely because she sensed that her fellow classmates were like most people—they believed they would never be the ones to get the AIDS virus. The fact is, as she says, AIDS is an equal opportunity killer. The fact is this AIDS education week is very significant.

AIDS has become a defining facet of modern life: The 80,000 Americans reported with AIDS in 1994 alone represented one-fifth the total number of cases ever reported in the United States; AIDS infects one of every 92 young American men ages 27 to 39; it's the leading cause of death among all 25–44 year olds and the fourth leading cause of death among all women.

In New Jersey, some 50,000 people are infected with the HIV virus. We're fifth in the United States in reported AIDS cases, third in pediatric AIDS cases. Women represent 26 percent of all reported AIDS cases in New Jersey, the highest proportion of women with AIDS in the entire country. And women are the fastest-growing group of people with HIV/AIDS.

Last December, the eighth observance of World AIDS' Day took as its theme, "Shared Rights, Shared Responsibilities." Jessica and her fellow students at Cresskill High School have taken that message to heart. They understand the stake they have in this fight. They know they shouldn't and they cannot ignore it for the sake of their own future and the future of generations all over the world. "We must protect our future," they say, "by taking responsibility for our actions if we are to accomplish our goals."

Mr. President, I'm tremendously proud of these young people from New Jersey. I ask my colleagues to join me today in wishing them continued success.•

MEDICARE REIMBURSEMENTS FOR TREATMENT OF SOME MEDICARE-ELIGIBLE VETERANS

• Mr. WELLSTONE. Mr. President, I'm pleased and honored to announce my intention to introduce legislation in the coming days which I believe will demonstrate the cost effectiveness and feasibility of Medicare reimbursement to the Department of Veterans Affairs [VA] for treatment of some medicare-eligible veterans at VA health care facilities.

There are two very important reasons I intend to introduce and press for passage of this legislation which I would like to briefly outline. First, reforming veterans' health care is one of

my top priorities. I strongly believe that if we don't reform the archaic and arcane rules governing veterans access to VA medical care, it will be impossible for the VA to provide America's veterans with 21st Century health care. To accomplish this, the VA must be authorized to receive Medicare reimbursements for treatment of some Medicare-eligible veterans. Two different proposals prepared by major veterans service organizations (VSO's) provide that the VA be authorized to receive Medicare reimbursement for treating Medicare-eligible veterans. The GAO, however, has questioned both the feasibility and cost of providing Medicare reimbursement to the VA. While I lean toward the VSOs' view that Medicare reimbursement would be both feasible and cost-effective, the only way to prove this is by means of a demonstration project that will determine both the feasibility and cost effectiveness of Medicare subvention. That is precisely what my legislation will authorize.

Second, I believe that because the VA is facing and will likely continue to face severe funding constraints that will reduce its capabilities to provide access to quality health care, the VA will be under strong pressures to deny health care to Medicare-eligible veterans who are not in the mandatory category for outpatient or inpatient treatment. For many years VA medical costs have lagged behind medical cost inflation and under the budget resolution adopted by Congress last year the VA medical care budget would be frozen for 7 years, lagging behind overall inflation and probably even further behind medical cost inflation. As a consequence, the VA may be compelled to ration care, with veterans 65 and over one of the groups likely to be affected. Even before the VA was faced with a flat health care budget, many of its facilities were compelled to resort to rationing. Despite the bold and imaginative efforts of Secretary of Veterans Affairs Jesse Brown and his Under Secretary for Health Ken Kizer to modernize, streamline and decentralize VA health care, a flat VA health care budget for 7 years can only lead to more extensive rationing of health care for veterans. This will further fray our solemn contract with the men and women who selflessly defended our country.

Mr. President, the bill I am planning to introduce is intended to ensure that our aging veterans population is not denied access to VA health care at a time when they need it most. Improving and safeguarding health care for our country's veterans should be a priority issue for my colleagues on both sides of the aisle. I hope all of my colleagues will carefully review my bill after it is introduced and will carefully consider supporting it.●

ORDERS FOR MONDAY, MAY 13, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand adjournment until 12 noon on Monday, May 13; further, that immediately following the prayer the Journal of proceedings be deemed approved to date, that no resolutions come over under the rule, that the call of the calendar be dispensed with, the morning hour be deemed to have expired, and there then be a period of morning business until the hour of 3:30 p.m. with Senators allowed to speak for up to 5 minutes each.

I further ask that Senator DASCHLE, or his designee, be in control of the time between 12:30 and 2 p.m., and that Senator COVERDELL, or his designee, be in the control of the time between the hours of 2, and 3:30 p.m.; and, further, that immediately following morning business the Senate resume consideration of H.R. 2937, the White House Travel Office legislation.

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

PROGRAM

Mr. LOTT. Mr. President, the Senate will resume consideration of the White House Travel Office bill and the pending gas tax repeal issue on Monday.

There will be no further votes during today's session. The Senate will not be in session on Friday of this week, and no rollcall votes will occur during Monday's session of the Senate, although the Senate will be in session on Monday.

Senators are expected to debate the gas tax repeal issue throughout the day on Monday. And, as a reminder, a cloture motion was filed on the pending amendment.

And, therefore, I ask unanimous consent that the cloture vote occur on the Dole amendment at 2:15 p.m. on Tuesday, May 14, and the mandatory quorum under rule XXII be waived.

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

ORDER FOR ADJOURNMENT

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order following the remarks of the distinguished Senator from Massachusetts.

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

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator for permitting us to address the Senate for just a few moments at this time.

ACTIONS OF THE SENATE

Mr. KENNEDY. Mr. President, I wanted to just correct the record with regard to the suggestion of the Senator from Mississippi about actions that were taken by those of us who favor having an up-or-down vote on the minimum wage and the action that was necessary to try to keep the issue of the minimum wage before the U.S. Senate because, as the record shows very clearly, we have demonstrated a majority support for increasing the minimum wage as an amendment on legislation earlier this year, and at the time that the Senate voted by 55 votes, Republicans and Democrats, to increase the minimum wage. Our Republican majority leader made a motion to recommit the pending legislation, sending it back to the committee and having it returned to the floor without that amendment that was pending which would have effectively denied us any further debate or discussion of the minimum wage. And, before that action was processed, I filed a cloture motion on the minimum wage to at least assure that the Senate would have an opportunity to vote on the minimum wage issue and which we have been denied the opportunity to do.

The Senator from Mississippi can continue to talk about the various procedures, processes, and actions that can be used by the Republican leadership to avoid this institution taking a vote up or down on the minimum wage, which they have been successful in doing. But I do not think there is an American today that does not understand that it has been the Republican leadership position in the House of Representatives and the Senate of the United States that is frustrating the overwhelming sentiment of the people of this country—in all regions of the country and among all ages of the country—that believe that fairness and decency ought to permit the Senate of the United States and the House of Representatives to vote on a modest increase for those men and women who work 40 hours a week, 52 weeks of the year, to try to provide for themselves and their families.

That is not favored by the majority leadership. That is opposed by the Republican leadership, and the Senator from Mississippi, as outlined earlier, which may be of interest to I do not know who at this hour of the day here in the Senate, about various procedures that are utilized to deny us that opportunity. But I can tell you that there are families that are gathered around the kitchen table at this moment at 6:30 at night, and there are the mothers of children that are gathered there at the kitchen table at this very moment that are wondering how they are going to pay the utility bill, or the emergency room bill, or the rent, or food on the table, or the clothing for their children. That is happening now. And, if they could afford a television and watch what is happening on the

floor of the U.S. Senate, they have to ask, "Why? Why is the Republican leadership demanding or forbidding the opportunity to have an up-or-down vote on this measure one more day, one more day?"

They denied it yesterday, denied it the day before, denied it the day before that, denied it last week, and denied it in the weeks before, in spite of the fact that the majority leader has voted for an increase in the minimum wage four times, voted against it eight times, but voted for it on four different occasions, and in spite of the fact that Republican Presidents Eisenhower, Bush, and Nixon have all supported an increase in the minimum wage. So, it is an interesting perhaps story about the procedural steps which have been taken by various Senators to deny an increase in the minimum wage.

But, Mr. President, there is no doubt in the minds of the American people about what is taking place here in the U.S. Senate; Republican leadership denying working families on the bottom rung of the economic ladder the opportunity to have a living wage, a living wage for themselves and for their families, and that is wrong. No parliamentary procedure is going to change that fundamental fact.

Now, Mr. President, in recent days a number of commentators have pointed out that the Senate seems to be in the doldrums, "D-o-l-e-d-r-u-m-s." I believe the normal spelling leaves out the "e"—d-o-l-d-r-u-m-s. I thought it might be worth listening to some of the dictionary definitions for that word.

The Random House Dictionary of the English Language defines it this way:

A state of inactivity or stagnation;
A belt of calms and light baffling winds;

Or, three:

A dull, listless, depressed move; low spirits.

The Oxford English Dictionary refers to the doldrums this way:

A vessel almost becalmed, her sails flapping about in every direction.

It goes on to call it:

A region of unbearable calm broken occasionally by violent squalls.

The American Heritage Dictionary defines it this way:

Ocean regions near the equator characterized by calms, or light winds, and the calms characteristic of;

Or, second:

The calms characteristic of these areas;

Or, third:

A period of inactivity, listlessness, or depression probably influenced in form by the word "tantrum."

That seems to fit the Senate precisely. First our Republican friends have a tantrum over the Democratic efforts to raise the minimum wage. Then our Republican friends go into the doldrums.

The American people look to the Congress for action on the minimum wage, and all they see are cloture motions, quorum calls, and procedural gymnastics to avoid taking action.

I say end the gridlock, end the deadlock, end the doldrums. The way for Senator DOLE to find his way out of the doldrums is clear: Raise the minimum wage.

Finally, Mr. President, on one other matter that was raised by my friend from Mississippi about cloture motions; and there will be those that will study this period of history in the 102d, 103d, and the 104th Congress.

What they will find is that the times when the cloture motions were filed was to close off the prolonged debate which was taking place in the Senate. But they will also find that when our Republican leadership has been filing the cloture motions in this Congress, it is not to terminate debate. It is to block out debate, to close out the possibilities to offer amendments to the underlying measure, a very significant and important difference. It can be made light of on the floor of the Senate, but every Member of this body ought to know what the significance and the difference is about in the application of cloture during this period of time—to close out debate, to deny the opportunity for Members to be able to express the interests of people they represent. It is unbecoming for this institution to be put in that position because this is the institution which has debated the great issues as well as less important issues over the period of the history of this Nation. Denying that opportunity for debate does not serve this institution or its tradition well. To the contrary.

I wish to make just a final observation, Mr. President. I ask unanimous consent to be able to proceed for 3 or 4 more minutes.

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

Mr. KENNEDY. In every case where cloture was filed on an amendable vehicle during the 103d Congress and Republicans sought to offer amendments, amendments sponsored by or cosponsored by Republicans were voted on before the cloture vote. Do we hear that? In every case where cloture was filed on an amendable vehicle during the 103d Congress and Republicans sought to offer amendments, amendments sponsored by or cosponsored by Republicans were voted on before the cloture vote. Not today in terms of where we are on proposals of Democrats and on proposals that are cosponsored by Republicans, because the minimum wage increase is cosponsored by a Republican. In no case was the amendment tree completely filled to prevent Republicans from offering amendments after cloture was filed. In no case. In no case. I have heard that claim to be the case by the Republican majority leader and again repeated this afternoon. But the facts do not support that statement.

Cloture was most frequently filed to close off debate in situations where amendments were not in order—conference reports, nominations, motions to proceed to bills. The only bill on which cloture was filed during the 103d Congress and no Republican amendments were offered was S. 414, the Brady bill. In that bill, cloture was filed on the Mitchell-Dole substitute amendment. There were no votes on Republican amendments because a unanimous-consent agreement was reached dictating which amendments would be permitted—unanimous consent—a completely different history than has been described either earlier this evening or by the majority leader on yesterday.

So, Mr. President, as I mentioned, the people in my State who are receiving the minimum wage have been fortunate in that my State increased the minimum wage. Fortunately, it has been in effect since January of this year, and the unemployment has gone down. It has gone down. In our neighboring State of New Hampshire, where they have not increased it, the unemployment has gone up.

So I will welcome the opportunity to debate the issue of whether the minimum wage adds to inflation, whether it adds to unemployment, about what the economic impact is going to be. We have ample examples of that from history. We have at other times reviewed that for the benefit of the Senate, and we will welcome the chance to either do that again or not do it.

We continue to deny an increase in the minimum wage to hard-working Americans, most of whom are women. A good percentage of those women have small children. This is a women's issue. It is a families' issue. It is a children's issue. It is an issue for justice. It is an issue on decency. It is an issue on fairness. The American people understand that.

So perhaps as we come to the conclusion of this week of Senate debate and discussion, those families are going to wonder why the Senate did not address this issue again. It is more and more difficult for this Senator to explain to families that are trying to provide for themselves and their families why Republican leaders refuse to give working families a livable wage that we have been prepared to do at other times in our history with Republicans and Democrats alike. The last time we increased it, we had a Democratic controlled Congress and a Republican President. Now we have a Republican Congress and a Democratic President, but the Republican leadership in the House of Representatives and the Senate of the United States has refused to do it.

In a final point, I will say it is going to get done. It is going to get done, and those families ought to understand that it will get done. It will get done,

I believe, sooner than later. We will continue to offer this amendment on the legislation, and if the Senator from Mississippi or the Senator from Kansas, the majority leader, want to go to this arcane procedure of denying any debate or discussion on either the minimum wage or any amendments thereto, they are going to have a very long spring and a very long summer, but we are going to prevail on this issue.

I yield the floor.

ADJOURNMENT UNTIL MONDAY, MAY 13, 1996

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until Monday, May 13, 1996.

Thereupon, the Senate, at 6:57 p.m., adjourned until Monday, May 13, 1996, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 9, 1996:

THE JUDICIARY

RICHARD A. LAZZARA, OF FLORIDA, TO BE U.S. DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF FLORIDA, VICE JOHN H. MOORE II, RETIRED.

MARGARET M. MORROW, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA, VICE RICHARD A. GADBOIS, JR., RETIRED.

FOREIGN SERVICE

THE FOLLOWING-NAMED CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE DEPARTMENT OF COMMERCE FOR PROMOTION IN THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED:

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF MINISTER-COUNSELOR:

TERENCE FLANNERY, OF VIRGINIA
LARON L. JENSEN, OF VIRGINIA

THE FOLLOWING-NAMED CAREER MEMBERS OF THE FOREIGN SERVICE FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE, AS INDICATED:

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

DOLORES F. HARROD, OF NEW HAMPSHIRE
JAMES L. JOY, OF FLORIDA
DAVID K. KATZ, OF CALIFORNIA
GEORGE W. KNOWLES, OF FLORIDA
KAY R. KUHLMAN, OF FLORIDA
JOHN L. PRIAMOU, OF THE DISTRICT OF COLUMBIA
GEORGE F. RUFFNER, OF PENNSYLVANIA

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS TWO, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AGENCY FOR INTERNATIONAL DEVELOPMENT

JUSTIN EMMETT DOYLE, OF NEW YORK
HECTOR NAVA, OF CALIFORNIA

DEPARTMENT OF COMMERCE

CRAIG B. ALLEN, OF WISCONSIN
ROBERT M. MURPHY, OF WASHINGTON

DEPARTMENT OF STATE

DAVID M. BUSS, OF TEXAS
PATRICIA M. HASLACH, OF OREGON

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AGENCY FOR INTERNATIONAL DEVELOPMENT

DAVID JOHN CLARK, OF TEXAS
AMY RENNEISEN FAWCETT, OF TENNESSEE
JAMES B. GAUGHRAN, OF VIRGINIA
MICHAEL J. GREENE, OF WASHINGTON
PHILIP D. HORSCHLER, OF CALIFORNIA
VIRGINIA HOWELL POOLE, OF VIRGINIA
CLAUDE WILBUR MARK REECE, OF VIRGINIA
CAROLINE TRUESDELL, OF NEW YORK
RUTH F. WOODCOCK, OF FLORIDA
ALBERT OBIRI YEBOAH, OF VIRGINIA

DEPARTMENT OF AGRICULTURE

SHARON A. BYLENGA, OF FLORIDA

DEPARTMENT OF COMMERCE

ANN M. BACHER, OF FLORIDA
NANCY K. CHARLES-PARKER, OF VIRGINIA
DAVID K. SCHNEIDER, OF VIRGINIA
DALE N. TASHARSKI, OF TENNESSEE

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

LINDA F. ARCHER, OF CALIFORNIA
FRANK G. CARRICO, JR., OF TEXAS
JAMES M. FLUKER, OF NEW YORK
ROSEMARY D. GALLANT, OF VIRGINIA
KENNETH H. KEEFE, OF FLORIDA
JAMES M. MCCARTHY, OF MARYLAND

DEPARTMENT OF STATE

MICHAEL JONATHAN ADLER, OF MARYLAND
STEFANIE AMADEO, OF NEW JERSEY
MARY RUTH AVERY, OF FLORIDA
DANIEL KARL BALZER, OF OHIO
DOUGLAS COVELL BAYLEY, OF WISCONSIN
MARK D. BYSFIELD, OF MISSOURI
PAUL M. CANTRELL, OF CALIFORNIA
ROBIN LISA DUNNIGAN, OF CALIFORNIA
MONICA ELIZABETH EPPINGER, OF ARIZONA
JILL MARIE ESPOSITO, OF NEW YORK
NICHOLAS A. FERRO, OF VIRGINIA
MICHAEL EDWARD GARROTE, OF PENNSYLVANIA
PAMELA L. GOMEZ, OF TEXAS
BRIAN A. GOGGINS, OF THE DISTRICT OF COLUMBIA
DEBORAH ZAMORA GROUT, OF NEW MEXICO
HELEN HAMILTON HAHN, OF FLORIDA
RUTH MARY HALL, OF VIRGINIA
SCOTT IAN HAMILTON, OF ILLINOIS
RICHARD ALAN HINSON, OF FLORIDA
GERARD THOMAS HODEL, OF NEW YORK
DIRK J. HOFSCHIRE, OF NEBRASKA
TODD MICHAEL HUIZINGA, OF MICHIGAN
DONALD EMIL JACOBSON, OF CALIFORNIA
CATHERINE ELIAS KAY, OF ILLINOIS
MICHAEL CHRISTOPHER KEAYS, OF CALIFORNIA
KRISTINA A. KVIEN, OF CALIFORNIA
CHRISTOPHER JOHN LAMORA, OF RHODE ISLAND
JEANNE M. MALONEY, OF TENNESSEE
COLETTE A. MARCELLIN, OF TEXAS
MICHAEL JOHN MATES, OF WASHINGTON
ANN BARROWS MCCONNELL, OF CALIFORNIA
JENNIFER ALLYN MCINTYRE, OF MARYLAND
KELLIE A. MEIMAN, OF GEORGIA
ELIZABETH INGA MILLARD, OF VIRGINIA
DOUGLAS ALAN MORRIS, OF NEBRASKA
W. PATRICK MURPHY, OF NEW HAMPSHIRE
COURTNEY R. NEMROFF, OF PENNSYLVANIA
MATTHEW A. PALMER, OF MASSACHUSETTS
SOOKY WYNNE PARK, OF MARYLAND
RICHARD CARLTON PASCHALL III, OF NORTH CAROLINA
SARAH S. PENHUNE, OF MASSACHUSETTS
MARK STEPHEN PROKOP, OF CONNECTICUT
CHARLES RANDOLPH IV, OF CONNECTICUT
THOMAS METZGER RAMSEY, OF NEW YORK
HOWARD VERNE REED, OF NEW YORK
WALTER SCOTT REID III, OF VIRGINIA
SONJA KAY RIX, OF NEW YORK
WILLIAM VERNON ROEBUCK, JR., OF NORTH CAROLINA
AVA L. ROGERS, OF LOUISIANA
MARILYNN WILLIAMS ROWDYBUSH, OF OHIO
PAUL M. SIMON, OF FLORIDA
SHERRY LYNN STEELEY, OF PENNSYLVANIA
GREGORY WILLIAM SULLIVAN, OF FLORIDA
JOSEPH F. TILGHMAN, OF CONNECTICUT
DONNA VISOCAN VANDENBROUCKE, OF VIRGINIA
STEVEN CRAIG WALKER, OF HAWAII
DEIRDRE M. WARNER, OF PENNSYLVANIA
ROBERT FORREST WINCHESTER, OF CALIFORNIA
JAMES A. WOLFE II, OF CALIFORNIA

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENTS OF COMMERCE AND STATE TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

REBECCA ARENDA, OF VIRGINIA
KATHLEEN T. AUSTIN, OF THE DISTRICT OF COLUMBIA
FRANK JOSEPH BABETSKI, OF VIRGINIA
BARTHOLOMEW LOUIS BARBESSI, OF NEW YORK
ALLISON M. BECK, OF VIRGINIA
JEMIE L. BERTOT, OF CONNECTICUT
HARRY ARTHUR BLANCHETTE, OF FLORIDA
LILLIAN A. BRAMAN, OF VIRGINIA
RON A. BRAVERMAN, OF NEW JERSEY
MARY KATHLEEN BRYLA, OF THE DISTRICT OF COLUMBIA
GUILLERMO SANTIAGO CHRISTENSEN, OF VIRGINIA
DAVID F. DAVISON, OF VIRGINIA
PAUL J. DEFRANCESCO, JR., OF OHIO
CATHERINE I. EBERT-GRAY, OF COLORADO
DAVID J. FINEMAN, OF VIRGINIA
CLARENCE FRANKLIN FOSTER, JR., OF VIRGINIA
DENNIS DAVID GRABULIS, OF VIRGINIA
RICHARD JASON GRIMES, OF VIRGINIA
BRIAN GIBBS GUNDERSON, OF VIRGINIA
KENT FRENDON HALLBERG, OF VIRGINIA
JERRY HERSH, OF NEW YORK
SALLIE MARIE HICKS, OF VIRGINIA
TYRENA L. HOLLEY, OF THE DISTRICT OF COLUMBIA
JON CLARKE HOOPER, OF VIRGINIA
HORACE P. JEN, OF VIRGINIA
JENNIFER J. JORDAN, OF VIRGINIA
SCOTT H. JUNG, OF MARYLAND
KURTIS MICHAEL KESSLER, OF VIRGINIA
MARK A. LABRECQUE, OF VIRGINIA
KRISTINE R. LANSING, OF VIRGINIA
MICHAEL W. LIIKALA, OF CALIFORNIA
DOUGLAS M. LITTREL, OF VIRGINIA
FRANK J. MANGANIELLO, OF VIRGINIA
MARK J. MARTIN, OF VIRGINIA
KEVIN BRUCE MCKINNEY, OF VIRGINIA
MARION K. MCMAHEL, OF MARYLAND
TARA K. NATHAN, OF VIRGINIA
GERALDINE H. O'BRIEN, OF VIRGINIA
HENRY OPPERMANN, OF MARYLAND
HOMER C. PICKENS III, OF VIRGINIA
PHYLLIS MARIE POWERS, OF TEXAS
CHRISTOPHER C. RAND, OF VIRGINIA
HELEN PATRICIA REED-ROWE, OF MARYLAND
WILLIAM RODMAN REGAN, OF VIRGINIA
CORNELIO RIVERA III, OF VIRGINIA
FRED A. SCHELLENBERG, OF VIRGINIA
DAVID D. SCHILLING, OF MARYLAND
JAMES B. SIZEMORE, OF VIRGINIA
MARY EMERSON SLIMP, OF VIRGINIA
AMY KATHERINE STAMPS, OF VIRGINIA
ANDREA ROBIN STARKS, OF MARYLAND
REVALEE STEVENS, OF THE DISTRICT OF COLUMBIA
LOUIS V. SURGENT, JR., OF MARYLAND
DWAYNE LEO THERRIAULT, OF VIRGINIA
MICHAEL S. TULLEY, OF CALIFORNIA
BURCE G. VALENTINE, JR., OF VIRGINIA
RANDALL R. VIDEGAR, OF VIRGINIA
ANTHONY DAVID WATT, OF WYOMING
ANN G. WEBSTER, OF VIRGINIA
HELGA L. WEISTO, OF MARYLAND
DAVID S. WICK, OF DELAWARE
ROBERT T. YURKO, OF MARYLAND

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. DAVID A. BRAMLETT, [redacted] U.S. ARMY.

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER SECTION 601, TITLE 10, UNITED STATES CODE:

To be lieutenant general

MAJ. GEN. JEFFREY W. OSTER, [redacted]

IN THE NAVY

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE NAVAL RESERVE OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 5912:

DENTAL CORPS

To be rear admiral (lower half)

CAPT. VERNON PAUL HARRISON, [redacted] U.S. NAVAL RESERVE.

JUDGE ADVOCATE GENERAL'S CORPS

To be rear admiral (lower half)

CAPT. CLIFFORD JOSEPH STUREK [redacted] U.S. NAVAL RESERVE.

SUPPLY CORPS

To be rear admiral (lower half)

CAPT. STEVEN ROBERT MORGAN [redacted] U.S. NAVAL RESERVE.

CIVIL ENGINEER CORPS

To be read admiral (lower half)

CAPT. ROBERT CHARLES MARLAY, [redacted] U.S. NAVAL RESERVE.

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE LINE IN THE NAVY OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

UNRESTRICTED LINE OFFICER

To be rear admiral (lower half)

CAPT. DANIEL R. BOWLER [redacted] U.S. NAVY.
CAPT. JOHN E. BOYINGTON, JR. [redacted] U.S. NAVY.
CAPT. JOHN T. BYRD [redacted] U.S. NAVY.
CAPT. JOHN V. CHENEVEY [redacted] U.S. NAVY.
CAPT. RONALD L. CHRISTENSEN [redacted] U.S. NAVY.
CAPT. ALBERT T. CHURCH III [redacted] U.S. NAVY.
CAPT. JOHN P. DAVIS [redacted] U.S. NAVY.
CAPT. THOMAS J. ELLIOTT, JR. [redacted] U.S. NAVY.
CAPT. JOHN B. FOLEY III [redacted] U.S. NAVY.

CAPT. KEVIN P. GREEN [redacted] U.S. NAVY.
CAPT. ALFRED G. HARMS, JR. [redacted] U.S. NAVY.
CAPT. JOHN M. JOHNSON [redacted] U.S. NAVY.
CAPT. HERBERT C. KALER [redacted] U.S. NAVY.
CAPT. TIMOTHY J. KEATING [redacted] U.S. NAVY.
CAPT. GENE R. KENDALL [redacted]
CAPT. TIMOTHY W. LAFLEUR [redacted]
CAPT. ARTHUR N. LANGSTON III [redacted]
CAPT. JAMES W. METZGER [redacted]
CAPT. DAVID P. POLATTY III [redacted]
CAPT. RONALD A. ROUTE [redacted]
CAPT. STEVEN G. SMITH [redacted]
CAPT. THOMAS W. STEFFENS [redacted]
CAPT. RALPH E. SUGGS [redacted]
CAPT. PAUL F. SULLIVAN [redacted]

ENGINEERING DUTY OFFICER

To be rear admiral (lower half)

CAPT. ROLAND B. KNAPP [redacted] U.S. NAVY.
CAPT. KATHLEEN K. PAIGE [redacted] U.S. NAVY.

SPECIAL DUTY OFFICER (INTELLIGENCE)

To be rear admiral (lower half)

CAPT. PERRY M. RATLIFF [redacted] U.S. NAVY.

SPECIAL DUTY OFFICER (FLEET SUPPORT)

To be rear admiral (lower half)

CAPT. JACQUELINE O. ALLISON [redacted] U.S. NAVY.

IN THE MARINE CORPS

THE FOLLOWING-NAMED NAVAL ACADEMY GRADUATES TO BE APPOINTED PERMANENT SECOND LIEUTENANTS IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

NAVAL ACADEMY GRADUATES

To be second lieutenants

CRAIG R. ABELE [redacted]
CHRISTOPHER G. ABRAHAM [redacted]
JOSEPH S. AGRES [redacted]
MARC D. AMOS [redacted]
MICHAEL C. ANDERSON [redacted]
ARTHUR R. ARAGON [redacted]
ENRIQUE A. AZENON [redacted]
ANTHONY BAGGS [redacted]
TONYA R. BARZ [redacted]
STEVEN C. BERGER [redacted]
BRIAN D. BERNTH [redacted]
JOHN F. BERRIGAN III [redacted]
AMY E. BERTAS [redacted]
CHRISTOPHER L. BOPE [redacted]
PATRICK W. BOYD [redacted]
JURI P. BRANDT [redacted]
CHRISTOPHER J. BRONZI [redacted]
THOMAS A. BUDREJKO [redacted]
TYLER N. BUSH [redacted]
WALTER J. BUTLER, JR. [redacted]
CHARLES M. BYRNE [redacted]
JEFFREY D. CABANA [redacted]
LONNIE M. CAMACHO [redacted]
LOUIS A. CAMARDO II [redacted]
JENNIFER M. CAMPION [redacted]
ISMAEL CARDENAS JR. [redacted]
DARREN S. CATALLO [redacted]
ALICIA A. CHIARAMONTE [redacted]
BRENDAN P. COLLINS [redacted]
DAWN N. CORCORAN [redacted]
JOHN D. CORDONE [redacted]
JOHN M. COSTELLO [redacted]
JOSHUA D. CRIBBS [redacted]
LUCAS E. DABNEY [redacted]
REBECCA C. DENGLER [redacted]
PATRICIA L. DESPAIN [redacted]
PAUL E. DEVEAUX [redacted]
ERWIN F. DICK, III [redacted]
JEFFREY S. DIMMIG [redacted]
JOHN A. DIUMENTI [redacted]
WILLIAM P. CONNELLY III [redacted]
SEAN P. DONOVAN [redacted]
CINDY R. DUGGAN [redacted]
DANIEL W. DUKES [redacted]
MIGUEL F. EATON [redacted]
CHRISTOPHER V. EICHINGER [redacted]
CRAIG G. ERLANGER [redacted]
JENNIFER A. FARKASFALVY [redacted]
TED L. FARRELL [redacted]
ALYCE FERNEBOK [redacted]
TODD P. FERRIS [redacted]
GERALD J. FINNEGAN, JR. [redacted]
MARTIN J. FISHER [redacted]
LEO J. FITZHARRIS, IV [redacted]
EDWARD W. FLOYD [redacted]
CHRISTOPHER B. FLYNN, III [redacted]
GINA L. FOLTZ [redacted]
DARIN J. FOX [redacted]
EUGENE L. FUNDERBURK [redacted]
CHRISTOPHER E. GEORGE [redacted]
MEGAN L. GERSTENFELD [redacted]
JAMES R. GLADDEN, III [redacted]
JENNIFER M. GODDARD [redacted]
JOSHUA S. GORDON [redacted]
BRIAN T. GRANA [redacted]
KENNETH J. GRANT [redacted]
CORNELIUS D. GRAY [redacted]
JAMES A. HANLEY, II [redacted]
MARIUS L. HARRISON [redacted]
BRIAN F. HAY [redacted]
STACEY J. HAYNES [redacted]
ERIK B. HEISER [redacted]
NICK L. HERNANDEZ [redacted]
WILLIAM B. HUBER [redacted]
DOMINIC J. IACONO III [redacted]
JAIME A. IBARRA [redacted]
CHRISTOPHERSCOTT IEVA [redacted]
JOHN B. JACKSON III [redacted]
JACOB A. JENKINS [redacted]
JOSEPH T. JOHNSON [redacted]
ARTHUR F. KEAR III [redacted]
LORI A. KELLEY [redacted]
MARK D. KERBER [redacted]
BRIAN T. KOCH [redacted]
MATTHEW D. KRAUSE [redacted]
THOMAS E. LEAHY [redacted]
JEFFREY D. LEWIS [redacted]
DANIEL A. LOVELACE [redacted]
CARL J. LUCAS [redacted]
CHARLES A. LUMPKIN [redacted]
GEORGE W. LUNDY III [redacted]
STEPHEN P. LYNCH [redacted]
JARROD A. MARSH [redacted]
PATRICK M. MCBRIDE [redacted]
LAURA C. MCCLELLAND [redacted]
MAUREEN R. MCFARLAND [redacted]
ANDREW J. MCNULTY [redacted]
JASON K. MEINERS [redacted]
ANNIKA MOMAN [redacted]
STEPHEN J. MONSOUR [redacted]
TOBY F. MOORE [redacted]
DAVID A. MUELLER [redacted]
KEVIN M. MULLIGAN [redacted]
KIRK B. NELSON [redacted]
JONATHAN R. OHMAN [redacted]
OKWEDE M. OKE [redacted]
KEITH S. OKI [redacted]
JEREMY R. ORR [redacted]
STEPHEN S. PAINTER [redacted]
BENJAMIN J. PAPPAS [redacted]
TEAGUE A. PASTEL [redacted]
LESLIE T. PAYTON [redacted]
ROBERT A. PEAL [redacted]
DARRYL A. PIASECKI [redacted]
BENJAMIN T. PIPES [redacted]
ROBERT E. POWELL JR. [redacted]
MELISSA PRATT [redacted]
AARON R. RAMERT [redacted]
JABARI J. RENEAU [redacted]
PATRICIA M. RESTREPO [redacted]
JAMES C. REYNOLDS [redacted]
JOSHUA A. RIGGS [redacted]
RANDALL C. RISHER [redacted]
AMY J. ROY [redacted]
CHRISTIAN S. RUWE [redacted]
DOUGLAS C. SANDERS [redacted]
DENNIS A. SANTARE [redacted]
SERGIO R. SANTOS [redacted]
JOHN E. SARNO [redacted]
GREGG E. SAXTON [redacted]
JASON L. SCHWARTZ [redacted]
IAN D. SELBY [redacted]
MICHAEL P. SHAND [redacted]
PATRICK N. SHEARON [redacted]
ANDREW J. SHINSKIE [redacted]
WILLIAM T. SIMMONS III [redacted]
DANIEL B. SMITH [redacted]
SCOTT W. SMITH [redacted]
JOSEPH A. SPEED [redacted]
JAMES T. STEIDLE [redacted]
SHAUN J. STEPHENSON [redacted]
MICHAEL C. STEVENS [redacted]
MARK A. STIFFLER [redacted]
GRAYSON T. STORY [redacted]
ANDREW J. THOMPSON [redacted]
IAN F. THOMPSON [redacted]
JEREMY S. THOMPSON [redacted]
ARCHIE L. TINJUM, JR. [redacted]
JESUS TORRES, JR. [redacted]
ANDREW J. TROUT [redacted]
JAMES RORY J. TUCKER [redacted]
GLENN H. VANAIRSDALE [redacted]
KENNIE VELEZ [redacted]
RANDAL M. WALSH [redacted]
BRITT A. WATSON [redacted]
RICHARD N. WEEKS [redacted]
PAUL J. WEIDE [redacted]
LAWRENCE A. WHITE, JR. [redacted]
IVAN C. WILLIAMS [redacted]
ZACHARY G. WILLIAMS [redacted]
JASON C. WINN [redacted]
THOMAS M. WOLTHER [redacted]
PAUL E. ZAMBELLI [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED NAVAL RESERVE OFFICERS TRAINING CORPS GRADUATES FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 2107:

MARINE CORPS

To be second lieutenant

CARLTON W. ADAMS [redacted]
JASON S. ALBELO [redacted]
PATRICK E. ALLEN [redacted]
GREGORY T. ALZNAUER [redacted]
BRANDON M. AMES [redacted]
RYAN L. ANDERSON [redacted]
JUSTIN J. ANDERSON [redacted]
MICHAEL J. ANDRETTA [redacted]
AUBREY J. ARNOCZY [redacted]
JACK R. ARTMAN [redacted]
PHILLIP N. ASH [redacted]
ROZANNE BANIKI [redacted]
KAHLIEL R. BARLOWE [redacted]
CASEY M. BARNES [redacted]
KRISTIN A. BEARY [redacted]
NATALIE L. BEEDE [redacted]
GARRETT L. BENSON [redacted]
JONATHAN L. BERRY [redacted]
JAMES W. BISHOP [redacted]
TODD M. BOYETT [redacted]
JUDE BRICKER [redacted]
BENJAMIN BROWN [redacted]
HUBERT K. BRUMBACK [redacted]
RUSSELL P. BUTTRAM [redacted]
RICHARD CAMPBELL [redacted]
LEO J. CANNON [redacted]
MICHAEL J. CARREIRO [redacted]
JAMIE A. CARSON [redacted]
JAMES V. CARTWRIGHT [redacted]
ELIZABETH A. CATHCART [redacted]
JEAN-PAUL CHAINE [redacted]
CHARLTON C. CHAO [redacted]
TRACY L. CHAVANNE [redacted]
BRYON C. CHERRY [redacted]
JOHN L. CHERRY [redacted]
WILLIAM D. CHESAREK [redacted]
CHAD A. CHORZELEW [redacted]
ADRIAN K. CLEYMANS [redacted]
SCOTT J. COOK [redacted]
BRADLEY A. CORNALI [redacted]
TRES M. DAGOSTINO [redacted]
RACHEL L. DECKMAN [redacted]
STEVEN M. DEMATTEO [redacted]
JAMES O. DEWEY [redacted]
BRIAN J. DOYLE [redacted]
CHRISTOPHER DOYLE [redacted]
RYAN A. DWYER [redacted]
PHILIP E. EILERTSON [redacted]
MARK ERAMO [redacted]
JAMES B. FAITH [redacted]
JAMEY M. FEDERICO [redacted]
KONRAD K. FELLMAN [redacted]
GREGORY FIELD [redacted]
JASON P. GALETTI [redacted]
KATIA M. GARCIA [redacted]
ROBERT D. GARST [redacted]
MARK T. GELSTON [redacted]
WILLIAM J. GLAH [redacted]
MICHAEL H. GLASHEEN [redacted]
STEVEN A. GOMBAS [redacted]
LUIS M. GOMEZ [redacted]
SHANNON L. GORRELL [redacted]
GIDEON I. GRAVATT [redacted]
JONATHAN GRAY [redacted]
BRUCE V. GREENE [redacted]
JENS W. GREGORY [redacted]
JULIE A. GRITZ [redacted]
JULIAN D. GUDGER [redacted]
ROBERT M. HANCOCK [redacted]
BRIAN F. HARLEY [redacted]
JILL A. HASTINGS [redacted]
ROBERT P. HEFFNER [redacted]
JARET L. HEIL [redacted]
NATHAN C. HENDERSON [redacted]
ROBERT S. HEPLER [redacted]
SEAN P. HOEWING [redacted]
ROBERT HOFFLER [redacted]
ERIC K. HOLLINSHEA [redacted]
ROBERT W. HOWARD [redacted]
RYAN M. HOYLE [redacted]
ROBERT A. HUBBARD [redacted]
BENJAMIN K. HUTCHINS [redacted]
DANIEL M. HUVANE [redacted]
CHRISTOPHER JANCOSKO [redacted]
STEWART JOHNSTON [redacted]
TRACEY L. JONES [redacted]
RUSSELL W. JONES [redacted]
DANIEL B. KALSON [redacted]
KEVIN D. KELLEY [redacted]
DANIEL D. KNIGHT [redacted]
RYAN M. KRUPA [redacted]
BRYAN C. KUS [redacted]
JUSTIN Y. KWONG [redacted]
CHRISTOPHER LAVELLE [redacted]
ANDREW J. LAVOY [redacted]
RAYMOND LAWLER [redacted]
JOHN G. LEHANE [redacted]
JONATHAN LEUSCHEL [redacted]
EDWARD A. LEVANDOWSKI [redacted]
GREGORY W. LEWIS [redacted]
LEONARD K. LEWIS [redacted]
MICHAEL J. LIVINGSTON [redacted]
CHRISTOPHER B. LOGAN [redacted]
TIMOTHY M. LONG [redacted]
SKYLER D. MALLICOAT [redacted]
CARL G. MANGONA [redacted]
LAURA J. MANKAMYER [redacted]
MICHAEL T. MARTIN [redacted]
JOSHUA MASSEY [redacted]
MICHAEL A. MAUGHAN [redacted]
MARK B. MCCLINCHIE [redacted]
ERIN E. MCCOMB [redacted]
JULIE F. MCCOY [redacted]
RYAN J. MCFADDEN [redacted]
MICHAEL S. MCFADDEN [redacted]
MATTHEW MCINERNEY [redacted]
MYLES C. MCLAUGHLIN [redacted]
JOSHUA MCLEOD [redacted]
AMI L. MESSNER [redacted]
BARRON E. MILLS [redacted]
CRAIG S. MLEKO [redacted]

CHRISTIAN M. MOBLEY [redacted]
CHRISTOPHER J. MONDZELEWSKI [redacted]
MARK S. MOONEY [redacted]
JOE L. MOORE [redacted]
JONATHAN C. MORELL [redacted]
ALISSA MORRIS [redacted]
CHARLES A. MORRISON [redacted]
TREVOR MOS [redacted]
JOHN P. MUELLER [redacted]
BRIAN M. MURPHY [redacted]
LISONIA MYERS [redacted]
ADAM J. NARYKA [redacted]
JOHN B. NAYLOR [redacted]
JOHN T. NGUYEN [redacted]
MARK F. NICHOLSON [redacted]
THOMAS B. NOEL [redacted]
ALEX M. OLAVERRI [redacted]
ADRIAN A. OTTERMAN [redacted]
ROSS A. PARRISH [redacted]
MILTON K. PARSONS [redacted]
JASON D. PEJSA [redacted]
GABRIEL A. PEREZ [redacted]
JAMES F. PHELAN [redacted]
FORD C. PHILLIPS [redacted]
JOSHUA PICKENS [redacted]
JOSEPH J. PORROVECCHIO [redacted]
MICHAEL F. POWER [redacted]
RAYMOND PRADO [redacted]
RORY B. QUINN [redacted]
CRAIG L. RAISANEN [redacted]
DANNY G. RAYMOND [redacted]
PHILLIP A. REEVES [redacted]
MARK R. REID [redacted]
CHRISTIAN REITE [redacted]
CHRISTOPHER A. RICE [redacted]
JULIAN J. RIVERA [redacted]
TIMOTHY C. RIZNER [redacted]
RAUL RIZZO [redacted]
MICHAEL J. ROACH [redacted]
TESSA I. ROBERTS [redacted]
RICHARD ROSENSTEIN [redacted]
CHARLES RUSSELL, JR [redacted]
DENNIS W. SAMPSON [redacted]
MAURICE A. SANDERS [redacted]
JAMES P. SCHAFER [redacted]
DEAN D. SCHULZ [redacted]
SUSAN M. SCORZA [redacted]
DANIEL B. SHEEHAN III [redacted]
RYAN P. SHEEHY [redacted]
WILLIAM SHERIDAN [redacted]
MICHAEL J. SIMEK [redacted]
TIMOTHY M. SLINGER [redacted]
JOHN J. SWINCINSKI [redacted]
ERIC S. SYVERSON [redacted]
JEFFREY N. TAKLE [redacted]
JAMES L. TIERNEY [redacted]
HEIDI H. TIMMERMAN [redacted]
MATTHEW TOTILO [redacted]
SCOTT T. TRENT [redacted]
ERIC TURNER [redacted]
MATTHEW R. TYSON [redacted]
CHRISTIAN VELASCO [redacted]
ALEXANDER S. WALKER [redacted]
STEVEN O. WALLACE [redacted]
MICHAEL B. WARREN [redacted]
RICHARD D. WATTS [redacted]
COLIN G. WHITE [redacted]
MARTIN A. WILLIAMS [redacted]
JASON K. WILLMAN [redacted]
JEFF W. WITHEE [redacted]
ALBERT K. YARBROUGH [redacted]
MATHEW D. ZEMAN [redacted]

THE FOLLOWING-NAMED MARINE CORPS ENLISTED COMMISSIONING EDUCATION PROGRAM GRADUATES FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MARINE CORPS

To be second lieutenant

WENCESLA AVALOS [redacted]
GILBERT A. BARRETT [redacted]
TOBIN J. BREVITZ [redacted]
E.W. BRINKERHOFF [redacted]
JAMES E. BUCK [redacted]
GAYTHA M. BUTTERS [redacted]
COREY M. COLLIER [redacted]
GERALD C. COLLINS [redacted]
WALTER M. CURRIER [redacted]
DONALD DALE [redacted]
BRIAN J. DOW [redacted]
MICHAEL D. DUNBAR [redacted]
HELON K. DUNLAP [redacted]
BRYAN R. FREEMAN [redacted]
LAWRENCE GAINES [redacted]
TRENT A. GIBSON [redacted]
BRIAN E. GITTENS [redacted]
RICHARD R. GRIMM [redacted]
KELLY J. GRISSOM [redacted]
PATRICK HODGES [redacted]
ALEXANDER R. HULL [redacted]
DAVID K. HUNT [redacted]
JOHN F. KESTERSON [redacted]
JASON D. KINDRED [redacted]
TODD A. KISTLER [redacted]
SCOTT H. LAROCCA [redacted]
WILLIAM W. MA [redacted]
JAMIE MACIAS [redacted]
JOHN W. MALONEY [redacted]
TODD M. MANYX [redacted]
MARK J. MARACLE [redacted]
MATTHEW D. MCBROOM [redacted]
GREGORY MCDOWELL [redacted]
ERIC S. MONTALVO [redacted]
KEVIN L. MOODY [redacted]
BRENDAN OCONNELL [redacted]
LUIS ORTEGA [redacted]
MARK H. PAYNE [redacted]
STEVEN D. PUCKETT [redacted]
CHRISTOPER PURSCHKE [redacted]
EUGENE R. PURSEL [redacted]
JEFFREY R. RAITHEL [redacted]
DAVID L. REAS [redacted]
FELIXNAND RODRIGUEZ [redacted]
MARCO A. RODRIQUEZ [redacted]
DAVID T. ROMLEY [redacted]
LOUIE SAGISI [redacted]
JOHN T. SCHWENT, JR [redacted]
TIMOTHY W. SCOTT [redacted]
JAMES K. SELLERS [redacted]
THEODORE P. SUDMEYER [redacted]
ALLEN D. THOMAS [redacted]
SCOTT E. VASQUEZ [redacted]
CHRISTIAN M. WARD [redacted]
MICHAEL B. WILLIAMS [redacted]

THE FOLLOWING-NAMED AIR FORCE ACADEMY GRADUATES FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 541:

MARINE CORPS

To be second lieutenant

SANG K. HAHN [redacted]
BRIAN J. HAMLETT [redacted]
TIM Y. KAO [redacted]
FREDERICK L. LEWIS, JR [redacted]

THE FOLLOWING-NAMED U.S. MILITARY ACADEMY GRADUATES FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, U.S. CODE, SECTION 541 AND 5585:

MARINE CORPS

To be second lieutenant

JAMES S. VINALL [redacted]
GEOFFREY J. MCKEEL [redacted]
DONALD C. PROGRAIS [redacted]

HOUSE OF REPRESENTATIVES—*Thursday, May 9, 1996*

The House met at 10 a.m.

PRAYER

The Reverend Monsignor Mark J. Giordani, Cathedral of St. John the Baptist, Paterson, NJ, offered the following prayer:

Let us pray:

Father of all peoples and nations, we come before You to thank You for our Nation. Through our Founding Fathers, You have created the United States of America to be one nation under God.

Give us Your spirit to enlighten and empower us to enact laws that embody Your truth, justice, compassion, and peace. Teach us how to humble ourselves before You that both personally and as public servants we may exemplify Your integrity, honesty, and high moral character.

Father, make us Your beacon of light, not only financially, militarily, and through technology, but spiritually. If our spiritual roots decay, we will die. Let our love for our true freedom, liberty, and justice for all authentically shine in the midst of all peoples and nations.

Father, fulfill in our Nation and in all nations the words of Jesus Christ: "I came that they may have life, and have it abundantly."

We ask You this through Christ our Lord. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas, Mr. PETE GEREN, come forward and lead the House in the Pledge of Allegiance.

Mr. PETE GEREN of Texas led the Pledge of Allegiance as follows:

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

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will recognize fifteen 1-minute speeches on each side.

WELCOMING REV. MSGR. MARK J. GIORDANI

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

Mr. MARTINI. Mr. Speaker, today I welcome to the House of Representatives a good friend of all of the people of the Eighth Congressional District of New Jersey, Monsignor Mark J. Giordani.

Monsignor Giordani is not only a spiritual leader but also a renowned civic activist in the finest sense of the word. He is a man whom I have come to admire and respect.

As a young child, he lost his father to the anger of Italian fascists. Following this tragic incident, his mother turned to the strength of Christianity and instilled this faith in her son. This guiding force led the monsignor to a new and spiritual life in America.

Upon immigrating to the United States, the monsignor received a bachelor of arts degree in philosophy from St. Bonaventure University and a master's of divinity from Christ the King Seminary in New York.

During his seminary years, the monsignor dedicated endless hours to the poor, cultivating a passion to help the most unfortunate in our community. This passion was fulfilled through his appointment as a copastor of St. Gerard's parish in New Jersey. He was responsible for the founding of several local charitable organizations.

On November 1, 1987, Monsignor Giordani was appointed rector of St. John's Cathedral, and serves as spiritual leader day in and day out, offering his overwhelming kindness. No person is ever considered too big or too small to receive the attention of Monsignor Giordani.

Mr. Speaker, Monsignor Giordani is a spiritual pillar in our community. I offer admiration for his past and continued good services. Indeed, the people of the Eighth Congressional District of New Jersey have well become richer through the deeds, efforts, and spiritual guidance of the monsignor.

SENIOR CITIZENS BEWARE

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

Mr. PALLONE. Mr. Speaker, the senior citizens of this country better beware again, because the Republicans once again have unveiled their budget resolution for this year, and it cuts Medicare and Medicaid drastically in order to once again provide tax breaks for the wealthiest in this country. Even worse, it actually changes the Medicare and Medicaid programs so much that we would not even recognize them.

Seniors are going to be forced into managed care systems because of balanced billing provisions. We expect that they will also be paying a lot more money out of their own pockets in order to pay for Medicare.

The cuts in the Medicare Part A Program that finances hospitals and health care institutions are even more severe essentially than previously suggested, and what that means is a lot of hospitals not only in urban areas but in rural areas and throughout the country will actually be forced to close because they will not be getting the money from the Federal Government that they need in order to continue to operate.

What we are seeing here again is the Republican agenda, which is essentially to destroy Medicare as we know it and create a second-class health care system for senior citizens.

DEMOCRATS WOULD SHUT DOWN GOVERNMENT AGAIN

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

Mr. GUTKNECHT. Mr. Speaker, it is no secret that liberal Democrats want to protect big government and that they are addicted to special interest money. But it is interesting to see the lengths to which they will go in order to protect the status quo here in Washington.

Earlier this week, a Democrat leader said the following: "We are simply going to shut this place down."

What that means Mr. Speaker, is that the liberals in the Democratic Party are so extreme that they are willing to put a halt to the business of Congress in order to do the bidding of the union bosses here in Washington.

What it also means is there may be no gas tax repeal. No Medicare reform. No welfare reform. No tax relief for America's families. And no balanced budget.

It is sad that a once-proud party has resorted to extremism and blackmail to force their special interest agenda on the American people.

HIGHER GAS PRICES MEAN UNPRECEDENTED OIL COMPANY PROFITS

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

Mr. MORAN. Mr. Speaker, has anyone noticed what has happened to the stocks of oil companies in this country? Their profits have gone up phenomenally. Exxon made $2 billion in the last 3 months. Other companies have shown profits in the range of 40 percent. Unprecedented profits.

Of course, it is all a result of a corporate decision, knowing that we had had a very harsh winter, that if they deliberately reduced their reserves and knowing there was going to be strong demand, they would be able to push the price way up. Of course they can all get together and increase the price at the pump so that consumers pay for this increase, and boy, has it paid off. Look at the corporate executive of the six largest oil companies. Their stock options alone in the last 60 days have increased by $33 million. Unbelievable.

But should we really let the consumer pay for these profits? Of course not. To think that the consequences of their decision is going to be paid by consumers is unconscionable.

THE DO-NOTHING DEMOCRATS

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

Mr. SCARBOROUGH. Mr. Speaker, 50 years ago Harry Truman attacked the do-nothing Congress, and I think 48 years later Truman would be saying the same thing of the do-nothing Democrats.

Last year we got elected to do some very specific things. We got elected to provide a balanced budget, the first balanced budget in a generation. The do-nothing Democrats fault it. The do-nothing President vetoed it.

Now he is doing the same thing with the gas tax. We want a straight reduction to cut gas taxes. We are providing it. The do-nothing Democrats once again are standing in the way. The do-nothing Democrats once again are threatening a veto.

Talk about tax cuts, we provided tax cuts for middle-class families. The do-nothing Democrats fought it. The President vetoed a $500 per child tax cut. They increased taxes in 1993 on senior citizens up to 85 percent of their earnings. We offered relief. The do-nothing Democrats vetoed it.

Most importantly, I think, on Medicare, they know Medicare is going broke. We did something about it. The do-nothing Democrats vetoed it and shamelessly demagogued the issue, and are willing to throw the senior citizens out in the cold.

BUDGET RERUNS

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute.)

Mrs. KENNELLY. Mr. Speaker, yesterday the majority presented their budget for the next year. The press release from this body, we really could not tell what was in it. It was rhetoric. However, if we looked at the press release from the Senate, the other body, we saw some numbers so we could find out somewhat what was in the budget.

What I could understand is, it is a rerun of proposals that were vetoed by the President late last year and have no support by the American people.

One proposal in particular should deeply concern us. This budget proposes reducing the amount that States must spend on medical services for our Nation's poorest. This will set off a race to the bottom, one where no State wins by behaving responsibility and where the big losers in America are the poorest and the sickest.

We ought to be fighting to protect these people, not abandoning them. I worry about this year's budget now.

POISON PEN VETOES

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

Mr. WELDON of Florida. Mr. Speaker, Bill Clinton was in high dudgeon yesterday at his press conference. This morning's Washington Times said it was "An afternoon of flapdoodle and balderdash." That is probably an understatement.

Yesterday, Bill Clinton accused Republicans of using a poison pill.

Well, let's talk about Bill Clinton's poison pen.

Bill Clinton's poison pen vetoed the first balanced budget to a reach President's desk in a generation.

Bill Clinton's poison pen vetoed Medicare reform. Now, our grandparents risk seeing Medicare go bankrupt because of Bill Clinton wants to demagog the issue.

Bill Clinton's poison pen vetoed the $500 per child tax credit that would have help millions of struggling families make ends meet.

Bill Clinton's poison pen vetoed welfare reform. Not once, but twice. Millions of Americans will never know the dignity of work because Bill Clinton refuses to fix the failed welfare state. Instead of keeping his promises, Bill Clinton would rather use his poison pen to veto the wishes of the American people.

LESSONS NOT LEARNED

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

Mr. MILLER of California. Mr. Speaker, last year the American public witnessed the Republicans shutting down the U.S. Federal Government so they could try and force the President of the United States to cut Medicare, to give tax cuts to the wealthy.

Apparently the Republicans have learned nothing from their repudiation by the American people of that budget because they are back again this year. They are back again today cutting over $168 billion out of Medicare, reducing the spending below the rate of inflation for senior citizens, which means that senior citizens will have less money to purchase the health care that they have today in the future.

What will they do with that money? Not repair the Medicare account. They are going to give that money in capital gains tax to some of the wealthiest people in this Nation.

That is what the country repudiated last year when they shut down the Government. That is what the country is going to repudiate this year, and senior citizen ought to understand that the Republicans are back, same old budget, same old ploy, and the same old cuts in Medicare to give tax cuts to the wealthy.

REPEAL THE GAS TAX

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

Mrs. SEASTRAND. Mr. Speaker, in 1993 President Clinton imposed the largest tax increase in American history on the citizens of this country. As part of that increase, he raised the Federal gas tax 30 percent to pay for social programs and Washington bureaucracy.

This is the first time the gas tax had been raised to pay for these kinds of programs. It was to help improve our Nation's highways and mass transit systems, instead, President Clinton used it to finance his massive, ineffective, status quo social bureaucracy.

This is not only bad policy, it is wrong! While Republicans are fighting to lift the oppressive tax burden from America's shoulders, President Clinton and his congressional Democrats are adding to the weight. Yesterday, Republicans in the Senate tried to repeal the gas tax, but Democrats blocked their attempt. This is just another example of the Democrat attempt to protect their wasteful status quo social programs by bleeding the American people dry. Mr. Speaker, this must stop and we must start by repealing the gas tax.

BRAVO, MRS. WARD

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

Mr. TRAFICANT. Mr. Speaker, the IRS said Carol Ward of Colorado

Springs was a cheat, a liar, a thief, and a big drug dealer. The IRS then posted those accusations on flyers and spread them around all over town. The IRS then seized her business, her son's business, and all her money.

But at trial Carol Ward was found to be innocent. Mr. Speaker, Carol Ward is now suing the IRS for $1 billion, $1,000 for each of those 1 million people that saw those fliers. Bravo, Mrs. Ward. And as far as the IRS is concerned, I hope Mrs. Ward kicks their assets all over Colorado.

Mr. Speaker, I yield back all the liability the IRS has in this case.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all persons in the gallery that they are guests of the House and may not manifest any approval or disapproval of proceedings. It is a violation of the rules of the House.

INTRODUCING THE WORKING AMERICANS WAGE RESTORATION ACT

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

Mr. NETHERCUTT. Mr. Speaker, we have heard many stories in this House over the past few weeks about the stagnation of wages and that America needs a raise. Last night I heard one of my colleagues on the other side of the aisle lament that real wages have declined 16 percent over the last 20 years.

Mr. Speaker, I agree that American workers need to take home more of their earnings to their families. Today I will introduce legislation to enable every worker to deduct on their income tax the money that they contribute to Social Security every payday. My bill, the Working Americans Wage Restoration Act, will increase the take-home pay of the average two-earner family by $1,770 per year.

While it does not affect the receipts of the Social Security trust funds in any way, this legislation will eliminate the unfairness to workers who must now pay tax on the 6.2-percent of their income that they contribute to Social Security.

I urge my colleagues on both sides of the aisle to support this legislation, which will give a much-needed boost to the hard working men and women of our Nation.

SAME OLD STORY

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I simply would like to tell my colleagues the story of ages past. Speaker GINGRICH: "I would like to see Medicare wither on the vine." The majority leader in the Senate: "I was there fighting, 1 of 12 to vote against Medicare in 1965."

Now they have a new budget and the budget is the same old song, the same old story. What they want to do is to force hospitals to close by cutting Medicare. They want to make sure that our children who need preventive health care do not have it, and they are looking to close the nursing homes where many of our parents who worked so hard during their lives now need to have this care, the loving care that these homes provide, because of the cuts in Medicaid.

And, yes, what about Mrs. Jones, 74 years old? She has been going to the same physician for all of her life. Now the Republicans say, "You cannot do that, Mrs. Jones. You are going into managed care." A prison, which will not allow our seniors choice for their medical care. What do we say now to Mrs. Jones?

Same old song. Cutting Medicare and cutting Medicaid. Giving the money to the wealthy. What do we hear from the Republicans? Anything new? No, the same old story, verse, and song.

WHO DROVE UP THE PRICE OF GASOLINE?

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

Mr. STEARNS. Mr. Speaker, the question today is who drove up the price of gasoline. In May 1993 the Federal gasoline tax was raised 18.3 cents a gallon. That vote marked the third time in just over a decade that Congress increased the tax.

□ 1015

Since December 1982, the Federal levy on gasoline has exploded 357 percent, even as the price of gasoline has trended steadily downward. Mr. Speaker, inventories were down because of the unusually long winter, a fire in California closed a Shell oil refinery, and Saddam Hussein's stubbornness in keeping 500,000 barrels a day of Iraqi crude oil have caused the price to go up.

But who in fact drove the price of gasoline up? I submit that Congress under Democrat control did by raising the gasoline tax. It is pretty clear who the people in collusion are. It is the people here in the Federal Government. The Federal gasoline tax was hiked in 1983. It has been hiked ever since, and we need to understand that the Democrat-controlled Congress is at fault.

SAME OLD BUDGET

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

Mr. DOGGETT. Mr. Speaker, the gentlewoman from Texas is right. It is the same old song. As the Four Tops would say, "It's a different verse since you've been gone." That is what this budget is. The Republicans have come back, and they have taken their old last year's budget. What it did to seniors, what it did to schoolchildren, and they put a smiley face on it. But it is the same old bad budget.

Mr. Speaker, for months they have tried to undermine the Federal commitment to education. On Sunday, the majority leader of the Republican Party even suggested that we compensate for a revenue loss by cutting education. It is as if Marie Antoinette were telling the peasants let them eat cake, but he says to students in America, let them pump gas.

We need more opportunities in this country, not less. Is it any wonder that a Republican Party that cannot seem to learn its own lessons wants everyone else in America to pay more for learning.

THE GAS TAX

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

Mr. FUNDERBURK. Mr. Speaker, when Bill Clinton ran for President he said "I feel your pain." You know, he has a way with appearing emphatic and compassionate. But now, 3 years into his Presidency, Bill Clinton is now the source of a lot of pain that the American people feel.

In 1993, he and the liberals here in Congress, enacted the largest tax increase in history. Part of that tax increase was the 30-percent increase in the Federal gas tax. Every gallon that Americans purchased is now 4.3 cents more expensive because of Bill Clinton and the liberal Democrats.

Yesterday was tax freedom day. And in honor of tax freedom day, Congress should repeal this regressive gas tax and let the American people keep more of what they earn.

Mr. Speaker, we know the President feels our pain, but the real question is, "does he feel the gas tax pains?"

EDUCATION CUTS

(Ms. McKINNEY asked and was given permission to address the House for 1 minute and include extraneous material.)

Ms. McKINNEY. Mr. Speaker, I am no longer astonished by the lengths to which Republican leaders will go just to cut education funding. Monday's Washington Post reported that the Republican House majority leader favored cutting education in order to pay for a repeal of the gas tax. Now, that's audacious stuff coming from someone who

used Government loans to get through school.

Mr. Speaker, the Republican leadership could have easily paid for a repeal of the gas tax by not giving the military $7 billion more that what it asked for in 1996.

In fact, what guarantee do we even have that the oil companies will reduce their prices once the gas tax is repealed?

Once again, Mr. Speaker, the Republican leadership has demonstrated that it is only interested in greasing the rigs of the oil companies, while giving the American middle class a Texas-sized wedgie.

I include for the RECORD the following article from the Washington Post of Monday, May 6, 1996:

ARMEY: CHEAPER FUEL VIA EDUCATION CUTS

(By Serge F. Kovaleski)

House Majority Leader Richard K. Armey (R-Tex.) yesterday suggested that the revenue loss from a repeal of the 1993 gasoline tax could be offset by cutting spending on education.

"Maybe we ought to take another look at the amount of money we are spending on education," Armey said on NBC's "Meet the Press." "There is a place where we're getting a declining value for an increasing dollar. It's in education.

"If in fact we can get some discipline in the use of our education dollar, I think we can make up the difference," Armey added.

The White House said yesterday that targeting education funds is not acceptable.

Reducing the federal 18.3-cents-a-gallon gasoline tax by 4.3 cents, as proposed by Republicans, would save the average motorist about $27 a year in taxes, but would reduce federal revenue by $30 billion to $35 billion over the next seven years, the White House estimates.

Senate Marjority Leader and presumptive GOP presidential nominee Robert J. Dole (Kan.), who has made repeal of the 1993 gas tax a focus of his campaign against President Clinton, plans to introduce legislation Tuesday to repeal the 1993 tax temporarily. The increase was part of the deficit reduction package that Clinton pushed through Congress in 1993 without a single Republican vote.

Under the Dole proposal, the tax would be rolled back through January 1997 and a permanent repeal would be considered as part of the budget for the fiscal year starting Oct. 1. Clinton has said he would be willing to consider scrapping the tax if Republicans found a fair way to make up the revenue loss.

But in a statement yesterday, White House Chief of Staff Leon E. Panetta called on Dole and House Speaker Newt Gingrich (R-Ga.) "immediately and unequivocally" to repudiate Armey's suggestion that education spending could be cut to finance a reduction in the gasoline tax.

White House economic adviser Laura D'Andrea Tyson, also interviewed on "meet the Press," refused to say whether the President would sign a freestanding bill to kill the tax hike, but argued that any cut should be part of a balanced budget plan. "It's going to be very hard for them to find $30 billion to $35 billion," she said.

Tyson stressed the White House would prefer tax reductions for education or a family tax credit or an IRA expansion rather than a gasoline tax cut.

Sen. Phil Gramm (R-Tex.), on ABC's "This Week With David Brinkley," said the best way to offset the tax repeal would be to cut welfare benefits for legal immigrants, which would result in savings of about $14 billion a year. He also said Congress should not twin the gasoline tax repeal and a minimum wage increase, which Dole has suggested to appeal to Clinton and the Democrats.

Gingrich echoed that view in remarks on CBS's "Face the Nation." He said the gas tax legislation would be a "simple, narrow bill" that would not be lined to the minimum wage issue. He said the House Ways and Means Committee would meet Tuesday to consider how to pay for the tax repeal. He did not embrace Armey's suggestion or reject it.

He said that Dole's "proposal to repeal the gas tax increase has been generally pretty popular. I think it will pass by a big margin," giving Clinton "a chance to sign it into law before Memorial Day so that Americans who drive over Memorial Day will pay slightly less for gasoline."

The Clinton administration, however, said that wholesale prices are already going down after the President's decision last week to sell 12 million barrels of oil from the Strategic Petroleum Reserve.

Economists have noted that when the price of gasoline is adjusted for inflation, it is cheap by historical standards. In 1995 dollars, average gasoline prices are at 1991 levels but are well below where they were for most of the 1980s. The average national price for a gallon of unleaded regular gasoline at the pump is $1.273. That is also far cheaper than gasoline prices in most of the world. In some European countries gasoline is three times the U.S. price.

AGRICULTURE DEPARTMENT POLLING

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

Mr. TIAHRT. Mr. Speaker, last night on NBC's television program called "The Fleecing of America," it was revealed that Clinton's Department of Agriculture has hired a political pollster for $33,000, our tax dollars, by the way, to go out and poll some political people, white Americans only. This particular pollster is known for polling for Democrat women. And so she went out and polled, in Kansas by the way, white Americans not Hispanics, not blacks but white Americans, in Kansas, the swing voters, to find out how they were feeling about the Food Stamp Program.

It just so happens that the House chairman of the Committee on Agriculture, the gentleman from Kansas, [Mr. ROBERTS], is running for the Senate against a female opponent in Kansas. But our tax dollars were being spent to find out what the Kansas public was thinking. How long is the American public going to put up with this? How long is the American public going to allow their tax dollars to be used for political purposes by this administration? I ask Secretary Glickman to ask Under Secretary Haas to resign.

INTRODUCTION OF THE NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT

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

Mr. KLECZKA. Mr. Speaker, today, in honor of Mother's Day, I am introducing a bill to improve health protections for new mothers and their babies.

We have all heard the stories from mothers we represent about the difficulties and tragedies that can result from a too-early hospital discharge after childbirth. Providers concur that the first few days after delivery are critical to both the mother's and the infant's health.

The Newborns' and Mothers' Health Protection Act removes insurance mandates that restrict the length of postpartum care mothers and infants receive. The bill requires that health plans provide up to 48 hours of coverage for normal delivery, and 96 hours for caesarean section—the accepted recommendations of the American College of Obstetricians and Gynecologists and the American Academy of Pediatrics.

The proposal is designed to ensure that post-delivery care is based on the unique characteristics of each mother and her newborn child. Like the Bradley-Kassebaum bill that overwhelmingly passed the Senate Labor Committee, this legislation would return the length of stay decision to mothers and their health care providers. The bill does not impose a mandate, but rather, removes one, giving doctors more flexibility in meeting the needs of their patients.

All 15 Democratic Members of the Ways and Means Committee have joined me in introducing this important legislation. It is my hope that my Republican colleagues will join us in a bipartisan effort to pass these vital protections for newborns and their mothers.

GAS TAX INCREASE

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

Mr. KINGSTON. Mr. Speaker, a lot of people think that the President has lost touch since he has flip-flopped so many times that maybe it has affected his head and his thinking. But it is not true. Bill Clinton still feels your pain.

In fact, Bill Clinton feels your gas pain. He even caused your gas pain, 4 cents a gallon, a 30-percent gas tax increase. That is about the price of a can of beans with every 10 gallons of gas, about a 40-cent difference.

So this summer, Mr. Speaker, what I say to middle-class Americans, when you are on vacation filling up your gas tank, spending that extra 40 cents, go ahead, buy the President a can of beans

and send it to the White House. That way, not only will Bill Clinton feel your gas pain, but he can share in it as well.

THE BUDGET

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

Mr. WYNN. Mr. Speaker, perhaps the previous speaker should also keep in mind the Dole dime that actually caused the taxpayers to lose more than a can of beans.

This morning I want to talk about the budget. Despite the headlines, this is in fact the same budget with the same flaws. Extreme deep cuts on the poor and the middle class to finance tax breaks for the wealthy.

What does this mean? It means that senior citizens and the poor are going to have a second class health care system. They are going to march up here in lockstep and try to tell us that we have to make these cuts to maintain the solvency of the Medicare system.

Please do not believe this hoax. The fact of the matter is, we do not need these deep cuts. The President's budget, other Democratic budgets give us the same level of solvency by the year 2006 as the Republicans do without making the deep cuts.

What do these cuts mean? They mean a loss of choice for seniors as to the doctors that they would go to. They mean that hospitals will close in rural areas because of deep cuts. And they mean children will go without health care.

As one of my colleagues said, it is basically the same old song.

MINIMUM WAGE

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

Mr. BALLENGER. Mr. Speaker, the President is pushing the minimum wage. As a business person who runs a business, I know that business has been eating raw material cost increases for years. Unable to increase prices, business has been needing a reason to raise those prices. Along comes the minimum wage. Watch prices. Inflation can eat the value of a wage increase in nothing flat.

Who are we kidding? The minimum wage increase is straight politics.

GAS PRICES

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

Mr. FAZIO of California. Mr. Speaker, everybody knows that gas prices are rising, but if you think you have got trouble, you ought to look at what the people in California are facing: in Sacramento, $1.54 a gallon; in San Jose, $1.79; in Santa Barbara, $2.19 a gallon. That is right. Here in the District of Columbia, it is only $1.39 on average; nationally, $1.27.

Clearly, we have a bigger problem in our very isolated gasoline market on the west coast. We have 10 percent of our refineries down and out of commission. We have the added costs of newly reformulated gasoline.

Sure, something needs to be done, and we can help by repealing the 4.3 cents gas tax increase, but what are we going to do to guarantee that that money actually finds its way into the pockets of consumers? That is $30 billion the consumers need back.

Our Republican friends have shown no inclination or ability to make that happen. They simply are going to be feathering the nests of the major oil companies in this country.

ROLL BACK THE CLINTON GAS TAX

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

Mr. LEWIS of Kentucky. Mr. Speaker, back in 1992, candidate Bill Clinton said, I oppose Federal excise gas tax increases. But in 1993, President Clinton enacted the largest tax increase in our Nation's history. And buried in that tax package was a $4.8 billion increase in the gas tax.

Mr. Speaker, the American people are realizing the cruel effects of the Clinton gas tax right now. As Americans plan for the busiest travel season of the year, gas prices are soaring all over our Nation. The Clinton crunch is hitting our wallets hard.

Mr. Speaker, Republicans are committed to rolling back the onerous Clinton gas tax. We want to reverse the tide of the Clinton crunch and not only help people earn more but help people keep more of what they earn.

The Clinton tax gas is a regressive tax that hurts all motorists, rich or poor. It is time to repeal the Clinton gas tax.

□ 1030

AT LEAST REPUBLICANS ARE CONSISTENT

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

Ms. DELAURO. Mr. Speaker, it is deja vu all over again. Although it is early for summer reruns, the Republicans yesterday released their budget, which is a rehash of the document that the American public resoundingly defeated and rejected in 1995. It has the same identical budget priorities, drastically cuts the amount of money spent on health care for seniors, a $168 billion cut in Medicare, the potential for hospitals to close across this country.

The Republicans cut Medicare once again, and they propose tax benefits for the wealthy. The money that they propose to cut does not go into the Medicare trust fund, but it goes to pay for the tax increases; the prescription that caused the outcry last year, that caused them to retreat from this issue. But you have to admire their consistency; they are back here again with the same priorities, and that is because their budget is the consequence of their values, of their priorities, and their willingness to do harm to the American people, and they are sincere in wanting to do harm to working men and women in this country.

Mr. Speaker, the American people want a government that is on its side, not the side of special interests.

HOUSING AUTHORITIES SHOULD BE CONSULTED

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

Mr. GEKAS. Mr. Speaker, Members of the House, fairly shortly now we will be resuming the debate on the housing bill that is before the Congress, and one element of that requires our attention. Whether or not the Brooke amendment of the past will obtain for the future depends on what we do here today.

There is a resource that we have back at home that we ought to take advantage of in making up our minds as to how to finally vote on this measure, and that is the members of the authorities, the housing authorities, that have the responsibility and the initiative to deal with these problems on an everyday basis. They have to consider the tenants, the low-income status of those tenants, the problems of drug dealers on the premises, the costs of overhead, a thousand different problems that we do not consider when we vote on the larger questions that are involved. I believe that we ought to call our authorities' people and find out how they think on these matters.

DO NOT CUT MEDICARE

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

Mr. LEWIS of Georgia. Mr. Speaker, Mother's Day is almost here, and I have some bad news for my mother and many others. The Republicans have a new budget, and they still cut Medicare. They still want Medicare to wither on the vine.

There they go again, Mr. Speaker. In the Republican Medicare budget, they

divide the elderly. They give Federal dollars over to insurance companies for the healthy and the wealthy. Then they want the Federal Government to pay for the sick and the poor.

They offer medical savings accounts to healthy seniors. So, they can use money from the Federal Government—to buy a car or take a vacation. That does not made sense. That will not help the budget or our seniors.

I call on my Republican colleagues to give us a better budget. We should not cut Medicare to pay for tax breaks for the wealthy. We should not destroy Medicare in the name of saving it.

Don't cut Medicare.

IT IS A MISTAKE TO RAISE THE MINIMUM WAGE

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

Mr. SMITH of Michigan. Mr. Speaker, we have been talking about minimum wage and the desirability for low-income wage earners to earn more money. Of course, it is right. Raising low wages appeals to the sense of decency and compassion of Americans. But it would be a mistake.

We have a system of allocating resources in this country called the free enterprise system. It has worked very well for this country. It has made ours the greatest country on Earth. Increasing the minimum wage would impose significant costs primarily on unskilled Americans because the minimum wage is going to deprive some of those Americans from access to an entry-level job.

I ask the liberal labor union bosses if they are sure this is the way they want America to go. If employers cannot afford to pay the increase in minimum wage, then what are they going to do? They are either going to go out of business or they are going to respond by reducing hours, reducing benefits or paying less frequently.

In conclusion, I want to give my colleagues a quote from George Washington, a great man. George Washington said:

> If, to please the people, we offer what we ourselves disapprove, how can we afterward defend our work? Let us raise a standard to which the wise and honest can repair. The rest is in the hands of God.

CHILDREN AND THE ENVIRONMENT

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

Ms. ESHOO. Mr. Speaker, last week I received this letter from Judi LeVine's kindergarten class at Arundel School in San Carlos, CA. It is really a plea from her students for Congress to save the environment, especially our rain forests, and our animals, our endangered species.

Even 5-year-old children can see the value in conserving our natural resources. Yet Republican leaders in Congress seem unable to grasp the need to preserve our environment for the next generation.

The parents may send us to the Congress; they are the ones that cast the votes. But the children are the ones that we need to remember as we shape their future. It is their future that we are shaping, and we should never lose sight of that. Because the opinion of the American people has weighed in and has forced the GOP leaders to abandon some of their destructive attacks on endangered species and wilderness areas, we must never let our guard down against similar assaults.

So to all the kids at the school, I have gotten the message. I hope the rest of the Congress has.

RESTRICT PENSIONS FOR CONVICTED FORMER MEMBERS OF CONGRESS

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

Mr. DICKEY. Mr. Speaker, according to the National Taxpayers Union, the citizens of this country will pay out in 1996 over $600,000 in pensions to convicted former Members of Congress. What kind of message is this to send out to the taxpayers, farmers, miners, all the workers, about how our Government operates?

H.R. 3310 would restrict Members and former Members of Congress from receiving congressional retirement benefits if convicted of a felony which occurred while serving in the public trust. The bill would serve to punish Members who have taken advantage of the faith of the people who have placed upon them and Members involved in activities unrelated to official duties. Perhaps no other bill than H.R. 3310 will better indicate that this Congress is willing to change the way we do business.

I urge all of my colleagues to consider the provisions of H.R. 3310.

RESPONSIBLE DEFICIT REDUCTION WITHOUT UNREASONABLE CUTS IN EDUCATION

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

Mr. GENE GREEN of Texas. Mr. Speaker, last year the Republican majority overreached by planning to cut Medicare by $270 billion and offering $245 billion in tax cuts, and when they did not get their way, they shut the Government down. They realized that they were out of step with the American people and the Medicare trustees who said that we only needed $90 billion in cuts or downsizing, that is all that was needed to keep Medicare solvent.

Mr. Speaker, I am pleased to know that they are moving in the right direction now. Their new budget only calls for $168 billion in cuts, but they still are not quite there yet. I still believe we should continue to do the financially responsible thing by reducing the deficit. If we count the capital gains tax cut and the 4.3-cent gas cut that they want to do, then that adds up to $176 billion, which adds up close to the $168 billion they want to cut out of Medicare.

We have reduced the deficit 4 years in a row and will continue to do so, unlike the huge Federal deficits that were run up during the 1980's. We can continue down the road of responsible deficit reduction without the irresponsible cuts in Medicare and education.

REPUBLICANS COMMITTED TO FUTURE GENERATIONS

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

Mr. FOLEY. Mr. Speaker, there they go again, distorting the record. This Republican Congress increases the spending on Medicare each and every year for the next 7 years. We increase it over $305 billion. This Congress is committed to the senior citizens of America, but we are also committed to the future generations.

We are $5 trillion in debt, my colleagues, $5 trillion, costing us $300 billion, $300 billion in interest payments alone that could go to critically needed programs if we would get our fiscal house in order.

It is easy for the other side to make accusations, but this Republican Congress has been steadfast in its determination to balance the budget. We have done it with real numbers, honest numbers, addressing the American public's desire for reform of government. We have been in the forefront of that debate, and to be criticized for cutting Medicare once again by the other side is a lie, is a sham, and is distasteful and disgraceful on behalf of the minority party.

PERMISSION FOR ALL COMMITTEES AND THEIR SUBCOMMITTEES TO SIT FOR TODAY AND THE REMAINDER OF THE WEEK DURING THE 5-MINUTE RULE

Mr. ARMEY. Mr. Speaker, I offer a privileged motion and ask for its immediate consideration.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will report the motion.

The Clerk read as follows:

Pursuant to clause 2(I) of rule XI, Mr. ARMEY moves that all committees and subcommittees of the House be permitted to sit for today and the remainder of the week while the House is meeting in the Committee of the Whole House under the 5-minute rule.

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARMEY] is recognized for 1 hour.

Mr. Speaker, I yield myself such time as I may assume.

Mr. ARMEY. Mr. Speaker, again we have a good deal of work to be done in the committees as well as some important work here on the floor, and I make this request of the House out of consideration for the committees continuing their work. I appreciate the gentleman's effort.

Mr. Speaker, is the gentleman asking me to yield?

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. I thank the gentleman for yielding the time. I know his general parsimony when it comes to minimums, so I appreciate the 5 minutes. It is in keeping with his overall approach.

What we have here is one of the opening phases of the 1996 Presidential campaign. It is a Presidential campaign, the Republican campaign, which is not going sufficiently well on its own for the Republicans to conduct it in the normal way. So the House of Representatives is being enlisted into the Republican Presidential campaign. To the aid of a faltering campaign comes now the machinery of the House in a very unfortunate way.

Mr. Speaker, the request is made so the Committee on Government Reform and Oversight can vote an extremely unjustified, unprecedented, unfair, and dangerous contempt citation for the President's counsel.

We have had a number of ongoing investigations which the Republicans are conducting. They are spending enormous amounts of money for very little purpose. Well, I take it back; they have a clear purpose: election of a Republican President. They are spending enormous amounts of money for very little concrete result.

What they now want to do is to change the subject on the travel investigation from the merits to a refusal by the administration to exceed to requests that should never have been made that are unfair and that the House itself would not respond to. And I think we should be very clear. We will be discussing this further.

They are going to cite the counsel of the President for contempt for refusing to release documents to the Republican campaign effort on that committee when they would not release similar documents, and we are going to have a test of this because we are working now on some resolutions, and if in fact the House is going to say these types of documents must be made public.

What are they? They have to do with information that would be relevant to a grand jury; they have to do with things that deal with lawyers, the independent counsel, the wideranging independent counsel who have also again come up with nothing damaging to this administration, as they have been cooperating with him.

They have to do with communications between executive branch and Members. The White House is being threatened with contempt if they do not turn over for public discussion memorandums conversations, and comments between Members of this body and the White House.

Mr. Speaker, if that is the standard, if the standard is that we will subpoena and then make public those kind of documents, let us apply it to ourselves. If we are going to threaten contempt against the counsel for doing his duty in a conscientious way, then let us understand that is the standard by which we will make documents available.

When the Republican leadership sends out a memorandum to other Republicans and says, "Come find some scandal. Have you got any scandal? Have you got any bad news about anybody," we will, I guess, ask that that be made public.

□ 1045

If there are memorandums that have existed and letters, phone call conversations that are recorded between the Republican leadership and that committee, what is the strategizing? Yes; there have been conversations between the White House and the Travel Office, I have had some myself, between the White House and Congress about how to respond to some of these things. There have been similar conversations between the leadership of the committee and the Republican leadership, maybe the Republican National Committee. Let us have those out there. This is the most one-sided and blatant misuse of the subpoena power we have seen. I would simply say, if in fact that is the standard, let us make the standard uniform.

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

Mr. FRANK of Massachusetts. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Speaker, this pattern is going across committees. Apparently the gentleman from Iowa [Mr. NUSSLE] and the gentleman from Pennsylvania [Mr. WALKER] instructed committee chairmen to use their government-paid positions for the political purpose which the gentleman said a second ago of trying to help the faltering Dole campaign.

We have seen the same things in the Committee on Foreign Affairs. The Secretary of State told the chairman of the committee that two Ambassadors, our Ambassadors in Europe, would be happy to come by and testify before the committee, one of five or six committees that they want them to come back for. If it takes them a day to get here, or takes a half a month to do it, it is the same thing.

Mr. FRANK of Massachusetts. That is the same point. If in fact discussions between Members of the House and the executive branch about how to deal with some of these issues, if that is to be subpoenaed and made public, then comparable documents on this side will be. I predict that we will see a very one-sided application of this principle.

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

Mr. Speaker, I would just remind the body that oversight is a duty of the Congress of the United States. We have all read about it in our high school history books and political science books as checks and balances. It must be done. It is not an option. It is what we are asked to do as an institution.

The gentleman from Pennsylvania [Mr. CLINGER], even as a minority member of this committee, asked for this information 3½ years ago. It was denied by the majority in the committee at that time. Subpoenas were issued for this information in January of this year. The White House has not been forthcoming, and the action will be taken in the committee with those.

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

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. ARMEY].

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 230, nays 182, not voting 21, as follows:

[Roll No. 155]

YEAS—230

Allard	Billirakis	Callahan
Archer	Bliley	Calvert
Armey	Blute	Camp
Bachus	Boehlert	Campbell
Baker (CA)	Boehner	Canady
Baker (LA)	Bonilla	Castle
Ballenger	Bono	Chabot
Barr	Brewster	Chambliss
Barrett (NE)	Brownback	Chenoweth
Bartlett	Bryant (TN)	Christensen
Barton	Bunn	Chrysler
Bass	Bunning	Clinger
Bateman	Burr	Coble
Bereuter	Burton	Coburn
Bilbray	Buyer	Collins (GA)

Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Flanagan
Foley
Forbes
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martinez
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wolf
Young (FL)
Zeliff
Zimmer

NAYS—182

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bellenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Browder
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wilson
Woolsey
Wynn
Yates

NOT VOTING—21

Andrews
Brown (CA)
Chapman
de la Garza
Farr
Fields (TX)
Fowler
Goodling
Hefner
Houghton
Kaptur
Laughlin
Molinari
Paxon
Pomeroy
Schroeder
Torricelli
Weldon (PA)
Williams
Wise
Young (AK)

□ 1108

Mrs. CLAYTON and Mr. SPRATT changed their vote from "yea" to "nay."

Messrs. MANZULLO, WELLER, and HALL of Texas changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GOODLING. Mr. Speaker, I regret my absence for rollcall No. 155, a motion to allow committees to sit. I was unavoidably detained at a legislative conference on the Senate side of the Capitol.

Had I been present, I would have voted "aye."

UNITED STATES HOUSING ACT OF 1996

The SPEAKER pro tempore. (Mr. LAHOOD). Pursuant to House Resolution 426 and rule XXIII, the Chair decalres the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2406.

□ 1109

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2406) to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, with Mr. GUNDERSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 8, 1996, title II was open for amendment at any point.

Pursuant to the order of the Committee of that day, debate on each amendment, and any amendment thereto, shall be limited to 10 minutes, equally divided and controlled by the proponent and an opponent, with the following exceptions:

Amendment No. 7, as modified, by the gentleman from Massachusetts [Mr. FRANK] for 60 minutes; amendment No. 17 by the gentleman from Massachusetts [Mr. KENNEDY] for 60 minutes; amendments Nos. 33 and 34 by the gentlewoman from New York [Ms. VELAZQUEZ] which may be considered en bloc for 20 minutes; amendment No. 22 by the gentleman from Indiana [Mr. ROEMER] for 20 minutes; and amendment No. 8 by the gentleman from Arizona [Mr. HAYWORTH] for 20 minutes.

Are there any amendments to title II?

AMENDMENT NO. 7, AS MODIFIED, OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, pursuant to the unanimous-consent request of last night, I offer an amendment, as modified.

The CHAIRMAN. The Clerk will designate the amendment, as modified.

The text of the amendment, as modified, is as follows:

Amendment No. 7, as modified, offered by Mr. FRANK of Massachusetts:

Section 225(a) of the bill (as amended by the manager's amendment), strike paragraph (2) of such section and insert the following new paragraph:

"(2) LIMITATION.—Notwithstanding any other provision of this subsection, the amount paid by a family for monthly rent for a dwelling unit in public housing may not exceed 30 percent of the family's adjusted monthly income.".

Section 322(a) of the bill (as amended by the manager's amendment), strike paragraph (2) of such section and insert the following new paragraph:

"(2) LIMITATION.—Except as provided in paragraph (3) and notwithstanding any other provision of this subsection, the amount paid by an assisted family for monthly rent for an assisted dwelling unit may not exceed 30 percent of the family's adjusted monthly income.".

Section 352 of the bill (as amended by the manager's amendment), strike subsection (a) and insert the following new subsection:

"(a) UNITS HAVING GROSS RENT EXCEEDING PAYMENT STANDARD.—In the case of an assisted family renting a dwelling unit bearing a gross rent that exceeds the payment standard established under section 353 for a dwelling unit of the applicable size and location in the market area in which such assisted dwelling unit is located, the amount of the monthly assistance payment for housing assistance under this title on behalf of such family shall be the amount by which such payment standard exceeds the lesser of (1) the resident contribution determined in accordance with section 322(a)(1), or (2) 30 percent of the family's adjusted monthly income.".

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Massachusetts [Mr. FRANK] and a Member opposed will each control 30 minutes.

Does the gentleman from New York wish to control the time in opposition?

Mr. LAZIO of New York. Mr. Chairman, I will be controlling the time.

The CHAIRMAN. The gentleman from New York [Mr. LAZIO] will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. GUTIERREZ], one of the coauthors of the amendment.

Mr. GUTIERREZ. Mr. Chairman, I rise to strongly urge my colleagues to support the amendment that I am offering today with my friends and colleagues, Mr. FRANK and Mr. HINCHEY.

This amendment is truly very simple.

And yet, as simple as this amendment is, I strongly believe that its approval is critical to Americans who depend on public housing.

If this Congress has any interest in preserving its commitment to providing decent, affordable housing to Americans who need it most, passage of this amendment is a critical step.

Our amendment places a cap of 30 percent of total income as the amount a public housing resident or family can spend on rent.

In addition, our amendment allows local housing authorities the flexibility to allow residents to pay less than 30 percent of their income for rent.

And this flexibility is critical. Because it gives local housing authorities a greater ability to reach a goal that is important to all of us who care about public housing.

The ability to encourage residents of mixed incomes to live in public housing and not create a disincentive to earning more money.

But without this amendment, we do nothing more than create a situation where people who need housing most will not be able to afford it.

Under the current language of the bill, families in public housing will have no protection against financially debilitating rent increases.

Let me be clear.

This bill does not raise the income cap to 35 percent. It doesn't push the cap all the way up to 40 percent. It doesn't take the extreme step of allowing the cap to skyrocket to 50 percent of your income.

This bill eliminates the cap.

And that is little different from eliminating our commitment to public housing.

We cannot pretend in this House to care about providing quality housing to Americans if we are completely willing to disregard whether that housing is affordable.

Affordability is the heart of America's commitment to public housing.

Unless the Frank-Gutierrez amendment is passed, that heart is cut out. And we abandon our commitment to providing quality public housing that the people who need it most can afford.

Now, some of my colleagues might simply say, "what rent increase? There is nothing in this bill that requires local housing authorities to raise the rent of public housing residents."

Don't be fooled by that argument. This bill allows local housing authorities to charge whatever they feel is necessary to stay within their budgets. And what has this Congress done to the budgets of housing authorities?

Well, we have just cut the operating subsidies by $100 million. By $100 million.

Let me recap. We have taken away $100 million—$100 million that was essential to keeping rents affordable. And now my colleagues suggest that we should tell them that the sky is the limit on rent increases.

I do not think it takes a detective to uncover where the extra money is coming from.

It is going to come from the people who can least afford it.

I urge my colleagues do not force this economic hardship on Americans who rely on public housing. Paying 30 percent of your income on rent is hardly a giveaway, hardly a free ride.

I strongly believe that 30 percent is a fair and reasonable contribution of a family's income.

Thirty percent is logical; in fact it basically follows the guidelines that lenders use in deciding how much a family can afford to spend on their mortgage.

Most lenders don't want families to spend more than 28 percent of their income on their mortgage. 28 percent—for people who can afford to own their home. Yet, incredibly, this bill proposes no cap at all for people who can barely afford to make ends meet.

A fundamental goal of public housing is that it gives residents an opportunity to live in safety and dignity—and ease their financial burdens.

If we ask those very people to pay 32, 35, 40 percent of their income just to meet their housing expenses, the government is not easing the burden of public housing residents—it is imposing a burden on public housing residents.

Instead of helping to light a path toward a better future, we are setting hurdles in the way.

Let's be clear. We are talking about a population that will be affected by even a slight increase in out-of-pocket expenses for housing.

Quite simply, most of the people who will be facing a rent affected by this increase do not have the money to pay for their increase.

We are talking about Americans with very, very modest incomes.

How modest?

The average annual income of public housing tenants is $6,400—$6,400. And this bill suggests that they somehow have the ability to pay more for rent.

They do not. And yet we have created a bill that will give them very few alternatives.

They will have some alternatives.

Move to worse, substandard, dangerous housing. Or have no housing at all.

My colleagues who support this bill are right about one thing—public housing residents deserve better than they are receiving now.

They deserve a commitment to safer, better quality housing.

Congress has not been very good about keeping that commitment. But they also deserve to have decent housing they can afford.

This Congress should honor that commitment as well.

We can honor that commitment by passing this amendment and protecting the economic security of public housing residents.

I hope my colleagues will say yes to that vital commitment.

□ 1115

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let us begin by talking about what this amendment is not about. It is not about protecting seniors, because they are protected in the bill. It is not about protecting the disabled, because they are also protected in the manager's amendment. It is not about protecting the poorest of the poor, because they too are protected precisely the same way that my friends from the other side of the aisle are arguing need to be protected.

What we are talking about is whether we will keep an amendment, a provision of the law, that has proven to be a job killer, a work incentive, whether we are going to continue on the path of creating warehousing for the poor.

The gentleman from Illinois lives in a city where State Street exists, a public housing development 4.5 straight miles of 19-story buildings, 99 percent unemployment, universal despair.

We are talking about creating an environment where people begin to have hope, where there is mixed income, where there is role models, where people can talk to somebody next door who has a job, who may know about another job available.

We are talking about transforming people, not warehousing people. The Brooke amendment has had the effect of warehousing people. It has led to a disastrous mix in terms of income. It has led to a huge disincentive to work.

If you do not believe me, Mr. Chairman, listen to some of the people who are doing this hands on, the public housing authorities themselves. The National Association of Housing and Redevelopment Officials says, "The Brooke amendment, which limits the amount of rent a resident pays to 30 percent, is a disincentive to work, encourages fraud, and offers local housing

authorities with little flexibility to reward working households."

This is an antiwork provision. It actually raises rent on those people who decide to work.

The Public Housing Authorities Directors Association says, "To base rents solely on income has proved disastrous over recent years." Disastrous.

These are the people with hands-on experience. What we are talking about is thinking out of the box. What we are talking about is letting housing authorities fix rents just like the rest of the world operates. If the housing authority says this particular unit is $50, is $75, a resident knows that if they work overtime, if they get a better job, if they earn more money, they can keep that money. They are not going to be subject to a one-third tax the minute they go to work, which is exactly what this Frank-Gutierrez amendment does. It is precisely what it does.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. The amendment that I have offered puts an upper limit of 30 percent, but does not at all require any increase.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, but that is exactly what is going to happen. The amendment that the gentleman from Massachusetts is offering, which suggests that housing authorities can set rents at up to 30 percent of income, will create not just a floor, but a ceiling. Housing authorities will continue to set rent based on income. That is the problem.

If we had to pay 30 percent of our income in rent, I guarantee you, this place would not be voting for it. But because we do not have to live in those places and we do not have to live with this, it becomes very easy rhetorically to say we are so incompassionate, because we are protecting the poor. That is nonsense. It is not serving the very people that these people purport to represent.

Let me just say again, Mr. Chairman, that this has been a work disincentive. We are in fact protecting almost 90 percent of the current population in public housing. We are trying to create an environment where people can transition to work, where work ethic is rewarded, where there is mixed income, there is hope, there is opportunity. The Frank amendment would destroy all those things. It would move us back into the past. It would reclaim the situation that we have in State Street of 4.5 miles, where there is 99 percent unemployment for 10,000 Americans. We cannot condemn 10,000 Americans to another 30 years of failed policy.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

The gentleman has shown how indefensible his amendment is by absolutely misrepresenting its substance. The amendment I have goes back to the pre-1981 days. It sets a 30-percent limit. It does not require an increase.

The gentleman's argument, be clear, here is what he says: If you tell housing authorities that they can charge no more than 30 percent, but less if they want to, they will charge more than if you tell them they can charge 40 or 50 percent.

His amendment says the housing authorities can raise the rents on these working people to whatever level you want. Our amendment says set whatever level you want, but in no case above 30 percent. In fact, there is one group of people who get the 30 percent protection, and that is people on welfare under his version.

So he singles out working poor people in housing and he protects them by taking the cap off their rent. There is absolutely nothing in the amendment we are offering that requires, encourages, pushes, urges, an increase in the rent. All we say is a cap.

When a 30-percent limit on what you can charge someone is transmogrified into raising the rents, as opposed to allowing them to go higher, you see how logically indefensible the gentleman considers the amendment to be.

Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Chairman, I rise in support of the amendment to restore the so-called Brooke amendment. Before I discuss the merits of this amendments, let me first address the bill as a whole and the exemplary job my good friend from New York, Mr. LAZIO, and his staff have done on this legislation.

The Department of Housing and Urban Development is perhaps the one segment of the Federal Government that needs reform the most. Most of the current housing policy is based on the U.S. Housing Act of 1937, reflecting the needs of a different era.

Chairman LAZIO was faced with a very significant challenge at the outset of this Congress, and I commend him for his perseverance and commitment to bring sanity to public housing policy. He literally has traveled around our great country searching for answers to the problems of housing our citizens.

However, Mr. Chairman, I do have one area of very serious concern with this legislation. While I believe housing authorities ought to be given more flexibility in operating their developments, I do believe the need still exists for the Federal Government to provide certainty when it comes to the level of rent.

In 1969, in response to an increasing inability of public housing tenants to afford their rent, the former distinguished Republican Senator Ed Brooke of Massachusetts remembered advice given him by his father. This advice was that an individual should not pay more than 25 or 30 percent of their income on housing.

This is still a widely accepted rule of thumb today, and most of us live by this rule. I have visited housing units all over my district, places like Great Brook Valley in Worcester, MA. I have spoken with people like Wanda Alvarado, a single parent struggling to raise her two children and to improve their standard of living. They and many others are concerned that repeal of the Brooke amendment or alteration of the Brooke amendment would lead to significant rises in their rent.

Therefore, I rise in support of the amendment that would restore the Brooke amendment. This amendment would simply ensure that low-income families would not pay any more than 30 percent of their income on their rent. These families are some of the poorest in America, and I urge my colleagues to support this amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Louisiana [Mr. BAKER], a member of the Committee on Banking and financial services and a very active member of the Subcommittee on Housing.

Mr. BAKER of Louisiana. Mr. Chairman, I thank the gentleman for yielding me time, and certainly want to commend him for leadership in this most difficult issue and all issues relating to reform of housing in America.

But this is not just a debate about the Brooke amendment. It is not just a debate about the necessity to repeal the one-for-one requirement or to do something with the admissions or eviction processes, or just about education and job skills, necessities in public housing, or even just public housing. It It extends to what is known as the section 8 based project assistance. It is all of this, and more, regrettably.

We must look not just at the specific issue before us this morning in the Brooke amendment. We must look at the effects, the consequences, of the aggregate of these legislative remedies, which although well-intentioned, have led us down a long, dark road.

It is unfortunate, but all we can conclude when we look at the inventory of housing provided by our Nation today to the working poor of America, you can only reach one conclusion. It is sad, but the U.S. Government is the world's largest slum landlord. We must change that. How can this be?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. BAKER of Louisiana. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, the gentleman has a photograph next to him that I believe is in his neck of the woods. Is this the situation the gentleman is referring to?

Mr. BAKER of Louisiana. Mr. Chairman, reclaiming my time, only one among many. But this is the answer to how can this be. When one drives just a short distance from my home, in a bus, goes down to the Desire Street Housing Project, built in the 1950's, now on a Superfund site, surrounded on all sides, with one way in and out over a railroad track, 1,800 units now occupied by 400 individuals, not aggregated one locale, but spread out throughout 1,8000 units, unprotected. The employees do not have two-way communication. If something happens, as it did one week before I went when a 15-year-old child was killed on the doorstep of his unit over rival drugs wars, over sales territory, I went upstairs and talked to the 80-year-old lady who lived in that building by herself and said, "Ma'am, is there anything I can do to help you?"

She did not know who I was, nor did she care. She said, "Come with me a minute." Her unit was well kept. It was the only one in 16 units in that building. It was not just rundown, depreciated, and worn out. There were no walls, there were no floors. There were dogs and cats running through the bottom area.

She walked up those steps every night by herself, locked herself in the room, and she said, "There is one thing I would like you to do for me, if you might." And she took me into the restroom and showed me the large gap in the wall above the shower stall.

She said, "At night when I try to take a bath, the roaches come down the wall. It bothers me just a bit." How would you feel if that was your grandmother?

Now, here is the real problem. If that were just the only issue, if it was just the fact there was not a sufficient amount of money in the bank to solve this problem. Desire has, the Housing Authority of New Orleans, this morning has $200 million in their account to spend for renovation.

I called the GAO. I said, "Look, guys, tell me what is going on. I am really worried about this, because not only is it a waste of taxpayer money, look at the conditions in which these people have to exist."

I got this back, dated May 1996. I know it is a little old, but we will use it anyway. When I flipped through the pages, there is a summary of the history. Secretary Cisneros wrote Leon Panetta a letter 2 years ago saying, "Mr. Panetta, we have to do something about this circumstance. It is dismal. It is not fit for human habitation." This report dated May 1996 says the circumstances today are unfit for human habitation.

I have a letter from employees. I have a letter from occupants, saying "Please, get us out of these circumstances. It has got to come to an end."

What effect does the Brooke amendment have on this circumstance? What effect does one-for-one have on this circumstance? Concentration issues. The Desire Street Housing Project is an example. Ninety percent of the occupants are single, poor, women with children, without education.

□ 1130

Now, if we are going to do something about the problems, we have got to turn that around. We have got to have those kids in an environment where they see dads going to work and where there are children playing in the yard. We have to turn this around.

It is not just a question of the poorly run disasters like Desire in New Orleans. And, by the way, I intend to ask the Secretary of HUD to seize control and take it away from the city and given those people a chance for real hope and opportunity, because we can do it.

There is more vacant housing in New Orleans than there are people on the waiting lists if you bulldozed Desire. That is incredible to me. By the way, when I first got involved in this they were going to spend $71,000 per unit to renovate on this Superfund site. The most recent plan, after I objected, calls for them to spend $130,000 per unit. I am really doing a good job. Mr. Chairman, we have got to get a grip.

What about the well-run public housing. I called Baton Rouge. I said, "Guys, what is going on?" We had a big debate about the number of people on the boards that govern public housing. I said, "Tell me how you run it." They have seven members, two are residents. Tell me who the other bad guys are that are making the terrible public policy. Well, we have a realtor. I am sure that is the problem. We have a doctor from Southern University. A former Secretary of Health and Human Resources is on the board. We have a volunteer coordinator at a public hospital. We have a Methodist minister. He has got to be the one that is driving these poor people into these poor conditions.

I said, "How much do they make to serve on the public housing boards and do all of this damage to the poor people of America?" Nothing. No reimbursement, no per diem, no travel. It is 100 percent volunteer. These people are performing a public service to try to help the poor of Baton Rouge.

Mr. Chairman, these people have asked for the ability to govern their housing authorities. Take off the Brooke amendment. Help us govern and help people who want to help themselves. Let us get a population mix in public housing that reflects what is going on in America. Let us give these people something more than decent housing. Let us give them some hope; the belief that they can be a part of America and not be locked up in a multistory, 1,800-unit complex on top of a Superfund site with nothing but drug dealers at their front door. It is ridiculous. It has got to change.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, that was a very interesting speech; I just do not know what amendment it was supposed to be relevant to since it obviously does not affect ours.

Mr. BAKER of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Louisiana, although he would not yield to me.

Mr. BAKER of Louisiana. Mr. Chairman, I regret that. If I had had more time, I would have.

Mr. FRANK of Massachusetts. Mr. Chairman, reclaiming my time, the gentleman had 6 minutes. Who is he kidding?

Mr. BAKER of Louisiana. Mr. Chairman, if the gentleman would continue to yield, I was talking about the amendment of the gentleman from Massachusetts, and the results of it and others in the concentration of poor people.

Mr. FRANK of Massachusetts. Mr. Chairman, reclaiming my time, we just got it. The gentleman was talking about "it and others." The gentleman was talking about things unrelated. The only relevance of the Brooke amendment to his story was that poor woman that he was talking about under the Brooke amendment, that if they wanted to they could raise her rent. That is how the gentleman gives hope, raising their rent.

Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Chairman, I rise today amazed by how far the Republican majority will go to keep hard-working Americans down. Instead of being the first rung on the ladder out of poverty, this housing bill kicks the ladder away. By repealing the Brooke amendment, the already difficult lives of the extremely poor will become a nightmare. Adequate housing must remain affordable for everyone.

In New York City alone, 560,000 housing authority tenants will face higher rents or eviction if Brooke is eliminated. There is not going to be mixed income people living in public housing. There will be families making $40,000 living in public housing and poor people will be thrown into the streets.

This is a price they simply cannot afford to pay. Faced with higher rents, families will have to scrimp for even their most basic necessities. How much more are we going to bleed out of our poor?

The United States already has the impressive distinction of having the highest poverty rate of the industrialized world. Elimination of rent caps

coupled with funding cuts to housing and a 25-percent cut to homeless shelters will force waiting lists for park benches to skyrocket.

Mr. Chairman, I say to my Republican colleagues, you should be ashamed of yourself. Stop trying to balance the budget on the backs of the Americans least able to shoulder that burden. Think of the message you are sending.

Mr. Chairman, clearly, the majority cares more about the haves than the have-nots. Instead of investing in the neediest Americans, they give a $7 billion increase to the Department of Defense; they give hefty tax breaks to wealthy corporations and contributors that dwarf our spending to house the poor; and they deny an increase in the minimum Federal wage for working Americans.

Today confirms that the Contract With America was not a contract with all Americans, only the privileged few. I urge my colleagues to support the Frank amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield such time as he May consume to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I rise in strong support of the Frank amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I am just sick and tired of people calling compassion State Street, which has been tolerated for the last 30 years by the last majority. It was OK to warehouse people and keep people unemployed, and it is OK to make sure we cut off the commerce and make sure they do not have access to jobs or access to good education. That is compassion.

But give people a chance to get a job and get a decent education and get income mix, and we lack compassion and we are extreme?

Mr. Chairman, I yield 4 minutes to the gentleman from Maine [Mr. LONGLEY].

Mr. LONGLEY. Mr. Chairman, I want to compliment the gentleman from New York [Mr. LAZIO], chairman of the subcommittee. The gentleman has done an exceptional job in trying to articulate the need for change in the area of public housing.

I have to confess that we are asked to be expert on any number of subjects that are frankly far beyond our ability to do so, but I have been attempting in the last year to visit many of the public housing projects in my district. I visited projects in Portland, Sanford, and Augusta. I have talked to the director of the State Public Housing Authority and I visited a project that they have sponsored. I talked to trustees in south Portland and I have also talked with the director of the Portland Public Housing Authority.

The message that I hear over and over and over again is the need for change in Washington. Particularly, I spoke a year ago with the director of the Public Housing Authority in Sanford. He said, "If you would just give us some flexibility, we can manage these projects more efficiently, we can do a better job, and we can do it at less cost."

Mr. Chairman, I happened to get a letter yesterday from the director of the Portland Housing Authority, Mr. Peter Howe. I want to point out that he said,

H.R. 2406 contains, much-needed regulatory relief, that is, repeal of Federal preferences, the one-for-one replacement rule, and the take-one, take-all provision. The provisions contained in this legislation provide local housing authorities with the type of administrative relief and authority necessary to operate these programs in tenuous funding environments.

Mr. Chairman, it goes on to say—

I also encourage you to support compromise language that calls for targeting 30 percent of all units for those below 30 percent of median income. This provision will assure that affordable housing units will be available to the poorest members of our community.

I would just say this to the House this morning: Again, we cannot pretend to be experts on everything, and I question the extent to which we have the ability to do that. But I do know that when I talk to my local housing authority officers and officials and visit the projects, talk to the people who are residents, that the people in the local level have the ability to manage these projects, and I have confidence that they are moving in the right direction and that they can be trusted to do the right thing when it comes to their residents and the future viability of their projects.

Mr. Chairman, I insert for the RECORD the following correspondence:

PORTLAND HOUSING AUTHORITY
Portland, ME, May 8, 1996.

Hon. JIM LONGLEY, Jr.,
Longworth House Office Building,
Washington, DC.

DEAR CONGRESSMAN LONGLEY: On behalf of the Portland Housing Authority, I want to encourage you to support passage of H.R. 2406, the United States Housing Act of 1995. H.R. 2406 contains provisions that are needed to ensure the continued success of the nation's public and assisted housing programs. Passage of H.R. 2406 will allow the House and Senate to conference their respective versions of public housing reform legislation.

H.R. 2406 provides local housing agencies (LHAs) with much needed regulatory relief, i.e., repeal of federal preferences, the one-for-one replacement rule, and the take-one, take all provision. The provisions contained in this legislation provide LHAs with the type of administrative relief and authority necessary to operate these programs in a tenuous funding environment.

I also encourage you to support compromise language to retain the Brooke Amendment for those below 30 percent of median income. This will ensure that the poorest members of our community will not suffer excessive rent burdens. I also encourage you to support compromise language that calls for targeting 30 percent of all units for those below 30 percent of median income. This provision will assure that affordable housing units will be available to the poorest members of our community.

If I can be of any assistance to you, please feel free to call me at (207) 773-4753.

Sincerely,

PETER A. HOWE,
Executive Director.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. WYNN], a member of the committee.

Mr. WYNN. Mr. Chairman, I rise in strong support of the amendment. The Republicans like to moan about us calling them extremists. Well, they are and this is a classic example.

Mr. Chairman, they take a bill that has many laudable points and then they ruin it because they repeal the Brooke amendment which was designed to cap the rents that are paid by some of the poorest people in this country, people who make $6,400 a year. That is extreme.

The Brooke amendment simply reflects the standards of the industry, the banking industry, the real estate industry, the financial services industry which says that people should only pay a reasonable portion of their income, about 30 percent, for housing.

If we do not have the Brooke amendment, what we do is create a cycle of poverty because poor people then have to choose between medicine and rent; between paying bills and rent; between car repairs and rent. The first emergency that happens, they fall further behind. That is the cycle of poverty that is created in the language in this bill.

My Republican colleagues recognize this is a problem because they keep the Brooke amendment for current residents, disabled people, and for seniors. If it is good enough for the disabled and seniors, why not new tenants? We need to keep the Brooke amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 1 minute and 15 seconds.

Mr. Chairman, I now it is part of the Democratic strategy to try and label, use words. That substitutes for analysis in terms of this. But let me tell my colleagues what is extreme, Mr. Chairman.

Mr. Chairman, what is extreme is allowing people to be concentrated in poverty and not allowing them a chance to get out. What is extreme is a housing authority like in New Orleans with a score 27 out of a possible score of 100, and still receiving taxpayer dollars. Or DC at 33; or Philadelphia at 35; Chicago, 45; Atlanta, 49; Pittsburgh, 47; even Boston, 62.

Mr. Chairman, I would say if our children came home with scores like that, we would make sure they changed schools or went and did their homework. Neither one of them is happening right now.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I have tried to compliment the chairman of the Subcommittee on Housing and Community Opportunity for many of the changes that the gentleman has incorporated into this bill that in fact will allow the Secretary to deal with some of those housing problems.

But, Mr. Chairman, that has nothing to do with what the Brooke amendment does. The Brooke amendment simply caps the rents at 30 percent. As the gentleman knows, he protects all of these very poor. He protects the elderly and the disabled. The only people the gentleman is going to be pushing out of public housing are working poor.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. TORKILDSEN], although this may be a Democratic strategy.

Mr. TORKILDSEN. Mr. Chairman, housing is a key part of the American dream. For some this means owning their own home, and that's why we must keep the tax deduction for mortgage-interest. For others it means renting an apartment at market rates. And for others it means living in subsidized housing. For those people the Brooke amendment is essential.

As a Republican from Massachusetts, I am proud to support this amendment, which upholds the strong tradition of housing fairness established by a great Massachusetts Republican, Senator Ed Brooke.

I applaud the chairman of the Housing Subcommittee for crafting a bill that skillfully reinvents the Federal Government's approach to housing policy. But I find no reason to alter the Brooke amendment as part of this reinvention.

In 1969, Ed Brooke proposed his amendment in response to increasingly unaffordable rents charged by public housing authorities struggling to meet expenses. Unfortunately, not much has changed since then. We still need this valuable safety net for families living in public housing.

The Brooke amendment is plain and simple. It says that families in public housing will not pay more than 30 percent of their income in rent. Last week, I met with Senator Brooke and he explained that his amendment was based on a common-sense rule-of-thumb his father told him when he was young man. Brooke's father said that if he was paying more than 25 percent of his income in rent, he should find another place to live. Unfortunately, for most families in public housing the only alternative is homelessness.

Last year, the Federal Government spent $2.9 billion on public housing agencies. This amount pales in comparison to the $58.3 billion value of the mortgage-interest deduction.

Critics claim that the Brooke amendment discourages work, but this issue is easily addressed without repeal. Repeal of the Brooke amendment would force many people out of the only quality home they have access to.

The Brooke amendment was authored by a Republican Senator and signed into law by a Republican president. It would be disappointing for this Republican Congress to dismantle such a commonsense policy.

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

[From the Boston Globe, May 8, 1996]

SAVE THE BROOKE AMENDMENT

(By Edward W. Brooke)

As a young man starting out on my own, my father taught me that if I was paying more than 25 percent of my income on rent, I was paying more than I could afford and should find another place to live. It was sound advice then, and it is sound advice today.

Too much spent on housing leaves a person juggling to pay for other essentials, robbing Peter to pay Paul, with no ability to save for the future.

Twenty-seven years ago as a Republican US senator from Massachusetts, I introduced the "Brooke Amendment" to keep rents affordable for low-income families, elders, veterans and disabled people living in public housing. Then, as now, public housing authorities faced increasing operating expenses and, in order to cover costs, were charging tenants higher and higher rents—in some cases upwards of 50 percent of their meager incomes.

Congress had two choices: fill the operating-cost gap or turn people out of their homes. We voted to fill the gap and passed legislation, signed into law by President Nixon in 1969, to cap rents at 25 percent of income. In 1981, this cap was raised to 30 percent.

Now, US Rep. Rick Lazio, a Republican from New York and chairman of the housing subcommittee, is expected to bring to the full House a bill that calls for the elimination of the Brooke Amendment. It will put 2.7 million households in danger of losing the rent-cap safeguard in their federally subsidized housing. The rationale for repealing the Brooke Amendment is that, to fill the current revenue gap, housing authorities need to attract working people who can pay higher rents into public housing. The 30-percent cap is seen as a disincentive for residents to obtain work.

The purpose of public housing is to provide decent, affordable housing for low-income families, and the Brooke Amendment has ensured that for almost 30 years.

However, a specious argument has caught hold in Congress that people who have jobs and more choices will choose to move into public housing developments where apartments are cramped, safety is often a problem and one is branded with the stigma of living in a poor development. Do members of Congress really believe that people who have the means to live elsewhere will move into public housing projects? The reality is that people live in public housing because they have no other choice; they are poor and have no other place to go.

If Congress truly wants to remove barriers that discourage public housing residents from obtaining employment, the solution is to give housing authorities the flexibility to set rents below 30 percent in certain instances and allow people to save and get back on their feet. Congress should not withhold operating subsidies from public housing authorities and try to balance the budget by reaching deeper into the pockets of our poorest people. We must keep rents in public housing at a fair and reasonable percentage of income, a percentage that recognizes that people need money to pay for other basic expenses as well.

Some advocates of the repeal cite the rate of crime in public housing. The fact is that less than 15 percent of public housing tenants are involved in crime. More than 85 percent are decent, law-abiding citizens who live in fear of crime. The way to address the crime problem is not repeal of the cap on rents, but through eviction and prosecution of criminal tenants.

I fear that the real intention in repealing the Brooke Amendment is to abandon federal public housing. This misguided and hard-edged legislative action will destroy the foundation of our federal housing policy.

Abandoning public housing is unwise for the country. It ignores the investment that this country has already made to build millions of units of housing—housing that, if we had to rebuild today, would be prohibitive in cost.

The Brooke Amendment is not a budget buster. Last year, the federal government provided $2.9 billion to agencies that run public housing. This figure was dwarfed by the $58.3 billion in mortgage interest deductions that reduce housing costs for middle- and upper-income people. There is clearly no fairness or equity in the allocations between the haves and the have-nots.

There comes a point in making policy decisions when compassion and common sense must dictate. I respectfully urge my Republican successors in Congress to preserve the Brooke Amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Rhode Island [Mr. REED].

Mr. REED. Mr. Chairman, I rise in strong support of the Frank amendment. I have heard from hundreds of Rhode Islanders who are concerned about the repeal of the Brooke amendment. While I commend Chairman LAZIO's amendment which aims to improve his original provision regarding rent payments, I believe that we need to do more to protect those Americans who relay on public and assisted housing.

Our Nation's low-income residents are already coping with drastic cuts in funding for many important programs. Rhode Island's seniors, disabled, and low-income families are already forced to make many choices between the bare necessities of life that Members of Congress do not face. The Frank amendment will allow these people to live in decent, affordable housing and still provide for their food, clothing, and medicine. Simply put, increasing rents for our Nation's most vulnerable will not achieve the goal of "empowering" our citizens. Mr. Chairman, I urge my colleagues to provide real help to our Nation's elderly, disabled persons, children, and low-income residents. Support the Frank amendment.

Mr. Chairman, I rise in strong support of the Frank amendment. I have heard from hundreds of Rhode Islanders who are concerned about the repeal of the Brooke amendment. While I commend Chairman LAZIO's amendment which aims to improve his original provision regarding rent payments, I believe that we need to do more to protect those Americans who rely on public and assisted housing.

We need to ensure reasonable rents for our Nation's seniors, disabled persons, and low-income families so that they can live in safe decent and affordable housing. Our Nation's low-income residents are already coping with drastic cuts in funding for many important programs, and now we are contemplating penalizing those who may find themselves in need of public housing in the future whose incomes fall below 50 percent of the median income level.

Rhode Island's seniors and disabled are already forced to make many choices between the bare necessities of life that Members of Congress do not face. The Brooke amendment has allowed these people to live in decent, affordable housing and still provide for their food, clothing, and medicine. Simply put, increasing rents for our Nation's most vulnerable will not achieve the goal of "empowering" our citizens. Rather, it could force many of these people deeper into poverty.

In Rhode Island, the Brooke amendment matters. In Rhode Island, 25,100 households fall under the Brooke amendment, and not all of them live in public housing. The Brooke amendment matters because 11,400 of these households including children that need to be fed, clothed, and educated. The Brooke amendment matters because the Providence housing market lost some 1,100 units of affordable housing from 1988 to 1992. Regrettably, the bill we are now considering will only exacerbate the problems of those struggling and older Rhode Islanders who desperately need the Brooke amendment.

Mr. Chairman, I urge my colleagues to provide real help to our Nation's elderly, disabled persons, children, and low-income residents. Support the Frank amendment.

□ 1145

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from Los Angeles, CA [Ms. WATERS], a member of the committee and an expert in this field.

Ms. WATERS. Mr. Chairman, I agree that this is, too, about the Brooke amendment, but it is about more than the Brooke amendment. It is about whether or not we are going to develop some sensible public policy that will allow people to become independent.

My friends on the other side of the aisle claim to understand that we have a lot of policies in government that do not allow people to really pull themselves up by their bootstraps. When we look at public housing, we will find a lot of that. One of those policies is the policy that will take more from people when they go to work, which serves as a disincentive.

Recognizing this, we are simply saying, and the chairman needs to understand this, because I do not think he is a dishonest man. I really believe that he is little bit confused about this. When we say that we want to make sure that we are not taking away more than 30 percent, we are doing this so that we can create incentives for people to go to work and earn more money without their rents being raised to 40 and 50 percent. It is as simple as that.

We here in this House, many of us make as much money, take home as much money as these residents make in an entire year.

We heard what the income is of these residents. We take that much money home a month. Let me say, taking that much money home a month, some Members on the other side of the aisle sleep in their offices at night and they get free rent. How dare we talk about taking away more money from the poorest of the poor. We have policies now in public housing where, if one of the members of the family goes to work, we take away more money. This is outrageous and unconscionable. My colleagues ought to just quit it.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 30 seconds.

I will tell my colleagues what is outrageous and unconscionable. It is penalizing work. It is to continue to have the Brooke amendment in place. It is to suggest that rents continue to be tied to income, whether it is 30 or 20 or 25 percent. None of us have to deal with that. None of us have to pay 20 percent of our income the day we look for an apartment.

No one goes around and shops for an apartment and finds that this apartment is 25 percent of our income or this is 30 percent of our income, but that is precisely the old model that they want to go back to. That is precisely the model that has led to disastrous results. Do not ask me; go back to the housing authorities that have said this.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 30 seconds to point out, nice speech, wrong subject.

The amendment we are offering on a bipartisan basis does not tie rent to income. It allows the housing authority every freedom to set the rent for working people except in one context. It says it cannot go above a certain amount. The only difference between this amendment and the gentleman's proposal, by the way, with regard to welfare recipients we are the same. With regard to existing elderly people we are the same. But with regard to working people and new elderly residents, there is one difference. We say set the rent however you want and whatever basis you want, but there is an upper limit. Their bill says, set the rent however you want and whatever way you want without an upper limit. Some protection.

Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I want to make two basic points.

First of all, one of the great crises in America today is that millions and millions of low income and working people are spending 40, 50, 60 yes, 70 percent of their limited incomes on housing. Therefore, they just do not have the money available for the food they need, for the transportation they need and maybe to put away a few bucks for educational opportunities for their kids. That is a real crisis.

The second point that I would make is to try to put this discussion in human terms. I called up a housing authority, senior citizen housing authority in Vermont this morning. They told me that many of the seniors in the housing earn $8,000 a year on average from Social Security. Right now they are paying 30 percent of their income for rent, $2,400 a year.

Mr. Chairman, if this proposal that is in the bill goes through, what could very easily happen is that senior citizens bringing in $8,000 a year will now pay 40 percent of their income in housing. That is an additional $800 a year, when you are bringing in $8,000 a year. Ten percent of all of your income more now goes for housing.

Second of all, if their Medicare proposals go into effect and we raise the Medicare premiums for senior citizens, in a few years time we will be talking about those same seniors paying $500 a year more for Medicare premiums; $800 plus $500, $1,300 a year more on a senior citizen earning $8,000 a year on Social Security.

Meanwhile, we are talking about huge tax breaks for the wealthiest peole in America. Mr. Chairman, this proposal in the bill is unfair. It constitutes a war against many senior citizens.

Mr. LAZIO of New York. Mr. Chairman, I yield 3 minutes and 30 seconds to the distinguished gentlewoman from New Jersey [Mrs. ROUKEMA], my friend and colleague, former ranking member of the Subcommittee on Housing and Community Opportunity.

Mrs. ROUKEMA. Mr. Chairman, I rise in opposition to the Frank amendment to keep traditional Brooke percentage of income rents in place for all public housing residents. While I share his concern that the very low-income families must be protected, but I also think we must allow room for more local decisionmaking to create public housing communities that are more socially and economically mixed, that provide more inspiring environments for the children and that remove disincentives to work. Also, we must face the budget realities. It seems unreasonable to keep Brooke in full force while the compensating operating subsidy will fall almost $1 billion in fiscal year 1996 and fiscal year 1997 from what is needed for the current system. Let public housing administrators find ways to

become less dependent on shrinking subsidy resources and let us not presume that they are less sensitive to the needs of the poor than Congress.

I think your bill takes important steps to reform a program that has been laden with Federal misdirections over the years. Allowing the limited use of new flat and tiered rents for other than the poorest is a good move. We should allow PHA's, within limits, to imitate more fully the simpler rent methods of the private world, where extra family income doesn't result in extra rent. It is important in the era of welfare reform that we remove disincentives to work which many feel has often been unintended consequence of Brooke. By the way, we allow rents in excess of 30 percent of income in the voucher, tax credit, and HOME programs.

I urge the chairman as this legislation evolves with that of the Senate to consider increasing the minimum percentage of units that a PHA must always afford to those very, very low-income households below 30 percent to something higher than the bill's 30 percent to some higher percentage. I also urge you to ensure that the current, non-Brooke residents are thoroughly protected from burdensome rent increases by seeing whether the Gonzalez cap is adequate for that purpose.

I applaud your undertaking to update this valuable, but overly federalized housing program. Let's give change a chance.

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

Mr. CHAIRMAN: I am going to support you on the issue raised by Mr. Frank's amendment to keep traditional "Brooke" percentage of income rents in place for all public housing residents. While I share his concern that the very low-income families must be protected, but I also think we must allow room for more local decision making to create public housing communities that are more socially and economically mixed, that provide more inspiring environments for the children, and that remove disincentives to work. Also, we must face the budget realities and our own outlawing of unfunded mandates. It is unreasonable to keep Brooke in full force while the compensating operating subsidy will fall almost a billion dollars in fy96 and fy97 from what is needed for the current system. Let us let public housing administrators find ways to become less dependent on shrinking subsidy resources and let us not presume that they are less sensitive to the needs of the poor than Congress.

I think your bill takes important steps to reform a program that has been laden with federal misdirections over the years. Allowing the limited use of new flat and tiered rents for other than the poorest is a good move. We should allow PHAs, within limits, to imitate more fully the simpler rent methods of the private world, where extra family income doesn't result in extra rent. It is important in the era of welfare reform that we remove disincentives to work which many feel has often been an unintended consequences of Brooke. By the way, we allow rents in excess of 30% of income in the voucher, tax credit and HOME programs.

I urge the chairman as this statute evolves with that of the Senate to consider increasing the minimum percentage of units that a PHA must always afford to those very, very low income households below 30% to something higher that the bill's 30% to some higher percentage. I also urge you to insure that the current, non-Brooke residents are thoroughly protected from burdensome rent increases by seeing whether the Gonzalez cap is adequate for the purpose.

I applaud your undertaking to update this valuable, but overly-federalized housing program. Let's give change a chance.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Chairman, I thank my colleague from Massachusetts for yielding time to me.

Let me remind my colleagues, as I told them last night, I was one of the members of the Democratic party who supported this legislation when we reported it from the Committee on Banking and Financial Services. I commend my colleague from New York for crafting a bill which I believe moves public housing policy forward in ways which I agree with. In particular, greater involvement at the local level, moving away from project-based assistance to tenant-based assistance through the use of vouchers and promoting home ownership. These are proper goals. But the bill is not perfect.

By removing the Brooke amendment, which places a rent cap of 30 percent, it creates some serious problems. There are two significant problems with the repeal of Brooke which we should correct by adopting the Frank-Gutierrez-Hinchey amendment.

First, by lowering the funding for assisted housing and removing the rent cap, local housing authorities will have no choice but to raise rents to meet existing demand, let alone any growth. It is a simple economic fact which the majority deny but not dispute. The housing authorities will have to maximize revenues to meet need and can only do so by raising rents.

Second, the bill, through the manager's amendment, makes the same mistake that we have in Federal welfare policy. By lifting the rent cap for families with incomes over 30 percent of the median, we actually tax work and thus create a discentive to achieve.

I think my colleagues in the majority would agree that an effective tax increase of 100 percent is a disincentive to economic opportunity and growth, let alone work. This bill moves us in the right direction, which should be to help people in need but to try and move them away from housing projects and ultimately off assistance and into homes which they own. But by repealing the Brooke amendment and not adopting the Frank amendment, we will contradict that goal and ultimately fail.

Adopting the Frank amendment will correct this flaw in an otherwise well-intentioned bill. I would ask my colleagues to remember, when they have gone to the bank to apply for a mortgage, that the banks will often have them fill out a formula that tries to see if you can pay the monthly note with 28 to 30 percent of your adjusted gross income.

Adopt the Frank amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 1 minute to just outline the fact that the compromise that was struck on the so-called Brooke amendment which allows for protection in our bill, the poorest of the poor, seniors and disabled, is supported by housing authorities throughout the country, including the Massachusetts Chapter of the National Association of Housing and Redevelopment Officials.

Let me just read part of that, if I can:

"We support the compromise language on the Brooke amendment. We do not support the position taken by Congressman KENNEDY and Congressman FRANK. Both Congressman know this. Massachusetts Housing Authorities are pleased that your legislation will breathe life into dying housing developments. Key to our support is the local control, flexibility and trust you place in locally elected or appointed officials to lead LHA's and to do the right thing. Your concept is correct. They are accountable to their communities."

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I just point out that when you are putting money in the back pocket of the housing authorities, it is very easy to get a letter like that.

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman, it is not this side of the aisle but your side of the aisle that wants to increase administrative fees that go directly to housing authorities. They simply want the flexibility to do the right thing.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 30 seconds. I know this is clearly one where the housing authorities are on one side; the tenants are on the other.

□ 1200

No tenant has said to me, "Please let them raise my rent."

The housing authorities explained this to me: Given the cutbacks that have occurred in the housing budget, they believe they are going to have to raise the rents on working tenants to get moneys to offset it. One of them said to me, yes, these Massachusetts people will be between a rock and hard place. I do not think that is the case. I think they are between a rock and a rather soft place, the lower income people. But I do understand the housing authorities are faced with these

cuts, are prepared to raise the money from the tenant. I disagree very much with the housing authority.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from the great State of Oklahoma [Mr. WATTS] for purposes of offering an amendment.

AMENDMENT OFFERED BY MR. WATTS OF OKLAHOMA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. FRANK OF MASSACHUSETTS, AS MODIFIED

Mr. WATTS of Oklahoma. Mr. Chairman, I offer an amendment as a substitute for the amendment, as modified.

The Clerk read as follows:

Amendment offered by Mr. WATTS of Oklahoma as a substitute for the amendment offered by Mr. FRANK of Massachusetts as modified:

Page 157, after line 26, insert the following new subsection:

(b) LIMITATION.—Notwithstanding any other provision of this section, the amount paid by an assisted family that is an elderly family or a disabled family, for monthly rent for an assisted dwelling unit bearing a gross rent that does not exceed the payment standard established under section 353 for a dwelling unit of the applicable size and located in the market area in which such assisted dwelling unit is located may not exceed 30 percent of the family's adjusted monthly income.

Page 158, line 1, strike "(b)" and insert "(c)".

Page 158, line 9, strike "(c)" and insert "(d)".

Page 159, line 1, strike "(d)" and insert "(e)".

Page 172, line 11, before the period insert the following: ; except that in the case of an assisted family that is an elderly family or a disabled family, the amount of the monthly assistance payment shall be the amount by which such payment standard exceeds the lesser of the amount of the resident contribution determined in accordance with section 322 or 30 percent of the family's adjusted monthly income.

Mr. WATTS of Oklahoma (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. FRANK of Massachusetts. Reserving the right to object, Mr. Chairman, we have not been given the courtesy of a copy.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that the amendment be considered as read. The gentleman from Massachusetts reserves the right to object.

Mr. FRANK of Massachusetts. Indeed, since we have just now been given a copy, I do object but would like to proceed with the reading.

The CHAIRMAN. Does the gentleman withdraw his reservation of objection?

Mr. FRANK of Massachusetts. I object because we need time to read this. We have not been given the courtesy.

The CHAIRMAN. The gentleman objects. The Clerk will continue the reading.

The Clerk completed the reading of the amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. WATTS] is recognized for 2 minutes.

Mr. WATTS of Oklahoma. Mr. Chairman, as we have heard read, this amendment provides for protection of elderly and disabled by providing that their rental payment will not exceed more than 30 percent of the family's monthly adjusted income.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. Before the gentleman is recognized, the Chair wants to make sure everyone understands that the time utilized to discuss the substitute in front of us is taken from the 1 hour equally divided between the gentleman from Massachusetts and the gentleman from New York so that the gentleman has the opportunity to utilize that time in debating either the substitute or the amendment originally offered by the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I ask unanimous consent, given the changing aspects of this, that we add another 10 minutes to each side of the debate.

The CHAIRMAN. Is it the intent of the gentleman from Massachusetts [Mr. KENNEDY] that that time be allocated simply to the substitute or to the full 60 minutes allocated earlier?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would offer it to the full 60 minutes, depending on how this works out.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that an additional 10 minutes equally divided between both sides be allocated to the original 60 minutes of debate for consideration of the Frank amendment.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume, and I thank the gentleman from New York [Mr. LAZIO] for his courtesy in this regard.

We have here one more tactical retreat. In the interests of simplicity, they further complicate things. Here is the problem:

The manager's amendment would have created a new notch act for people who are nostalgic about the notch act. The manager's amendment that the other side was so vehemently defending said for currently disabled and elderly people it would be a 30-percent cap, but for new people it would not be. So now what this does is to apply the 30-percent cap to new elderly people.

I like that. So does my amendment.

Why is it offered now? It is offered now in a desperate hope to prevent a vote on the underlying amendment because if this substitute is adopted, then there is no vote on the underlying amendment.

As a matter of fact, this was a preexisting amendment, and intellectual property does not apply in here. It is a substitute amendment offered by the gentleman from Oklahoma [Mr. WATTS] crossing out "Mr. Hinchey of New York." They took Mr. HINCHEY's amendment, which would have done this subsequently, and they crossed it out and they wrote in "Mr. Watts."

Mr. Chairman, that is okay. They can do that. The gentleman from Oklahoma is not the Peoples' Republic of China. He is not held to any standard on intellectual property. He can copyright and counterfeit and pirate; that is OK. But the reason he did it is to prevent a vote under the underlying amendment.

And I just want to make one point before I yield to my friend from Massachusetts. Understand that the gentleman from New York said the tenants are better off without this 30-percent cap. Understand the wholly illogical and inconsistent approach he takes. On the one hand he says over 30 percent cap has been bad, even if it is not a flaw, it is bad for the tenant, it drives their rents up. So now he says, "I am going to protect the elderly by subjecting them to that 30 percent cap," that he says is so bad for them. It just shows what a sham this is.

Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I have a question of the author of the amendment.

The gentleman has offered this amendment under the section that deals with the vouchers of programs side of this. Does the gentleman intend for this to cover public housing as well?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, this would apply to tenant based, project based and public housing.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I ask the gentleman, are you sure, Mr. LAZIO, it applies to public housing? Because you have offered it in the third section of this bill.

Mr. FRANK of Massachusetts. Reclaiming my time, Mr. Chairman, maybe we should find the gentleman from New York [Mr. HINCHEY]. They stole the amendment offered by the gentleman from New York [Mr. HINCHEY]. Why do we not get the gentleman from New York to explain it to the gentleman?

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman would continue to yield, I am just pointing out to my colleague that he has offered this amendment in the third section of

the bill, and my understanding from staff is that that raises a serious question as to whether or not it covers public housing.

Mr. FRANK of Massachusetts. Mr. Chairman, in fact what happened was the gentleman from New York [Mr. HINCHEY] had two separate amendments, and they only stole one. They forgot to steal them both. So the gentleman only took half of Hinchey; he got a "Hinch" but no "E" here. So that is the problem.

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous-consent request to amend this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from New York is recognized for the purpose of a unanimous-consent request.

Mr. LAZIO of New York. I ask unanimous consent, Mr. Chairman, to allow this amendment to apply to seniors, prospectively in public housing, as well as those seniors who use vouchers through the section 8 program.

Mr. FRANK of Massachusetts. Reserving the right to object, Mr. Chairman, the gentleman from New York [Mr. HINCHEY] has these amendments in proper form pending. The appropriate way to do this would be to vote on the amendment that is now pending. If it is defeated, these two amendments would then be in order. This is simply an effort to hijack the amendment of the gentleman from New York [Mr. HINCHEY] to preempt a vote, and therefore I object.

The CHAIRMAN. Objection is heard.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we are again going around and around. We are talking about ensuring that working people have the incentive to go to work. We are trying to ensure that the Brooke amendment, which is a tax on work, which will result, even the Frank amendment will result, on more taxes on working people, on higher rents, kills jobs, hurts working poor, hurts working people, hurts mixed income, will be defeated.

What we are saying is that we need to protect the most vulnerable members of our society, and that is not inconsistent. We are saying we need to protect the seniors, we need to protect the disabled, we need to protect the poorest of the poor, and all those people are protected in our manager's amendment and in our bill.

We are trying to move beyond that. The gentleman has objected to a unanimous-consent request so that we can apply this to seniors in public housing, but we are going to apply this prospectively in the future to seniors using section 8 voucher-based program.

We will, through the process, hope to amend this even through the objections of the other side so that seniors will be protected who will prospectively live in public housing.

Let me explain for my colleagues what we want to do so that working people have a decent chance. If we have fixed rents, flat rents, the rents that all of us pay in their own marketplace, if we go out and look for an apartment, someone does not ask us how much we make and we will fix the rent based on how much that person makes, whether it is 20 percent, 25 percent or 30 percent. If the housing authority fixes rent for an apartment at $65 a month and somebody is making $75 a week, under the Frank-Gutierrez amendment, as it currently stands, they would pay $100 as opposed to $65 a month, a disincentive to go to work for even $75 a week.

If someone is offered overtime and the ability to go to work again and take another job and make $150 a week, again his rent goes up. Instead of paying $65 a month, he goes to $200 a month. Why should somebody go out and do the overtime if he knows it is being eaten up in additional rent? If he goes to $300 a week, his rent goes up to $400 a month as opposed to $65 a month. All these are disincentives to work.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1½ minutes to say I have never heard such misleading nonsense on the House floor. The amendment we offer does not require anybody's rent to go up a penny. Indeed it is the amendment of the gentleman from New York already in the bill that allows the housing authority to go much higher.

We say, "The housing authority, use whatever basis you want, but in no case go above 30 percent."

The gentleman from New York says, "Use whatever basis you want and go as high as you want." And if, in fact, not being subjected to a cap is such a protection, why is he then taking that away from the elderly?

But the central point is the gentleman from New York has just made statements that are so widely at variance with the facts that I am astonished. He says under our amendment the individual's rent would go up. No, only if the housing authorities, whom he is defending here, choose to do it.

His argument is that if we give a housing authority a 30-percent limit, they will set the rate higher than if we tell the housing authority they can set it as high as they want to. The gentleman knows that is a hard argument to make. That is why, just to remind people of the parliamentary situation, the gentleman has taken the Hinchey amendments in an imperfect form and put them in here, because he is desperate to avoid a vote.

The key difference is this: Under his bill, even with the Hinchey amendments that they have stolen for these purposes, working people will be subject to unlimited rents, people on welfare and elderly will be subjected and protected by the 30-percent cap. That would then be the sole difference, and I believe we ought to have a vote on that and not be preempted by some parliamentary sleight of hand.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, it is ironic the gentleman from Massachusetts is complaining about parliamentary sleight of hand.

Mr. Chairman, I am trying to compromise and move the extra yard to ensure that some of the concerns by the other side of the aisle are met. I tried to make unanimous-consent requests to allow that seniors who will prospectively live in public housing or use section 8 housing will be able to have the protections that the other side claims that they are in favor of. But that is not good enough. They have objected to my unanimous consent.

If the gentleman from Massachusetts [Mr. FRANK] wants an up-and-down vote on his amendment, which I think is a disastrous amendment, which all housing authorities' associations have basically said is a disastrous amendment, I am happy to do that.

Mr. Chairman, I yield to the gentleman from the great State of Oklahoma [Mr. WATTS] for purposes of unanimous-consent request to withdraw the amendment as it exists and to allow the gentleman from Massachusetts [Mr. FRANK] to offer it as is.

Mr. WATTS of Oklahoma. Mr. Chairman, I ask unanimous consent to withdraw my substitute amendment and then proceed.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Oklahoma [Mr. WATTS] as a substitute for the amendment offered by the gentleman from Massachusetts [Mr. FRANK] is withdrawn.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Mr. Chairman, may we know how much time is remaining and on what amendment?

The CHAIRMAN. At the present time the original Frank amendment is the only amendment before the House.

The gentleman from Massachusetts [Mr. FRANK] has 10½ minutes remaining, the gentleman from New York [Mr. LAZIO] has 12 minutes remaining.

□ 1215

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from the great State of Arizona [Mr. HAYWORTH], a

great member of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Services.

Mr. HAYWORTH. Mr. Chairman, I thank the gentleman from New York for his courtesy in that introduction and, indeed, for his goodwill and incredible patience in trying to deal with what has become a very contentionus situation.

My good friend, the gentleman from Massachusetts, to whom I always listen with great interest, a little bit earlier said he had never heard such outrageous nonsense on the floor of this House. Resisting the temptation to bring up some incredible mathematic equations that have been offered by that side with reference to real increases in spending being portrayed as cuts, I would simply say that there has been a great deal of nonsense that has emanated from the other side of the aisle with reference to a myriad of subjects.

But let us move away from nonsense to solving this problem. That is, trying to have housing for the poorest in our society, trying to reach out and empower them to become part of the economic mainstream and to live the American dream.

Mr. Chairman, it is inherent with the proposal from my colleague, the gentleman from Massachusetts, that an unintended by-product, an unintended consequence, if you will, even with the modification, is to in essence levy a tax on those who want to work; for even if there is a cap instituted, as the gentleman from Massachusetts in modifying his amendment has done, even if there is a cap, the temptation is always to go to that limit, to that cap and no further.

Indeed, if we focus on what has been our history, if we focus on the parameters set forth, if we have that parameter decreed by Washington, it is a virtual certainty that then the 30 percent cap will in fact take place, you will have a situation where you have a malicious tax imposed, and that is something we must categorically reject. I stand in opposition to the amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 90 seconds to the gentleman from Minnesota [Mr. VENTO], one of the senior members of the committee, a great housing advocate.

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

Mr. Chairman, the proposition that is proposed here by the majority is that if we have safeguards in terms of limiting rent, that that is somehow going to hurt the tenants. That is what is being suggested. We agree, I guess, on the senior citizens that are in housing and disabled, and on very low income, but not on future senior citizens or low-income residents. We are going to have a disparity. They are going to pay more, or they are at least going to be exposed to pay more for rent.

I am not surprised that housing authorities actually want this flexibility. Let us face it, the administration, housing authorities, want all the money and all the flexibility they can get. That is not surprising—the housing authorities trust themselves. It is our role in Congress to look at whether or not we are going to accommodate and try to provide some protection—some safeguards for those that are in public housing.

I think all we have to ask ourselves is who is for it and who is against it. In other words, the housing authorities, the landlords are for the Lazio amendment; they want the flexibility to go this way and to in fact raise rents. The tenants are against it because they get no assurance as to the limit of rent increases—no safeguards out of this proposal.

In other words, this amendment that the gentleman has and the way he has structured the law hurts the working poor. The Frank amendment ceiling cannot hurt them, it can only help. If they want to collect less, if you say they need work incentives, they can disallow income, they can go in all sorts of directions. But the amendment that is before us says you can only go down as long as you are below 30 percent. What is before us in the bill removes the ceiling, removing the safeguards in terms of the costs protection for working Americans who are in this public housing, that are fortunate enough to be in public housing. When we remove the safeguards and reduce the Federal dollars and restrict them in terms of this block grant, we can be sure they are going to be pushed, pushed into higher rents for working people and their families.

The fact is the Republicans refuse to deal with the minimum wage, and now they are pushing low income public housing residents into higher rents, higher rent for working Americans.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, we are still arguing about income-based rent. Therein lies the philosophical divide. Therein is the reason why people who manage public housing and do this on a daily basis day in and day out, and live with the problems, live with the challenges, work with the people, and understand the problems, why they say that this approach is so devastating to work. They say it has been a disincentive to work, it has been an incentive to fraud, and it has caused a humongous amount of change in terms of mixed income, which is very important.

Let us talk about mixed income in public housing for a second, because the Brooke amendment and the Frank amendment would continue to compound the problem that exists in public housing today because it chases out the people that get a job, because it is a tax on work. It is a tax on employment. It is a work disincentive. It hurts the working poor. It increases rent for the working poor.

Over here, we talk about the change that has existed as a result of the changes through the last Congress as a result of many different issues, including the Brooke amendment.

Over here, we show the red line, which is where tenant income as a percentage of those people who occupy public housing, where it has gone. In 1982 it was up here. In 1996, during that same time, the blue line represents the operating subsidies, the amount of money that we have had to subsidize as that has gone up in direct correlation. As that number has gone down, the red line has come down; it means fewer people have role models.

There are no opportunities to have the kind of exchange with working people that leads to job opportunities: Have you heard about a job? Do you know where I can get a job? Do you know where I can leave my resume? All those things do not exist in some housing developments in America. That is a disgrace. That is a shame. That is what the gentleman from Massachusetts [Mr. FRANK], through his amendment, is continuing to support.

Mr. BAKER of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Louisiana.

Mr. BAKER of Louisiana. Mr. Chairman, I am trying to understand. Apparently all the discussion has been unable to make our case quite clearly. Is it the circumstance, in the gentleman's opinion, if a working family is in public housing today and mom is at home, and they somehow make arrangements to get child care, and mom leaves and takes on a new job, so the income of the family may go up to $1,200 or $1,500 a month, they have to pay for day care, but that does not matter when we look at the 30-percent rule, that that then applies to both new incomes; so rather than mom go out and work and pay for day care, mom just stays home. Is that what the gentleman is saying?

Mr. LAZIO of New York. That is exactly what I am saying. The day that mom goes to work is the day she pays 30 percent of her income in new taxes or rents.

Mr. BAKER of California. If the gentleman will further yield, he is telling me that it is the local housing authority that sets the rules in place.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute, and we can continue this debate.

Mr. Chairman, I would say the gentleman from New York has a key point, but I think it makes our argument. Remember, the Brooke amendment has had two forms. As originally proposed by Senator Brooke and adopted, it was simply a cap and not a floor. It was

changed in 1981 to be both a cap and a floor. Interestingly, the gentleman's chart begins with 1982, after the change. He is showing a decline.

In fact, the amendment we are offering would restore the Brooke amendment to what it was before his. The point is, by the gentleman's own point on the chart, the Brooke amendment, before Gramm-Latta, did not have that effect. That is where he starts his chart. He characterizes the negative effect of the amendment to the Brooke amendment. But what we put forward leaves that out and restores it to the pre-1982 pre-chart days.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, the exact same situation that exists currently under Brooke will be in place under the gentleman's amendment, the exact same situation.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman is still talking about basing rent on income. Whether it is 30 percent or whether it is 28 percent or 25 percent or 20 percent, Mr. Chairman, the day you go to work, you get that additional tax. Your rent goes up. You are punished for working. That is why this is a rent increase on the working poor.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I want to try to reach some agreement here. The point is this: By the gentleman's own chart he is acknowledging, by his choice of a date, that when the Brooke amendment was simply a cap and not a floor, it did not have that negative effect. His own chart starts there. I am talking about returning it to what the gentleman regards from his chart as the good old days. The gentleman should read his own chart.

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman, our chart begins in 1982 or 1983. I guess we could have gone back 10 more years.

Mr. BAKER of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Louisiana.

Mr. BAKER of Louisiana. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, anybody can make charts and draw diagrams. Certainly they can make their own, rather than use ours. The point is, we should turn to those people who administer public housing at the local level and who do a good job.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would like to understand, from a working family's perspective, let us assume the example that the gentleman from Louisiana [Mr. BAKER] gave of a family whose mother goes out and gets this job. Does anybody really think it makes a difference to her whether she is paying a percentage of her income in rent or just an increase in rent? The truth of the matter is that she is paying more in rent.

What is wrong with the first chart, which I would just take a second to go pull out here, the chart that the gentleman from New York [Mr. LAZIO] used. Let us go to this chart here. Somehow or another, according to this chart, the mythical rent under this bill will be $65 a month. The truth of the matter is that what the gentleman from New York [Mr. LAZIO] does not say on this chart is the fact that there is no rent cap whatsoever, and that this figure can go up twice as high as this figure. This is a rent ceiling. There is no rent ceiling on that of the gentleman from New York [Mr. LAZIO], and that is the fundamental difference.

Mr. Chairman, what we are talking about here is something fairly simple. What we are talking about is the fact that under the Lazio bill, we are saying that very poor people are going to be protected by only paying 30 percent of their income. We are saying that elderly and disabled people that are currently in public housing are only going to pay 30 percent of their income.

The gentleman tried to amend his own bill by extending that to elderly and poor new residents, but the truth is that the only people left to jack up the rents on are the working people. It is the working people, the very people that they claim to be protecting by the 30-percent protection, by eliminating that, they are the only people left on which to jack up the rents. By cutting the housing budget by $2.5 billion in public housing alone, $5 billion in both assisted and public housing, you have to get public housing authorities to raise more money, which is why they all endorse your bill.

What they are going to do is jack up the rents, and with the protections that you have provided, the only people they can jack up the rents on are the working people of this country who occupy public housing.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 2 minutes.

Mr. BAKER of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Louisiana.

Mr. BAKER of Louisiana. Mr. Chairman, I just want to point out, it has again been missed, that housing director after housing director after public housing authority board member has contacted Members of this Congress and said, "Please, give us some relief from the Brooke amendment." I think the chairman is in receipt of a letter from the National Housing Officials Association. Would the chairman inform the Members as to what this group's opinion is with regard to the effects of the Brooke amendment?

Mr. LAZIO of New York. Mr. Chairman, let me respond to my friend, the gentleman from Louisiana. Again, Mr. Chairman, the National Association of Housing and Development Officials, the people that have the hands-on experience, that work with this problem every day——

Mr. BAKER of Louisiana. The people who are going to decide how much rent an individual is going to pay?

Mr. LAZIO of New York. That is right.

Mr. BAKER of Louisiana. The very folks who are in charge?

Mr. LAZIO of New York. That is precisely right. In their letter they write that the Brooke amendment is a "disincentive to work, encourages fraud, and offers local housing authorities little flexibility to reward working households."

Mr. BAKER of Louisiana. Mr. Chairman, does that mean, if the gentleman will continue to yield, that if we keep the current system in place, we discourage people from getting job skills and going to work and maybe one day moving out of public housing? Is that the problem?

Mr. LAZIO of New York. That is precisely the problem.

Mr. BAKER of Louisiana. Mr. Chairman, does the gentleman mean people live in public housing for years?

Mr. LAZIO of New York. That is precisely the issue. If our intent is simply to maintain or warehouse the poorest Americans, we are in the process of doing that again, if we adopt this amendment.

□ 1230

If our principle is to transition, to create an environment where people can have work and hope and opportunity and get a job and make their own choices, free of public subsidies and free of the artificial world where incomes and rents are tied together, then we will move in this direction.

Mr. BAKER of Louisiana. Excuse me, because I am still having a hard time. We are characterizing local public housing authorities across this country as people who do not care about those people. By and large, are not most of these individuals who serve on these authorities either very low paid or volunteers trying to perform a public service to help people in their community have decent housing? Is it the belief that if we do what we are suggesting, as the chairman is trying to lead this Congress, in doing that we are going to go out into all communities in the country and start throwing people out of public housing, is that the belief?

Mr. LAZIO of New York. The gentleman is hitting the point again. We are saying that local people who have local vested interest, who have dedicated their lives to housing, will be compassionate, will watch out for the people that they have committed themselves to watch out for.

The National Association of Housing and Redevelopment Officials says, "We vehemently deny the accusations from some that housing authorities are seeking to immediately escalate rents without any regard to the household's ability to pay." They are saying, "We commit ourselves to this. The reason why we are drawn to this occupation, to this job, is a sense of duty to watch out for the poor. We are not going to be devastating the poor. We are trying to give incentives to people to work."

Mr. BAKER of Louisiana. Does the gentleman mean these people are telling us if somebody goes to work they want them to be able to keep the money?

Mr. LAZIO of New York. That is exactly what they are saying.

Mr. BAKER of Louisiana. I am shocked.

Mr. LAZIO of New York. Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. MILLENDER-MCDONALD], our newest colleague.

Ms. MILLENDER-MCDONALD. Mr. Chairman, first, I would like to thank Mr. FRANK for allowing me the opportunity to speak on this most important issue. In listening to the debate on this issue, it is clear to me that my colleagues in the majority truly believe in their views on this issue. To some extent, I would agree with the spirit of their views but not with the methods. In our efforts to reform public housing we must be careful not to hurt the very people who we are trying to help, the residents of public housing. Please be clear.

Under current law, the Brooke amendment was enacted in 1969 to protect the most vulnerable residents of public housing from paying too high a percentage of their income for rent. The amendment made public and assisted housing affordable for very low-income families. Typically, poor families who are not in public housing pay more than 30 percent of their income in rent. Currently, more than 5.3 million families, who are not in public or assisted housing pay more than 50 percent of their income for rent. The limits set by the Brooke amendment have made public and assisted housing more affordable for very low-income families by preventing dramatic increases in rent. The practical effect of the Brooke amendment has been to cushion the residents of public housing against the fluctuations in the housing market.

Current law also addresses the earned income adjustments that allow public housing authorities to encourage work through more flexible rent structures. Further, rent ceilings allow public housing authorities to price units competitively with the market and allow retention for mixed occupancy. The Brooke amendment is a good amendment. It is sound public policy. I don't see any reason to repeal it but apparently there are those who see fit to do so.

Mr. Chairman, let's tell the truth about this bill. H.R. 2406 repeals the Brooke amendment and hurts the people we are trying to help, by removing the limits placed on rent charges. This is hypocritical at best.

We are going to remove the caps on rent and in the same breath deny them an increase in the minimum wage. That equates to a backhand and a forehand slap to the faces of the residents of public housing. I hear some of my colleagues say that they value home ownership and that residents of public housing will be allowed to purchase their units. Tell me how will those residents be able to afford the mortgages on those units without being able to earn a decent livable wage. And as the public housing units are turned into owner-occupied housing, what will happened to the availability of the housing for very low-income earners. Will the market respond by building more affordable housing. I don't think so.

I would say to my colleagues on both sides of the aisle, if we are going to repeal the Brooke amendment, then let's take a serious look at the Frank amendment. The Frank amendment sets a new 30-percent cap that would be the maximum limit for a family's contribution to rent. This amendment also establishes a flexible rent-to-income ratio that would permit very low-income families to pay less than 30 percent of their incomes in rent if the housing authority chose to implement such rent standards.

When I began my career in public service, I wanted to serve my constituents, especially the vulnerable but not evict them. When I came to Washington, I wanted to strengthen families not hurt them. I have nine, count them, nine housing projects in a district that is just under 36 square miles. In those housing projects are people just like those of us sitting in this Chamber. The difference between us and them is circumstances. The people in Nickerson Gardens Imperial Courts, Jordan Downs, or Dana Strands struggle daily to make ends meet. They are not looking for a hand out, they are simply looking for a compassionated hand to assist them in getting by from one day to the next while improving their circumstance. This amendment would help my constituents. A 30-percent maximum cap on rents would help my public houising constituents. If H.R. 2406 is going to repeal the Brooke amendment let's replace it with the Frank amendment. This amendment is sound public policy. After all, we are here to serve the public and not our own political interest. I urge my colleagues to support the Frank amendment, and maintain the goal of providing affordable housing to our working poor.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 4 minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, I am glad the gentleman from New York brought out his chart; it was his chart, and he picked 1982, not as a random number but because that is the point at which he believes the Brooke amendment began to have a negative effect.

Interestingly, that is the year the Brooke amendment was changed. The Brooke amendment began as a limit on the overall amount that could be charged. It never argued for income-based rent in every case. It simply said no matter what your basis is, housing authority, this high and no higher.

In 1981, as part of the Republican program of Ronald Reagan passed by a Republican conservative Democratic coalition, that was changed and it became both the ceiling and a floor. At that point, yes, it did have some unintended negative consequences. The theory was in Gramm-Latta that they did not want to appropriate that much more Federal money, so the reason they did that in 1981 was to force the housing authorities to take more money in than they otherwise would, and that was wrong.

The amendment we are offering today restores the original Brooke amendment, the pre-1981 amendment. It says there will be an overall limit, and that is all it says. In fact, no one has shown any negative effect during that period. We are restoring the Brooke amendment to what it was in the 1960's and the 1970's. In other words, this argument that the gentleman is making about a work disincentive is dead wrong.

As a matter of fact, under the proposal of the gentleman from New York we get a work disincentive, because under his amendment there is a 30-percent cap on income for people who are on welfare, 30 percent of the median or below. Under his amendment, if a person gets off welfare and goes to work, then their rent can go up by more than their income. He has the disincentive.

Why so illogical? Partly to try to get the votes, but partly because again this is an effort to say if we do not appropriate the money, we are going to get it out of the tenants.

Do the housing authorities have any strong objection to raising the rents on the tenants? Surprisingly, not. But I do not believe that that should direct our policy. So we would simply return to the days of the Brooke amendment before it had any negative consequences. This is a ceiling. It is not a floor. It had no work disincentives in the 1960's and 1970's. It would have none again.

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, the gentleman from Massachusetts [Mr.

FRANK] has stated it and I think it should be understood. But I want to be clear, will the housing authorities have the ability to raise the rents as high as they would like to, above the 30 percent, regardless of ability to pay.

Mr. FRANK of Massachusetts. Yes. And under the amendment of the gentleman from New York, what he says is this. He said it in his argument: If we limit the housing authority to 30 percent we are saying, "Take any factors you want into consideration, geography, whatever, but do not go above 30 percent." They will charge the tenant more rent that if we say to them, "Set the rent on whatever basis you want but there is no cap." I have never before heard that imposing a limit in fact required people to go higher than if there was no limit.

Mr. Chairman, I yield to the gentlewoman again.

Ms. WATERS. Is this an attempt to get the operating expenses that they rescinded and cut out of the budget, trying to get as much money as they can from the tenant in order to offset the money that they cut from the budget?

Mr. FRANK of Massachusetts. That is absolutely right. Let me just say, my friend from Minnesota just suggested a point. Under their theory, the way to get the rents lower is to let the authorities charge as much as they want. I guess the way to get people to drive more slowly would be to remove the speed limit altogether. The gentleman from Minnesota is right. I voted to go to 65, but maybe if we took the speed limit off altogether people would go lower. This is the logic of the gentleman from New York.

Remember, his amendment says if a person is on welfare and they are making less than 30 percent of the median, they get the protection of the 30-percent cap. He argues again illogically when he says, and I hope he will try to explain this, this is a protection, but if they are working it somehow would become an assault on them. I hope Ed Brooke's original amendment is restored.

Mr. LAZIO of New York. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from New York is recognized for 3 minutes.

Mr. LAZIO of New York. Mr. Chairman, we hear the same old stuff: Keep the status quo. Protect things the way they are. Continue to warehouse the poor. Continue to keep disincentives to work. Penalize the working poor. Raise rents on the poor. Keep things the way they are because that is OK.

It is not OK. It is not acceptable. This bill begins a process of strengthening communities, of making communities healthy, of increasingly having mixed income in developments, in public housing developments, of encouraging people who want to work to go to work, to make sure that a mom who wants to work overtime can do that without fear of getting a 25- or 30-percent tax the day she goes to work.

The Frank amendment destroys that opportunity. It is a disincentive to work. It destroys the ability to have mixed incomes. As long as they wed themselves to the old status quo model of tying income to rent, it will continue to be a disincentive to work and will continue to have the effect of concentrating the poorest of the poor in certain developments. It will continue to have the effect of being a disincentive to have an environment where people and children and families can have a life where they can have hope and opportunity and have a chance at a job. They can do the things that all of us want to do.

We believe in partnerships. We believe in local responsibility. It is ironic that the gentleman from the other side of the aisle is now criticizing the housing authorities. For 30 years the people on the other side of the aisle have said that housing authorities are wonderful, that they should get more help, that they should be trusted more. But now it is convenient to say, "Let us not trust local communities anymore. Let us not trust local communities to make these decisions on their own. Let us not trust them to have the right types of income disregards."

In this bill we have 10 different protections, including a phase-in of rent where we have a situation where rent for some people does go up. We have protections that would allow and facilitate people who want to go out into the work force.

The model here, it is two different visions of America, Mr. Chairman. One vision is a vision of maintaining the status quo, of continuing to condemn the people on State Street to another 30 to 40 years of virtually universal unemployment, of drug-infested apartments, of having situations where there are poorly maintained apartments, as opposed to another vision which would be a vision where we have mixed income and incentives for people to work. People would have the ability to use vouchers to buy their own homes if they want. Residents would be able to buy their own public housing if they want.

By getting back to local involvement, local flexibility, we are in fact encouraging work. We are providing work incentives. The Frank amendment is a job killer. It is a disincentive to work. It will continue to concentrate the poor. It will lead to warehousing of the poor. Our model is a model of hope. It says that if a person is motivated, if they have the opportunity to go to work, they will be able to keep the fruits of their labor without penalty.

Mr. NADLER. Mr. Chairman, I rise in strong support of this amendment, which would restore the Brooke amendment to H.R. 2406. H.R. 2406 repeals this very crucial housing protection, a provision in current law that has for the past 25 years, ensured that low-income families would not be required to pay more than 30 percent of their income on rent. The repeal of the Brooke amendment in this housing bill, would have a very devastating effect on many Americans, forcing thousands out on the street.

This bill reneges on our Nation's promise that Americans who are most in need of housing assistance can afford to receive it.

This protection has provided a critical safety net for those in desperate need and have saved so many from homelessness and destitution.

Mr. Chairman, even with the current protections of the Brooke amendment, homelessness and unacceptable living conditions continues to plague America. There are more than 5 million American renter households, not including the homeless, who have "worst case" housing needs, paying more than half of their income for rent, living in substandard housing, or in the most unfortunate cases, both.

This problem afflicts the elderly, working poor families, and others who strive to make ends meet on the minimum wage—a minimum wage, if I might add, which has not kept up with inflation, and has not been raised since 1991, because of staunch Republican opposition.

Securing safe, affordable housing for those who remain poor despite hard work, for children or for those who might be unable to make a living on their own due to health or other reasons, is crucial to the positive development of today's youth and families, the safety and well-being of our elderly, and for our Nation's communities as a whole.

I have many constituents who have contacted me about their fears of what this bill could mean to them. One constituent, who happens to be a quadriplegic, informed me that should the Brooke amendment be repealed, he surely "would be out on the street," and I am further saddened to say that there are many more who would be put in the same situation.

We need to ensure that affordable housing remains available. It is the right thing to do and it is the smart thing to do.

Mr. Chairman, I urge the passage of this very critical amendment in ensuring basic housing protections to thousands of Americans most in need.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today to speak in support of this very important amendment, the reinstatement of the Brooke provision.

A cornerstone of this country's public housing is affordability. The elitist notion that $50 a month is not too much to ask for in rent is the same notion that spurred Marie Antoinette to suggest that France's poor should eat cake if they had no bread.

When you are the poor of the poor, then you have a perspective that few of us in this chamber have ever known or will know. That should not, however, stop us from having common sense about what is fair or what is right.

Setting a 30-percent public housing or assisted housing maximum rent limit based on income is the fair and right thing to do.

Many of us know, or have heard of the personal finance rule that suggests that it is not economically sound to spend more than a third of one's income on rent. This amendment would only make sure we do not ask the poor to do more than is reasonable or possible for them to do.

This amendment would also establish a flexible rent-to-income ratio that would permit very low-income families to pay less than 30-percent of their incomes in rent. This does not make sense for those most vulnerable residents of government-sponsored housing. If we keep affordability in affordable housing we can keep families together and not add to this country's homeless problem.

I would like to thank the sponsors of this amendment for their foresightedness in bringing this amendment before the House for consideration.

Mr. TOWNS. Mr. Chairman, I want to lend my support to the efforts of my colleagues to restore the Brooke amendment.

My congressional district has one of the largest concentrations of public housing in this Nation. Under the Frank amendment, my constituents' rent contribution would still be capped at a maximum of 30 percent of their income.

I would remind my colleagues that public housing is often the only affordable housing for many poor and low-income residents. While the manager's amendment has dramatically improved this bill, it still does not protect low rents for new residents of public housing who have very low incomes, many of them elderly or disabled. Let us not be guilty of using our power to harm. Let us use our power to help.

If this amendment is not adopted residents with median household incomes of less than $7,000 will find themselves making choices between paying their rent or buying food.

Some may feel that budgetary constraints warrant a rent increase for public housing residents. I would say to you that we should not balance the Federal housing budget on the backs of the poor. I would urge my colleagues to support the amendment.

Mrs. KENNELLY. Mr. Chairman, I rise in strong support of the Frank-Gutierrez-Hinchey amendment to restore the Brooke amendment and ensure that low-income families can live in affordable housing. This past March, the Secretary of Housing announced the results of a study showing that our Nation's largest cities are plagued by a lack of affordable housing. Over 5 million families are paying more than half of their income on rent or are living in severely inadequate housing; that figure continues to grow.

Capping rents for tenants in public housing at 30 percent of income ensures that families can afford housing. For many families, it means not having to choose between paying rent or putting food on the table to feed their children.

In my home State of Connecticut alone, 71,000 units that could be affected by repeal of the Brooke amendment. Residents in those units now have stability in their housing costs—something especially important in Connecticut, which has the fourth-highest rent levels in the Nation. Removing the cap could push some of them into the private market, where, according to HUD, an astounding 371,000 households experience housing problems, primarily cost burdens in excess of 30 percent of income. In fact, a two-bedroom apartment in Connecticut is unaffordable to 53 percent of all renter households, the 11th highest rate in the Nation.

Nationally, public housing residents are extremely poor, often with incomes of less than 20 percent of the median. Rather than bring in substantial revenues, raising the percentage of income paid for rent would likely lead to displacement and homelessness.

The Frank amendment helps to restore the goal we all have for public housing: to lift tenants out of poverty, not to perpetuate it. The low incomes of public housing residents are not a result of the Brooke amendment, and repealing it may have just the opposite effect by driving families deeper into poverty. I urge my colleagues to support this important amendment. We need to help the most vulnerable of our population and restoring the Brooke amendment will do just that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK], as modified.

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

RECORDED VOTE

Mr. BAKER of Louisiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 222, not voting 15, as follows:

[Roll No. 156]

AYES—196

Abercrombie
Ackerman
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blute
Boehlert
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Ford
Fox
Frank (MA)
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
LaTourette
Levin
Lewis (GA)
Lincoln
Lipinski
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Quinn
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Rivers
Roemer
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schumer
Scott
Serrano
Skaggs
Skelton
Slaughter
Smith (NJ)
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Woolsey
Wynn
Yates

NOES—222

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bono
Brewster
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Foley
Forbes
Fowler
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Lofgren
Longley
Lucas
Manzullo
McCollum
McCrery
McDade
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Moorhead
Moran
Morella
Myers
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Petri
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Riggs
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Upton
Vucanovich
Walker

Wamp	White	Young (AK)
Watts (OK)	Whitfield	Young (FL)
Weldon (FL)	Wicker	Zeliff
Weller	Wolf	Zimmer

NOT VOTING—15

Andrews	Laughlin	Spratt
de la Garza	Molinari	Stark
Frost	Myrick	Torricelli
Hayes	Paxon	Weldon (PA)
Houghton	Schroeder	Wise

□ 1301

The Clerk announced the following pair:

On this vote:

Mr. Andrews for, with Mr. Paxon against.

Messrs. LEWIS of California, CHRISTENSEN, KASICH, COOLEY, and CARDIN changed their vote from "aye" to "no."

Mr. BLUTE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 11 OFFERED BY MR. HINCHEY

The CHAIRMAN. Are there further amendments to title II?

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. HINCHEY: Page 76, after line 16, insert the following:

Notwithstanding any other provision of this subsection, the amount paid by an elderly family or a disabled family for monthly rent for a dwelling unit in public housing may not exceed 30 percent of the family's adjusted monthly income.

Page 157, after line 26, insert the following new subsection:

(b) LIMITATON.—Notwithstanding any other provision of this section, the amount paid by an assisted family that is an elderly family or a disabled family, for monthly rent for an assisted dwelling unit bearing a gross rent that does not exceed the payment standard established under section 353 for a dwelling unit of the applicable size and located in the market area in which such assisted dwelling unit is located, may not exceed 30 percent of the family's adjusted monthly income.

Page 158, line 1, strike "(b)" and insert "(c)".

Page 158, line 9, strike "(c)" and insert "(d)".

Page 159, line 1, strike "(d)" and insert "(e)".

Page 172, line 11, before the period insert the following:

; except that in the case of an assisted family that is an elderly family or a disabled family, the amount of the monthly assistance payment shall be the amount by which such payment standard exceeds the lesser of the amount of the resident contribution determined in accordance with section 322 or 30 percent of the family's adjusted monthly income.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from New York [Mr. HINCHEY] and a Member opposed will each control 5 minutes.

Does the gentleman from New York [Mr. LAZIO] seek the time in opposition?

Mr. LAZIO of New York. Mr. Chairman, yes.

The CHAIRMAN. The gentleman from New York [Mr. LAZIO] will control 5 minutes.

The Chair recognizes the gentleman from New York [Mr. HINCHEY]

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

Mr. Chairman, this is the case of the purloined amendment. A short time ago I was appalled to see here in the House an attempt by the opposition, the other side, to steal this amendment and to offer it as a substitute for the Frank-Gutierrez amendment which was just before the House a moment ago. Fortunately, Mr. Chairman, wiser heads prevailed over there and that amendment was withdrawn.

Mr. Chairman, the amendment that I am offering would preserve a narrowly targeted version of the Brooke amendment. It would protect seniors and disabled residents, who are the most vulnerable members of our society, from further rent increases.

Senior citizens currently comprise 42 percent of our Nation's public housing, and over a million seniors and disabled tenants currently reside in public and assisted housing. In the State of New York, for example, senior and disabled citizens reside in about one in two public housing households. In my district in the upstate region that number is significantly higher.

As I have traveled around in recent months, I have heard from many seniors who fear the burden of higher rent payments with the proposed repeal of the Brook amendment as it is proposed in the current bill before us.

The CHAIRMAN. The Chair would point out to the gentleman from New York [Mr. HINCHEY] that the amendment goes into not only title II but title III. The Chair would appreciate it if the gentleman would ask unanimous consent that the amendment be considered en bloc so that we could cover both titles.

Mr. HINCHEY. Mr. Chairman, I ask unanimous consent that the amendment be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. LAZIO of New York. Mr. Chairman, reserving the right to object, I want to note that earlier when this side made an effort to make a unanimous-consent request to take care of this issue, we would have disposed of this issue earlier if we had been afforded the same comity that I now offer to the other side.

Mr. Chairman, I withdraw my reservation of objection.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HINCHEY. Mr. Chairman, I express my appreciation to the gentleman from New York [Mr. LAZIO], the subcommittee chairman, particularly for the agreement that he made with me last night that this amendment would be before the House shortly after the Frank amendment, and I appreciate that.

Mr. Chairman, I wanted to mention that a number of seniors around the country, and particularly in my district and elsewhere, are concerned about the bill that is currently before us.

For example, Jean Austin of Liberty, NY, wrote me earlier this year to say the following, and I quote:

I read in the paper that Republicans in the House and Senate want to raise rents for the elderly. Sir, I have an income of $567 per month to live on. There are many people my age that get far less than I do. What is going to happen to them? Will they join the homeless on the streets because we can't afford to keep our homes? Please, I beg you, help us.

That is what this amendment tries to do, Mr. Chairman. It tries to help people like Jean Austin. Since the Great Depression, the Federal Government has pledged to help provide a decent standard of living for people during their golden years, and to protect them from poverty and homelessness.

This support is symbolized by the Social Security Program, and affordable housing has become another key element of that promise.

During the past year the standard of living of seniors has come under very serious attack. The elderly have been told that they must pay substantially more for medical services due to rising health care costs and proposed reductions in the Medicare Program. They have been faced with higher costs of food, utilities, and other basic items due to proposed broad cuts in food stamps, the Low-Income Home Energy Assistance Program, and other essential Federal programs.

Now, Mr. Chairman, with the proposed elimination of the Brooke amendment in H.R. 2406, we are telling them that they have to pay substantially more to keep a roof over their heads. Under H.R. 2406, as amended by the manager's amendment, about one in three new elderly tenants would potentially be forced to pay upwards of more than $400 per year in increased rent.

Mr. Chairman, I include a letter from the American Association of Retired Persons for the RECORD:

AMERICAN ASSOCIATION OF RETIRED PERSONS,
Washington, DC, May 7, 1996.

Hon. MAURICE D. HINCHEY,
Longworth House Office Building,
Washington, DC.

DEAR REPRESENTATIVE HINCHEY: I am writing to express the support of the American Association of Retired Persons (AARP) for your amendment to H.R. 2406 which would restore limits on the amount that low-income seniors and disabled must pay for rent in public and assisted housing.

AARP generally supports enhancing local housing authority discretion and broadening

the income mix of tenants housed in public and assisted housing. Allowing more mixed income housing should improve the quality of service in housing communities and the responsiveness of housing providers to their tenants. AARP believes, however, that H.R. 2406 goes too far in removing all income targeting and all limitations on the percentage of income that tenants must spend on rent.

The Association strongly supports your amendment to restore limits on the amount of income paid by the poorest and most vulnerable tenants of public and assisted housing. We understand the necessity of generating sufficient income to maintain the housing stock in the face of diminishing federal resources. Eliminating the preference rules and broadening the income targeting will provide increased revenues over time that should help bridge that gap. Some have suggested that the current limit on rents is a disincentive to employment for tenants. Whatever the merits of this argument, it should be obvious that it has little applicability to the elderly and disabled. Eighty percent of the elderly living in public and assisted housing are women living alone whose average age is in the late 70's.

The federal government should stand by its responsibility to help the poorest tenants by providing adequate operating subsidies, not reducing rental assistance. Older tenants, whose incomes average less than $7,500 per year, will be facing less assistance from food stamps and other essential services. To add major rent increases on top of these other cuts will cause more problems than it will solve for local housing authorities.

AARP appreciates your leadership in offering this amendment. If we can be of assistance on these or other issues, please do not hesitate to have your staff contact Jo Reed of our Federal Affairs staff at 434-3800.

Sincerely,

KEVIN J. DONNELLAN,
Acting Director,
Legislation and Public Policy.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. HINCHEY. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, just for the sake of clarity, I want to make sure that Members know and so that there is no misinterpretation, under the current version of the bill seniors are protected. The people who are in public housing right now have had Brooke-type ceiling protections. We do not want to mischaracterize the way the bill currently is.

Mr. HINCHEY. Mr. Chairman, reclaiming my time, the gentleman is correct. This amendment clearly deals with new tenants coming into housing. There is a turnaround of about 15 percent a year in subsidized housing alone.

Any senior citizen or disabled resident who is making more than 30 percent of area median income, which is roughly equivalent to the earnings of a minimum-wage earner, will be left out in the cold under the present bill. An estimated 135,000 elderly households in public housing alone can be expected to be left unprotected by the present bill that is before the House. Another 17,000 disabled households would be left unprotected by the bill that is currently before the House.

Mr. Chairman, the numbers that I am giving relate only to those who live in public housing. It does not begin to tell the story of the additional tens of thousands of elderly and disabled, frail elderly and disabled who are in assisted housing.

How are these families going to afford to pay higher rents if they must also pay hundreds more for their health care, food, and other basic necessities? Many households will be forced to choose between housing and health care, food and medicine, and many families are going to end up on the street as a result if this amendment is not adopted.

Mr. Chairman, my amendment would simply preserve a narrowly tailored form of the current rent ceiling named for a Republican Senator, passed by a Republican Senate, and signed into law by a Republican President. It is intended to preserve a minimum standard of living for the most vulnerable members of our society: Our frail elderly seniors and disabled people who are unable to work even part-time to supplement their income.

Mr. Chairman, I urge the adoption of this amendment. It is the only reasonable thing to do to correct a serious deficiency in the bill currently before the House.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill that we have currently before us protects seniors in every way that the minority has urged. It protects the disabled population. No senior, no person who happens to be disabled who happens to be in public housing will not have the protection that they previously had.

The question over here is whether we will extend protection to people not yet in public housing, not yet using vouchers, to pursue housing options. In the last amendment I offered to support an effort to try and extend this to seniors prospectively, for future seniors to come in, for future people who might have disabilities to come into public and assisted housing.

The bill as it is now is already supported by the American Association of Homes and Services for the Aged; American Seniors Housing Association; the National Apartment Association, and various other associations that exclusively deal with housing for seniors.

Mr. Chairman, I am supportive of the effort to extend those protections further and I am happy to support this amendment. We could have done this through the last amendment, but through a unanimous consent request we failed to get the opportunity to make that offer. I am happy at this time to support this, and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HINCHEY].

The amendment was agreed to.

AMENDMENTS NO. 14 AND 18 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will designate the amendments.

The text of the amendments is as follows:

Amendments No. 14 and 18 offered by Mr. KENNEDY of Massachusetts: AMENDMENT NO. 14: Page 76, after line 16, insert the following:

Notwithstanding any other provision of this subsection, the amount paid by a family whose head (or whose spouse) is a veteran (as such term is defined in section 203(b) of the National Housing Act) for monthly rent for a dwelling unit in public housing may not exceed 30 percent of the family's adjusted monthly income.

Amendment No. 18: Page 157, after line 26, insert the following new subsection:

(b) LIMITATION.—Notwithstanding any other provision of this section, the amount paid by an assisted family whose head (or whose spouse) is a veteran (as such term is defined in section 203(b) of the National Housing Act) for monthly rent for an assisted dwelling unit bearing a gross rent that does not exceed the payment standard established under section 353 for a dwelling of the applicable size and located in the market area in which such assisted dwelling unit is located may not exceed 30 percent of the family's adjusted monthly income.

Page 158, line 1, strike "(b)" and insert "(c)".

Page 158, line 9, strike "(c)" and insert "(d)".

Page 159, line 1, strike "(d)" and insert "(e)".

Page 172, line 9, strike "exceeds" insert "(A)".

Page 172, line 11, before the period insert the following: ", or (B) in the case of a family whose head (or whose spouse) is a veteran (as such term is defined in section 203(b) of the National Housing Act), the lesser of the amount of such resident contribution or 30 percent of the family's adjusted monthly income".

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Massachusetts [Mr. KENNEDY] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment very simply provides some basic protections to America's veterans. These are two amendments which would continue and extend the Brooke protections to the people that have stood up and fought for this country, that have served in our country's military, that in many cases—as the gentleman from Mississippi [Mr. MONTGOMERY] knows all too well, who is going to speak on this amendment—when we visit homeless

shelters around America, far too often we see one thing that the homeless have in common, and that is that they served in this Nation's military.

What we find is that there are now tens of thousands of veterans that are trying to get themselves back on their feet, that are learning to go back to work, learning skills to rid themselves of drug and alcohol problems, to deal with some of the psychological and other difficulties that they had faced throughout their lifetime, and they are back on the road to recovery, to becoming part of mainstream America.

This amendment as it is currently constituted, the way that the bill currently works, would not provide the Brooke protections to people that have minimum wage jobs.

□ 1315

That means our Nation's veterans would go unprotected. I just think that if we are going to protect the very poor, if we are going to protect our senior citizens, if we are going to protect the disabled, I would hope that we would find it in our hearts to protect our Nation's veterans at the same time.

With that, Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. MONTGOMERY], my good friend and former chairman of the Committee on Veterans' Affairs.

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

Really one of the biggest problems we have had with veterans is, again, getting them out of the homeless areas and trying to get them into the housing to improve their lives. We have done everything to try to get them off the streets. About 25 percent of the people homeless today on Washington, DC streets are veterans.

Let us not put a hindrance in front of them. Let us not make it harder for them to get into these housing units. I know some of them make the minimum wage and would probably have their rates raised in these housing units. So I think the gentleman has got a good amendment. I hope the other side would accept it. I certainly support this amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank General MONTGOMERY for all the work he does on behalf of our Nation's veterans. It has been a pleasure to serve with him in the Congress, and we are going to continue to keep his memory alive on that committee long after he chooses to leave.

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

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

I wonder if I could engage the gentleman from Massachusetts in a colloquy over this. I certainly support his efforts to protect American veterans. I believe the vast majority of veterans would fall under the protections we have in this bill, because many of our Nation's veterans are now seniors, having served our country in the Korean War, and World War II. There are even veterans who have served in the Vietnam war and who are now seniors. They would all have the protections under this bill.

What we are talking about is carrying this protection to younger veterans as opposed to older veterans. I wonder if I could turn to my friend, the gentleman from Massachusetts, if he could give me some information about how many people we might be talking about in terms of this veterans population, if he has any information about the specifics?

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, as the chairman is aware, the one area that we do provide a veterans preference in this country is housing. So there are not statistics kept by HUD or local housing authorities in terms of veterans status. But the truth of the matter is that you are right, we are going to protect some veterans, some older veterans in terms of the senior citizens protections. You are going to protect some very, very poor veterans.

But the truth is that I have worked very hard with people on your side of the aisle in the Committee on Veterans' Affairs to establish a number of programs that work in conjunction with housing authorities and voucher programs to make certain that we transit people out of homelessness and into mainstream society, those individuals. And thousands of them participate very much in the very programs that the Brooke amendment would not longer provide protections to.

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman, we are through the bill already protecting people who are what I would classify as the poorest of the poor. Veterans who are basically homeless would already be protected against dramatic rent increases in the way that you would suggest. The bill already covers those people. It already covers Americans who happen to be senior citizens, a large percentage of those who are veterans.

I would like to work with the gentleman. I think one of the problems that we are going to have is to work through a methodology since HUD does not have the ability, a current ability, an immediate availability of information that would determine who the veterans are in a particular population to identify that.

I would be happy to work through this with the gentleman in establishing a good database and ensuring that HUD has the information to assess who are ensuring that HUD has the information to assess who are veterans and who are not and who needs to be protected.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will continue to yield, I appreciate the gentleman's offer for a study. I am not sure that that is what is called for here.

I think what we ought to be doing is trying to make sure that we provide this as a basic protection to our Nation's veterans. I think that might cost a small amount of money to make sure that those veterans do not have their rents jacked up, just as they are on their way to recovery.

Mr. LAZIO of New York. The issue for me is not the money on this. I am not asking for a study. I am simply saying, I look forward to working with you so that HUD has sufficient information to implement this plan.

Mr. KENNEDY of Massachusetts. I appreciate the gentleman's offer to go out and gather additional information. I very much believe that this is a basic minimum protection which we can take care of in the next few minutes. I would hope that the rest of the Members of the Congress of the United States would support the amendment.

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

The CHAIRMAN. The question is on the amendments offered by the gentleman from Massachusetts [Mr. KENNEDY].

The amendments were agreed to.

The CHAIRMAN. Are there other amendments to title II?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I ask unanimous consent that it now be in order to consider amendment No. 17 without prejudice to other amendments in title II.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDMENT NO. 17 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 offered by Mr. KENNEDY of Massachusetts: Page 152, after line 2, insert the following new subsection:

(b) INCOME TARGETING.—Of the families initially assisted under this title by a local housing and management authority in any year, not less than 75 percent shall be families whose incomes do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families. The Secretary may establish income ceiling higher or lower than 30 percent of the area median income on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Page 152, line 3, strike "(b)" and insert "(c)".

Page 152, line 18, strike "(c)" and insert "(d)".

Page 153, line 11, strike "(d)" and insert "(e)".

Page 153, line 16, strike "(c)" and insert "(d)".

Page 154, line 11, strike "(e)" and insert "(f)".

Page 155, line 16, strike "(f)" and insert "(g)".

Page 156, line 1, strike "(g)" and insert "(h)".

Page 156, line 15, strike "(h)" and insert "(i)".

The CHAIRMAN. Pursuant to the order of the committee of Wednesday, May 8, 1996, the gentleman from Massachusetts [Mr. KENNEDY] and a Member opposed will each be recognized for 30 minutes.

Does the gentleman from New York [Mr. LAZIO] seek to control the time in opposition?

Mr. LAZIO of New York. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from New York [Mr. LAZIO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment goes to the heart of how we are going to take care of the working people and the poor of this country. This amendment goes to the heart of the changes that take place in this bill. We have seen the Congress in the last few minutes repeal the protections of the Brooke amendment. Now the question becomes whether or not, on top of that, we are going to also repeal the targets of the protections that we provide by virtue of the housing vouchers and public housing units that are given by the people of this country, whether or not those should go to the working people and the poor of America or whether they should go on up the income stream to a point where people whose incomes are 300 or 400 percent above the poverty line will all of a sudden become eligible.

Mr. Chairman, this bill does a perverse thing. We cut the amount of money going into public housing dramatically. We cut the amount of money going into the voucher program dramatically, but we then increase the eligibility of the families that will be qualified for these housing units by a factor of three or four. So three or four times as many people, if this bill is passed unamended, will be eligible for a lesser number of housing units.

Now, to add insult to injury, we then are eliminating the basic fundamental protections that say that the majority of those housing units ought to go to the most vulnerable people in this society. This is a concept that an organization as conservative as the Heritage Foundation has endorsed. It is one thing to say, let us not concentrate poor people in these monstrosities that we have seen paraded on the House floor in the form of these various pictures. But the housing voucher program does not warehouse the poor. The housing voucher program simply gives individuals a housing voucher. That voucher can be taken anywhere that individual chooses to live.

Mr. Chairman, the statistics on where they choose to live are rather enlightening. Most voucher holders, nearly all of whom meet the current targeting requirements in the law, live in neighborhoods where less than 25 percent of the households are considered poor. Forty percent of the voucher holders live in neighborhoods where less than 10 percent of the neighborhood is poor.

So this is not a question of warehousing poor people, as I am sure we are going to hear the opposite side suggest. This is simply a question of whether or not we are going to target the resources, the meager resources that we put into public housing, that we put into the voucher program, to go to those in greatest need.

We have seen an unbelievable number of very poor people in this country grow over the course of the last 15 years. The statistics are alarming. The number of homeless Americans, the number of people without any shelter has grown substantially. We have actually cut out almost 500,000 units of housing in the United States of America that goes to very poor people. At the same time, if you go up the income stream a little bit, not that people are well off, but if you go up the income stream just a little bit to people within 300 or 400 percent of the poverty line, you are going to find that there are over half a million new units of housing for those people's needs. It is already enough.

But to suggest in this bill that we eliminate the Brooke amendment and then we come back and say that we are no longer going to target this housing to the very poor, I think, is a very dangerous policy which in fact will go out and create homelessness in America.

Mr. Chairman, we are verging on a brave new world where we turn to the people of America, we blame public housing authorities, we blame the voucher program for creating this warehousing of the poor. We then cut the money that goes into trying to assist them and then we come back and say we are going to jack up the eligibility requirements, which means that there is one group of losers. That group of losers happens to be the most vulnerable people in this country.

So, yes, all the housing authorities will like these changes, because, of course, it insulates them from having to take care of the most vulnerable people in the country. But what is it, why are we here in the Congress? Where are we, what kinds of public policies are we trying to incorporate? It is not just to look out after those that can look out after themselves. It is to have a compassionate country, to look out after the vulnerable.

My goodness, we cannot just blame these housing monstrosities, blame everything that we do as a country to look out after poor people and say, look, none of it ever works and, therefore, we turn our backs on the poor and say we are not going to do anything to help them. Let us have some compassion in how we choose to deal with these problems. The voucher program does not warehouse the poor. The voucher program will not lose money for the Federal Government.

Let us continue to provide the voucher program, with the targeting that says to make sure that the most vulnerable people in this country get the resources, the meager resources that we have allocated in this bill.

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

Mr. LAZIO of New York. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, again, the argument is between local control and community control and continuing to have a Washington-based, one-size-fits-all solution for every community in the Nation.

The other side of the aisle continues to argue that every community in the Nation ought to live under the same rules, regardless of whether that means moving to the lowest common denominator, regardless of individual characteristics of communities throughout our Nation, regardless of the quality of the neighborhoods and the quality of the life of the people that are impacted.

We are saying in this bill, Mr. Chairman, that 50 percent or half of the vouchers and certificates that are available most go to the poorest of the poor, those below 60 percent of median income. If a housing authority wants to give 100 percent of their vouchers and certificates to people below 30 percent or below 20 percent or with no income at all, they can do it. There is no prohibition to that.

What we are saying is that housing authorities need to have flexibility. Why should a family who is at the point of 32 percent of median income be denied a voucher, which would be the case under the Kennedy amendment? Why should a family who is at 35 percent of median income, as opposed to 30 percent or 29 percent, be denied the ability to have a voucher?

Mr. Chairman, the Kennedy amendment, the gentleman from Massachusetts [Mr. KENNEDY], who I have a great deal of respect for, ties the hands of housing authorities, inhibits flexibility, prohibits local control. We are saying that there may be situations where people who are pursuing work may need more flexibility. They should be able to be retained in public housing without being thrown out or not being

able to be afforded a voucher because they are somehow at 31 or 32 or 35 or 38 percent of median income as opposed to 29 or 30 percent.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WATERS].

□ 1330

Ms. WATERS. Mr. Chairman, this is very, very interesting. My friend, the chairman of the committee, has just expanded, would like to expand, rental assistance so that they pull in more people making more money, up to $40,000 that they could make under his proposal. One would be able to earn $40,000 and get rental assistance.

What he does not do is protect those, no, he does not protect those who really need it, who make very little money, 30 percent of median income, and this is very interesting. At the same time that he is talking about reducing Government's involvement in peoples' lives, at the same time that they are talking about shrinking Government, he just opened it up so that people earning $40,000 could avail themselves of rental assistance. Yet we know that it is those who earn very little money who need it, those who earn very little money that can go out in the marketplace and find a home, those women and children who desperately need to get assistance. He is squeezing them out of the market.

This is unbelievable. I am surprised that he would take this approach. It is indeed not to be supported.

The gentleman from Massachusetts [Mr. KENNEDY] is saying let us protect the poorest of the poor, let us make sure that 75 percent of those who earn very little money, who are only at 30 percent, will have the ability to go out and get assisted and have a place for them and their children to live.

I think, again, the chairman may be a little bit confused about the direction that his legislation is taking. It is very simple. Does the gentleman want to expand it, get more people at higher incomes? Does the gentleman want to protect the poorest of the poor? Does the gentleman want to make sure that families who would have no other place, no way to get assistance, are protected or in this legislation? The answer to that, I think most people will conclude, is that we want to protect those who do not have the ability to purchase housing.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, once again we are talking about insuring that people who are working who have, possibly, disabilities, people who are seniors, Americans who are seniors, also have the ability to get choice-based vouchers.

The gentlewoman said this would potentially go to people making $40,000 a year. There is not a neighborhood, an area of the country, that would be able to get vouchers under this provision at $40,000 a year.

The national median is about $38,000 a year in terms of median income. We are saying at least half of those people, half of the vouchers, must go to Americans at 60 percent of that, or $22,000.

If the housing authority wanted to target all of its vouchers to the people at the bottom 10 percent, they have the ability to do that.

What we are saying is that we are going to allow for safety provision in respect to the concern that many have that at least half of all the vouchers must go to the bottom 60 percent of the population.

It is eminently fair.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, on a factual basis, let me just read to the gentleman from New York [Mr. LAZIO] the fact that Los Angeles, Long Beach, 80 percent of median is $40,000; New York City is $39,200. The gentleman's own district is $40,000.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, what the bill, what our bill, has is 60 percent of median income, not medium income, not 80 percent of median income. It is 60 percent of median income.

Now, without saying that a housing authority could not target all of its assistance to the bottom 10 percent, I know the gentleman from Louisiana [Mr. BAKER] wanted to——

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman would yield just so I can understand the amendment, my understanding was that it only limited 50 percent of the units to go to the incomes at 60 percent of median.

Mr. LAZIO of New York. Reclaiming my time, at least 60 percent of the units. We could have 100 percent of the units at 30 percent, 20 percent, or 10 percent.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself 20 seconds.

The gentleman is correct that he gives the housing authorities the right to take in poor people, but the gentleman has also pointed out time and time again over the course of the last several hours the fact that housing authorities are in need of funds. The only way they can get those funds is by bringing in upper-income people. And so, therefore, none of the housing projects, none of the housing authorities, are going to, in fact, take advantage of this opportunity that the chairman has provided.

Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. ROYBAL-ALLARD].

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Massachusetts, Mr. KENNEDY's amendment, which maintains income targeting at levels that protect very-low-income families in the section 8 tenant-based assistance program. The Kennedy amendment is necessary to address the provisions in this bill that detrimentally impact the lives of thousands of very-low-income families who rely on section 8 housing assistance.

Today, current law ensures that all new vouchers and 25 percent of all certificates are provided to very-low-income families. The legislation before us, however, allows housing authorities to set their own targets as long as 50 percent of vouchers go to individuals earning 60 percent or less of area median income. This means that in cities like Los Angeles, those earning 250 times the poverty level, or put another way, as the gentlewoman from California [Ms. WATERS] has stated, families of four earning $40,000 a year, would qualify for half of the city's housing vouchers, leaving many low-income families without vouchers and forced to pay market rents or, worse, become homeless.

This is not the intent of public and assisted housing.

Furthermore, although achieving income mix is an important goal, the weakening of income targeting in the voucher system is unnecessary because tenants are already free to move to areas of their own choosing.

The success of the current program is evidenced by the fact that most section 8 tenants live in neighborhoods where less than one-quarter of the residents are poor.

Reducing income targeting for voucher holders has no basis.

Although provisions in the manager's amendment help to improve the bill, it still does not have the guarantees of Mr. KENNEDY's amendment. By insuring that at least 75 percent of vouchers go to families earning less than 30 percent of area median income, Mr. KENNEDY's amendment will allow for an income mix while maintaining assistance for those who need it most.

Mr. KENNEDY's amendment upholds the intent and integrity of our Nation's assisted housing program. I encourage all my colleagues from both sides of the aisle to vote for the Kennedy amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 2 minutes.

We have had discussions, several discussions, with the gentleman from Massachusetts [Mr. KENNEDY] in terms of trying to work out a compromise that meets the primary concerns that he has and I share, and I would yield to the gentleman from Massachusetts to describe his understanding of the agreement that we have just entered into.

Mr. KENNEDY of Massachusetts. My understanding is that my friend, the gentleman who is chairman of this

committee, has offered on assisted housing to raise the limit, to strike the 75 percent and include 40 percent, which would, I believe, be a significant improvement in the number of units that would be targeted to lower income people, and on public housing he has agreed to raise the limit from 30 to 35 percent that would go to very-low-income people. And I think that that is an improvement as well, and I appreciate the gentleman.

Is that the gentleman's understanding of what we just talked about?

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman.

The CHAIRMAN. Before the gentleman does that, is there an agreement that someone is proposing?

Mr. KENNEDY of Massachusetts. There is not as yet an agreement that we are proposing, Mr. Chairman. We are in a situation where we are clarifying our understanding.

The CHAIRMAN. If that is the case, then the gentleman from New York still has 45 seconds remaining.

Mr. LAZIO of New York. Mr. Chairman, the gentleman from Massachusetts correctly states my understanding as well on what I am willing to support. I appreciate his cooperation and collaboration.

I would ask for guidance from the Chair whether we need to consider this en bloc in terms of making the amendment and what the correct process is.

The CHAIRMAN. What the Chair would request and the reason the Chair suspended the action just a moment ago is that we would like to have the agreement in writing so either as an amendment to the existing amendments en bloc or a clean substitute so that we might accurately be able to reflect the intent of the agreement legislatively.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. It would be my proposal that, reflecting the agreement that the two of us just stated, that our staffs get together and try to write out the language. We will submit it to the parliamentarian to make certain that it is parliamentarily correct, and in the interim I would suggest that we continue to have the debate on some of the larger issues that pertain as well and would continue to pertain to the issue.

The CHAIRMAN. In the interest of time, the Chair would ask whether or not the gentleman would like to ask unanimous consent to withdraw this amendment, to go on the other amendments, if there is indeed an agreement?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would, but the trouble is that my amendment is next as well.

We will do this quickly, Mr. Chairman.

Mr. Chairman, I yield 2 minutes to the gentlewoman from new York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Chairman, I rise in support of the Kennedy amendment. The far-right minority has inserted a shameful anti-family, anti-senior, anti-child provision into the housing bill.

H.R. 2406 includes an extreme measure that would eliminate Federal preferences requiring public housing authorities to give the most needy families a place to live.

As the Representative of a district with one of the highest concentration of public housing, I know firsthand how important income targeting is for the working poor. Yet this legislation will leave thousands of homeless families and seniors with no hope of finding a place to live.

Without income targeting, families marking up to $40,000 a year would have access to public housing while homeless elderly, single mothers with children, and the poorest families will be left to live out in the streets.

With such high stake, I cannot think of any justifiable reason to limit poor people's access to public housing. The Kennedy amendment will ensure that public housing in available for people who need it most. I urge my colleagues on both sides of the aisle to reject such harsh provisions and vote in favor of the Kennedy amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I think we are on the verge of working out an understanding that the gentleman from Massachusetts [Mr. KENNEDY], and I have reached in terms of appropriate levels of income targeting that would also provide for substantial flexibility on the part of local communities to make choices and attain the ultimate goal of income mix which is so important in terms of viability in our Nation's communities.

I am thinking about different discussions I have had over the last few years, particularly those over the past 2 years as chairman of this housing committee. I remember one in particular with a young lady who was a resident of a Job Corps center in south Bronx, a very underprivileged areas.

Mr. Chairman, she was about 19 years old, and I remember her saying to me, "Mr. LAZZIO, you know, I never knew how to write a check before I got here, I never knew how to open up a checking account, I never understood how to create a résumé or even what a résumé was until I got to this place, and I am learning the tools to transition back into the marketplace."

Mr. Chairman, one of the reasons why there are far too many Americans who are able to say the same thing is because we are concentrating poverty in certain areas; we are not achieving the income mix that most of America is lucky enough and privileged enough to know.

□ 1345

In an effort to try to achieve a healthier income mix, I think we are moving in the right direction in terms of the agreement that I believe we are going to enter into with the gentleman from Massachusetts [Mr. KENNEDY].

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

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Minnesota.

Mr. VENTO. First of all, Mr. Chairman, I concur with the gentleman in terms of the concentration of low-income persons in public housing. Earlier, when the gentleman had a chart on the floor in the past amendment, I had wanted to point out one of the other phenomena was the absolute focusing in the early 1980's in terms of trying to serve the lowest income persons in public housing. That also attributed to that decline in income, because obviously there are various reasons why people have low income. It may be a cultural problem.

For instance, in the district I represent, I have a big influx of Southeast Asians, the Hmong. They simply have not all been able to afford or gain jobs that pay a lot of income. Their concentration in public housing, incidentally, has in fact contributed to that type of phenomenon.

Then the other issue is, of course, the affordability of owner-occupied housing, which would be all of our preferences. But these factors have, in fact, been trying to get a mix. The concern that I had with the gentleman's amendment was not the issue of trying to get a mix. Indeed, the gentleman is right, local authorities could go down to very low-income levels. But the phenomenon was, the option was that they may also do what I would characterize as creaming.

Mr. LAZIO of New York. Mr. Chairman, if I could reclaim my time, I hope the gentleman will support the agreement and compromise that we are working out together. Also, again, one of the core principles that we are trying to advance here is that it is one of our responsibilities here in this body, this House, to assure that we do not just warehouse the poor, but that we help transform them.

Mr. KENNEDY of Massachusetts. Mr. Chairman I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. I appreciate the gentleman from Massachusetts yielding time to me.

Mr. Chairman, I think unfortunately what has happened is that low-income persons have ended up concentrated in the public or assisted housing programs. Frankly, Mr. Chairman, as I said yesterday, the housing with most problems in my district is not the public and assisted housing, but it is the private multifamily dwellings which are overcrowded and which have such

severe problems. So it is quite the converse.

As I was saying, there are good housing authorities and there are some that are not so good. We hope that by virtue of this bill, the gentleman, with his insights, will in fact accomplish a miracle and make those not so good housing authorities much improved. The fact is that some are going to improve and some may not. One way they may solve their problem is by just creaming. If we do not have income targeting, housing authorities will take those clients that are most likely to be successful and that have higher incomes. That then leaves others who do not get the housing assistance with the nonprofits, with the Government, and on the street in some cases.

Unfortunately, when we think about it, in 1975 we had very little homelessness. Today we have a significant amount. Things have changed.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from New York [Mr. FLAKE].

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

Mr. Chairman, this is an important portion of the bill. I think it is a good thing to see the chairman of the subcommittee and the ranking member come together with an agreement that I think is much fairer than the original legislation proposed in the committee markup. Clearly, I think there are those who really do not understand, or do understand and really do not give credence to the fact, that many persons who would get vouchers under many of the programs that have been proposed, regardless of whether the voucher indicates they could go to any community and trade their voucher in for housing, would be at a major disadvantage in that there are communities, there are places, where people would not open their doors readily to them. They would not respond, for instance, to families that have children because it has been a history that in many instances, those homes would not be able to maintain not only the stand of their value, but also in many instances there would be destruction of those homes.

It seems to me that as we consider the amendment that is now proposed between the gentleman from New York [Mr. LAZIO] and the gentleman from Massachusetts [Mr. KENNEDY], we have moved closer to the direction of assuring that there is a possibility of those persons who are at the lowest income level being able to have access to affordable housing, while at the same time creating an opportunity for persons who can move into these houses, who have jobs, to be able to create the necessary kind of environment.

Mr. Chairman, I do not know whether the gentleman remembers, but several years ago my MINKS program, which was a demonstration project which was tried in Chicago and other places, essentially spoke to the kind of concern that the gentleman raised here. It is not that Democrats do not understand that necessity for trying to have a mixed population base, but we do not want to be in a position where a local housing authority can in fact have so much authority that it puts those persons out who have the greatest needs, while trying to market itself to bring into those developments individuals who can go to the market and get adequate housing and can afford to pay for it.

So I hope that we will all support the agreement that the gentleman from Massachusetts [Mr. KENNEDY] and the gentleman from New York [Mr. LAZIO] are supporting now.

Mr KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. GONZALEZ], the former chairman of our committee.

Mr. GONZALEZ. Mr. Chairman, historically, public and assisted housing units were available to every applicant whose income was up to 80 percent of median income.

This policy was changed by the Gramm-Latta Act of 1981, which restricted eligibility almost entirely to those earning less than 50 percent of median income.

In this amendment we are addressing a separate issue. We are talking about trying to achieve more economic mix in our privately owned affordable housing, a house here and a house there.

And we are talking about providing sufficient resources to move people who have little housing choice in decent and affordable housing.

Most of the families below 30 percent of medium income, the poorest of the poor, cannot find affordable housing. They have worst case housing needs.

It is only reasonable that most of the choice-based housing assistance should be available to those who most need it.

The bill as it now stands would simply discourage the working poor from seeking self-sufficiency, and it would also bar the doors to those who are in the greatest need. That kind of approach is completely contradictory and cannot work.

I urge adoption of the Kennedy amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would just ask the distinguished ranking member, the gentleman from Massachusetts [Mr. KENNEDY], if he believes that we have the agreement technically perfected.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. If the gentleman would go ahead and read the amendment, we will react to it.

AMENDMENT OFFERED BY MR. LAZIO OF NEW YORK TO AMENDMENT NO. 17 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. LAZIO of New York. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN pro tempore (Mr. GOODLATTE). The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. LAZIO of New York to Amendment No. 17 offered by Mr. KENNEDY of Massachusetts:

Page 1 of the amendment, line 3, strike "75 percent" and insert "40 percent".

At the end of the amendment insert the following:

In section 222 of the bill (as amended by the manager's amendment), strike subsection (c) (relating to income mix) and insert the following new subsection:

(c) INCOME MIX.—

(1) LHMA INCOME MIX.—Of the public housing dwelling units of a local housing and management authority made available for occupancy after the date of the enactment of this Act not less than 35 percent shall be occupied by low-income families whose incomes do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary, may for purposes of this subsection, establish income ceiling higher or lower than 30 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

(2) PROHIBITION OF CONCENTRATION OF LOW-INCOME FAMILIES.—A local housing and management authority may not comply with the requirements under paragraph (1) by concentrating very low-income families (or other families with relatively low incomes) in public housing dwelling units in certain public housing developments or certain buildings within developments. The Secretary may review the income and occupancy characteristics of the public housing developments, and the buildings of such developments, of local housing and management authorities to ensure compliance with the provisions of this paragraph.

Mr. LAZIO of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and reprinted in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from new York?

There was no objection.

Mr. LAZIO of New York. Mr. Chairman, this amendment represents the agreement between myself and the distinguished ranking member, the gentleman from Massachusetts [Mr. KENNEDY], that would effectively target the poorest people.

The original amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] would have targeted 75 percent of the choice-based vouchers and certificate to those below 30 percent. My amendment would amend that and would insert in its place "40 percent," so 40 percent of all the vouchers and certificates would be targeted to those below 30 percent of median income, which is, of course, the poorest of the poor.

Mr. Chairman, I do not think we are going to do the en bloc amendment right now.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, my understanding from the parliamentarian was that we could in fact do both the amendments in combination. Maybe we can just ask the Chairman whether or not we can do that. I thought the amendment as drafted accomplished both: a 40-percent limit on the vouchers to people with incomes under 30 percent of income, and 35 percent of the units of public housing to go to people within 30 percent of median income.

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman, the gentleman correctly reflects the amendment, the agreement that we entered into and the amendment that is at the desk that in fact does do both. I had just one page in front of me.

The amendment to the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] would actually amend that 75 percent to read 40 percent of the vouchers and certificates would go to the bottom 30 percent of the population, and in terms of public housing, not less than 35 percent of the units in public housing would go to families whose incomes do not exceed 30 percent of the area medium income, which I believe represents the understanding between the gentleman from Massachusetts and myself and preserves both of our principles of equity, and also flexibility at the same time.

The CHAIRMAN pro tempore. Does the gentleman from New York [Mr. LAZIO] seek to have his amendment adopted as a modification by unanimous consent to the Kennedy amendment?

Mr. LAZIO of New York. I do make that unanimous consent request.

The CHAIRMAN pro tempore. Is there objection to modifying the Kennedy amendment by the amendment offered by the gentleman from New York [Mr. LAZIO]?

There was no objection.

The CHAIRMAN pro tempore. The Kennedy amendment is so modified.

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

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

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] as modified.

The amendment, as modified, was agreed to.

The CHAIRMAN pro tempore. Are there further amendment to title II of the bill?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the last word. Because of the fact that we had anticipated using a full hour on the previous amendment, and then a second amendment that I was going to offer that had been collapsed, the gentlewoman from New York [Ms. VELÁZQUEZ] has been contacted to come over from her office to offer her amendment. She is on her way.

If we could just discuss, I think, some of the important aspects that are contained in this bill, I want to, as I say, commend the chairman of the subcommittee, the gentleman from New York [Mr. LAZIO], for some of the provisions which are going to allow this bill to make certain that bad public housing will be closed by the Secretary, to get rid of bad public housing projects at the same time. I saw the Secretary last evening and he mentioned the fact that he has been able to shut down over 30,000 individual housing units over the course of the last year. For that I think he ought to be commended.

Mr. Chairman, I understand that my good friend, the gentleman from Minnesota [Mr. VENTO], has an amendment which he is now prepared to offer.

AMENDMENT NO. 36 OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I ask unanimous consent to offer amendment No. 36 out of order at this time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. VENTO] for the consideration of an amendment under title V at this stage of the reading of the bill?

There was no objection.

The CHAIRMAN pro tempore. Without objection, we will go to consideration of the gentleman's amendment without prejudice to other title II amendments.

There was no objection.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 36 offered by Mr. VENTO: Page 239, line 11, strike "fiscal year 1996" and insert "fiscal years 1997, 1998, 1999, 2000, and 2001".

Page 239, line 25, after the period insert"'.".

Page 240, strike lines 1 through 4.

Page 240, strike line 17 and the matter following such line and insert the following:

"Sec. 5130 Funding."

MODIFICATION OF AMENDMENT OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I ask unanimous consent to modify the amendment.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modification of amendment offered by Mr. VENTO: In the instruction for Page 239, line 11, strike out ", 1998" and all that follows, and insert "and 1998".

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. LAZIO of New York. Reserving the right to object, Mr. Chairman, the original discussion I had with the gentleman from Minnesota [Mr. VENTO], and I believe we just had consultations with the staff, is that the agreement was to extend this through 1997 and 1998.

Mr. VENTO. If the gentleman will yield, Mr. Chairman, the gentleman is correct.

Mr. Chairman, I ask unanimous consent that the Clerk strike out the "1999" as well.

The CHAIRMAN pro tempore. Without objection, that change will be considered as read.

There was no objection.

Mr. LAZIO of New York. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the modification offered by the gentleman from Minnesota?

There was no objection.

□ 1400

The CHAIRMAN pro tempore (Mr. GOODLATTE). The amendment is so modified.

Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Minnesota [Mr. VENTO] will control 5 minutes, and a member opposed will control 5 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

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

Mr. Chairman, obviously there is an opportunity here with the acceptance of the modified Kennedy amendment I am targeting. I thank my colleague from New York for his work, and my colleague from Massachusetts.

This is a simple amendment. I think that most Members have come to realize the importance of trying to provide funding for activities that relate to drug and crime prevention in and around or in public housing. Recently we revised that to provide an extension outside of public housing. This amendment would do that.

This COMPAC program is an improved drug elimination program that expires under this bill at the end of this fiscal year, 1996. We had initially thought that the amendment should be for the full authorization of the bill which is years. So I had sought to in fact provide a 5-year authorization for COMPAC. But in consultation with the subcommittee chairman, he felt that a 2-year authorization would be best for this program so that it would be before us in the next Congress, and I concurred with that. That is why we modified the amendment accordingly.

I just wanted to explain that I initially had offered this amendment in the Committee on Banking and Financial Services, and at that point we were

not ready to make this particular decision. But this is a very successful program in terms of trying to, in fact, expend some monies in and around public housing, giving the authorities a regularized funding for crime prevention.

Up until this point it has been based on a categorical program. This will put it on a block grant proposal, which I think is appealing to the new majority. We had actually proposed and passed this last year in the 103d Congress as a block granted program to provide regular funding for this important function.

Under this amendment, 85 percent of the appropriate funds would be allocated to the largest housing authorities, with 10 percent going to smaller housing authorities, usually in exurban or suburban or rural areas, and 5 percent to the private sector and assisted housing areas.

I just would point out the success of this program in Providence, RI, in Denver, CO, certainly in my own district and in other areas.

This amendment would extend the improved drug elimination program that expires under this bill at the end of this fiscal year. The current Public Housing Drug Elimination Program [PHDEP] provides a range of prevention and education programs to encourage residents to join together to fight crime and foster a safe environment for public housing youth. The activities it has fostered include: community policing, employing security guards, supporting resident patrols, youth sports, recreation and education activities as alternative to gang activities, and other physical plant improvements like street lights.

I offered an amendment in the Banking Committee last November to continue the drug elimination program and to refocus it to include the deterrence of all types of criminal activities in and around public and assisted housing; 85 percent of appropriated funds would be allocated on a formula basis between those authorities that manage 250 or more units of housing to address or prevent significant crime problems. The remaining funds are available for competition for smaller housing authorities and other federally assisted housing.

Some may suggest that this program can just as easily be funded out of general operating assistance—a position that in the long-run, won't hold. Housing authorities are already facing a sort of Hobson's choice when it comes to programs and activities. Crime prevention activities requires continuity and consistent funding. Crime prevention activities help preserve the valuable housing stock and the mission of housing authorities. These activities deserve Federal prioritization. Further, COMPAC funds would provide credible measurable Federal funds to leverage support and other funding from local agencies.

Let me tell you of some of the successes of this program that our communities cannot afford to sacrifice:

Providence, RI: Used the funds for drug prevention youth activities, resident screening, enhanced security with resident crime watches and a partnership with local police. Law enforcement activities have increased 37 percent over fiscal year 1994 in fiscal year 1995. Total arrests have increased more than 85 percent in the same period. Property crimes have decreased by 15 percent.

Denver, CO: Used the fund to establish storefront centers which provide visible, nonthreatening activity centers for residents with community outreach and other program activities. Centers are staffed by residents and police officers. Between 1993 and 1994, there was a 26-percent reduction in the number of crimes reported in Denver's public housing communities.

St. Paul, MN: The No. 1 large PHA in the country, St. Paul's Public Housing Authority, has had an extremely successful and positive experience with the drug elimination program. Their A Community Outreach Policing Program [ACOP] has built bridges between the community and the police department. Lines of communication have opened and trust has been built through police officers, interpreters, and social workers that have gotten to know housing residents and staff through youth activities, crisis intervention, and traditional law enforcement efforts. The Boys and Girls Club of St. Paul has offered youth activities: field trips, tutoring, computer activities, drug education, summer camp, and other counseling and guidance.

When the St. Paul PHA did not win a grant in the last round of funding, the authority had to choose to cuts staff positions in order to keep the program that was so well received by the community and residents alike. That situation will face each and every authority should this program disappear entirely and there are only so many staff positions that can be cut before the critical community activities of the program are lost or the housing resource is jeopardized by under staffing and cut services.

My colleagues, we heard support for maintaining this program over the past year from witnesses testifying on behalf of Indian Housing and from the National Assisted Housing Management Association. Evaluations of the program, including an in-depth study by Abt Associates, have found that many grantees have achieved significant success. The current program received $290 million in appropriations from this Congress in 1996, not because it didn't work, but because it does work.

If my amendment is enacted, COMPAC will be able to compete for the limited appropriations as an authorized program. The program would assure that we maintain existing housing stock. We can't maintain just physical facilities but instead must address the conduct of those within and around public housing. COMPAC should continue to be a resource to help communities with crime and drug prevention and to improve the quality of life for public housing residents and their surrounding neighborhoods.

I urge my colleagues to support this amendment.

With that said, and since there is agreement with the amendment, I want to thank my colleagues for their support of it and yield to the chairman of the committee.

Mr. LAZIO of New York. Mr. Chairman, I thank the gentleman from Minnesota. I appreciate his collaboration, cooperation, and the comity in which we were able to work this out to reflect his interest and mine, as we go forward to the next 2 or 3 years for a program that has funded many important, many worthwhile items that have had the result of protecting people in public and assisted housing.

So it is my pleasure to be able to come to an agreement with the gentleman. I am in support of this amendment and I urge my colleagues to support it, as well.

Mr. VENTO. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY], the ranking member.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I want to just pay very strong compliments to my good friend from Minnesota, Mr. VENTO, who has just done a tremendous job not only on this amendment but on so many housing issues over the year.

He has led the fight in this House of Representatives over the last decade to look out for the homeless people of this country. He knows housing law like no other individual in the Congress, and he has paid closer attention to some of the goings on over at HUD like no other Member of Congress. He deserves tremendous respect from both sides of the aisle for the contributions he has made.

Mr. VENTO. Mr. Chairman, I thank the gentleman. I have had my sucrose level for the day now.

Mr. Chairman, I ask the Members for their support and I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment, as modified, offered by the gentleman from Minnesota [Mr. VENTO].

The amendment, as modified, was agreed to.

AMENDMENTS NO. 33 AND 34 OFFERED BY MS. VELÁZQUEZ

Ms. VELÁZQUEZ. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN pro tempore. The Clerk will designate the amendments.

The text of the amendments is as follows:

Amendments No. 33 and 34 offered by Ms. VELÁZQUEZ:

Amendment No. 33: Page 77, strikes lines 6 through 14 and insert the following:

(A) except as provided in subparagraphs (B) and (C), shall be an amount determined by the authority, which shall not exceed $25;

(B) in cases in which a family demonstrates that payment of the amount determined under subparagraph (A) would create financial hardship on the family, as determined pursuant to guidelines which the Secretary shall establish, shall be an amount less than the amount determined under subparagraph (A) (as determined pursuant to such guidelines); and

(C) in such other circumstances as may be provided by the authority, shall be an amount less than the amount determined under subparagraph (A).

Amendment No. 34: Page 157, line 10, after the semicolon insert "and".

Page 157, strike lines 11 through 18 and insert the following new paragraph:

(2)(A) except as provided in subparagraphs (B) and (C), shall be an amount determined by the authority, which shall not exceed $25;

(B) in cases in which a family demonstrates that payment of the amount determined under subparagraph (A) would create financial hardship on the family, as determined pursuant to guidelines which the Secretary shall establish, shall be an amount less than the amount determined under subparagraph (A) (as determined pursuant to such guidelines); and

(C) in such other circumstances as may be provided by the authority, shall be an amount less than the amount determined under subparagraph (A).

The CHAIRMAN pro tempore. Is there objection to consideration of the amendments during title II?

There was no objection.

The CHAIRMAN pro tempore. Pursuant to the order of the Committee on Wednesday, May 8, 1996, the gentlewoman from New York [Ms. VELÁZQUEZ] and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from New York [Ms. VELÁZQUEZ].

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

Mr. Chairman, H.R. 2406 is the latest attack on poor families, the elderly and children. This bill includes provisions that will threaten every American's most basic and human need: Access to affordable housing.

Already across this Nation 5 million households spend more than half of their income on rent. This legislation increases that burden by imposing a minimum rent of $25 to $50 a month. Although that may not seem like much, it is a fortune for many residents who have no income.

My amendment ensures that needy Americans are not evicted from their homes by limiting the maximum rent to no more than $25. Additionally, my amendment provides a hardship exemption in cases where poor Americans have no income, protecting children, seniors and the disabled from being thrown out in the streets. I will urge its adoption.

The faces behind my amendment are the most vulnerable members of our society. More than half are single mothers with children. They are families climbing out of homelessness and people trying to lift themselves out of a life substance abuse. They are teetering on the brink of pulling themselves up. My amendment holds out the hand that would steady them.

In many States a mother and her one child may only receive $130 a month to live off of. Keeping in mind how expensive basic living necessities like diapers, toothpaste or even soap are, a $50 minimum rent is simply too high for many poor families to afford.

The consequences of today's actions will create an underclass of people too poor to even live in public housing. Worse yet, with reduction for homeless shelters, the poorest of the poor will have no place to go. For a Nation that is supposed to be a leader in the industrial world, that is appealing and disgraceful.

Mr. Chairman, we are asking too high a price from the poor. I call on my colleagues on both sides of the aisle to vote for the Velázquez amendment and end this cruel measure.

PARLIAMENTARY INQUIRY

Mr. LAZIO of New York. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. LAZIO of New York. Mr. Chairman, what was filed as the two of Ms. VELÁZQUEZ' amendments are considered en bloc, am I correct?

Ms. VELÁZQUEZ. They are en bloc.

The CHAIRMAN pro tempore. That is the Chair's understanding.

Mr. LAZIO of New York. I thank the Chair.

The CHAIRMAN pro tempore. Does the gentleman from New York rise in opposition?

Mr. LAZIO of New York. Mr. Chairman, I rise in opposition.

The CHAIRMAN pro tempore. The gentleman from New York [Mr. LAZIO] is recognized for 10 minutes.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I thank the gentlewoman from New York for her concern and her attention to this issue.

Let me begin by saying that for those people who are so poor that they cannot afford a minimum $25 rent, we have provided in our manager's amendment a hardship exemption. We worked this issue out with the Secretary of the Department of Housing and Urban Development, Henry Cisneros, to allow a safety valve for people who are so poor that they cannot even afford $25.

But Mr. Chairman, we believe that everybody should pay something. We believe that is part of transforming a society. We believe that within the confines of allowing for hardship exemptions, that we ought to have minimum rents.

As a matter of fact, current law as passed through the last appropriations, the omnibus appropriations bill, fixes the need for minimum rents. What we do here is to go beyond that and allow for a hardship exemption.

We also suggested the hardship exemption ought to be controlled by local communities, not by the Secretary of Housing and Urban Development hundreds of miles away in a centralized bureaucratic building where he is going to decide how much of an exemption people should have.

Ms. VELÁZQUEZ. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentlewoman from New York.

Ms. VELÁZQUEZ. I just want to make an inquiry, in terms of the manager's amendment, where in your amendment does it state that it will require the housing authority to grant an exemption?

Mr. LAZIO of New York. Mr. Chairman, I will reclaim my time and I will try and identify that part as I continue to speak here.

As I said, Mr. Chairman, everybody should pay something but we should also protect the most vulnerable people. We have done that through a number of different ways, including working with members of the minority and the gentleman from Texas [Mr. GONZALEZ], and making sure that any possible minimum rent increase is phased in, so there are phase-in protections.

But we cannot transform a culture if we expect people to live without any reciprocity, without paying anything at all. We expect everybody to pay minimum rents because that pool of money helps provide more opportunities for more people to have access to apartments.

The more that we say that people should not have to do anything, should not have any minimum rent, whether it is $25 or $30 or whether through hardship exemption it is reduced to $10 or $5, the more than we are continuing to perpetuate a culture that suggests that people should be able to get, Americans should be able to get an apartment for virtually nothing, not pay the utility bills, not pay for any rent, live for nothing and not have to budget anything, having to budget for an apartment, having to budget for their household, having to budget for, if they are a home owner, if they were lucky enough to be a home owner, is part of transforming themselves and moving back into the work force.

We are trying to do that through minimum rents which we think are very modest, with exceptional hardship exemptions, with the ability to transition and phase in.

For the purpose of trying to respond to the gentlewoman's concern, I draw her attention to page 33 of the manager's amendment, beginning on the bottom of the page, lines 24 and 25, all the way through page 34, line 10 or 11. If the gentlewoman would like, if it is helpful, I will read from that if she does not have that.

Ms. VELÁZQUEZ. I could read it to the gentleman, but it does not say that it will require. It says that the housing authority may. That does not mean that we require them to grant an exemption, and that is precisely the difference between my amendment and the manager's amendment. Mine requires the housing authority top grant an exemption, yours gives them an option.

Mr. LAZIO of New York. Reclaiming my time, I suggest that a housing must grant an exemption to everybody, which I believe is what the gentlewoman is saying, is to completely eliminate the meaning of having a

minimum rent. We are saying that in certain circumstances that the housing authority will have the discretion to provide for an exemption.

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself 30 seconds.

I do agree with the chairman of the Subcommittee on Housing and Community Opportunity that everybody in public housing should pay. My amendment does not relate to that. My amendment, what it does is to protect those most vulnerable who do not have any money to pay, and we need to protect those people from being thrown out in the streets.

My amendment requires the housing authority to grant an exemption. Your amendment does not provide for that, and that is why we need to protect those people who are disabled, who do not have any money, who are coming from homelessness, from being thrown out in the streets.

□ 1415

Mr. Chairman, I yield 1½ minutes to the gentleman from Illinois [Mr. JACKSON].

Mr. JACKSON of Illinois. Mr. Chairman, I rise in support of the Velázquez amendment, which sets a minimum of zero to $25 and a waiver for our Nation's most vulnerable who are caught in situations of extreme difficulty or hardship.

We must oppose the idea of minimum rent for those who cannot afford it. HUD Secretary Henry Cisneros has already indicated that the recently implemented $25 rents are already causing great hardship for roughly 175,000 families in public and assisted housing nationwide.

In my State of Illinois, 2,338 families living in public housing, 1,377 households that receive certificates and vouchers, and 749 families living in section 8 housing, for a total of 4,464 families, have already been negatively affected with the addition of the $25 minimum. These are people who are already straining to meet their families' needs and who are already sometimes choosing between food, medicine, and housing, necessities that we obviously take for granted.

The chairman of the subcommittee says that everyone should pay something. Who can argue with that? Except in my State, that would mean an average yearly rental increase of $569, a 32-percent increase, which would affect 19,100 public housing families. It would mean an average yearly increase of $584, or a 23-percent increase, for 5,100 elderly in Illinois. It would mean an average increase of $569, or a 19-percent increase for 1,100 disabled people.

Mr. Chairman, the poor in our Nation do not need any more regulations in their minimum rents. They need a livable wage.

Mr. Chairman, I thank the gentlewoman from New York for offering this critical amendment, and I urge Members to support it.

Mr. LAZIO of New York. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Louisiana [Mr. BAKER], a member of the Subcommittee on Housing and Community Opportunity.

Mr. BAKER of Louisiana. Mr. Chairman, I thank the gentleman for his courtesy. I think this amendment really goes to the heart of the debate over how public housing should be managed in America. There is probably nothing more volatile with working families in America today than the thought that someone would be in need and not have a helping hand extended. Virtually everybody I talk to says if they are suffering, uneducated and want an education, if they are homeless and want to be safe in the evenings, we should do those things. All we ask is that those individuals extend the courtesy to us of trying to improve their own situation.

But when you have people who live in house trailers, working a construction job, and moms at home trying to educate and care for those children, and you told them well, I tell you what, since you are having a bad month, I am the trailer park operator, I am just going to not worry about rent this month even though you are paying $25, where is the equity in that family who works to pay taxes from daylight until dark, who cares for the kids, who pays for the expenses at the grocery stores, who pays the rent on the house trailer, to say to them we are going to tax you at higher and higher rates and put money in government programs so there will be individuals who cannot read, but will not go to school; people without work, who will not get job skills?

This is a revolution. It is a dramatic change in the philosophy of how we are going to try to help people. We are simply going to say you try, we will try. If you make the effort, we will give you the resources. But no longer are we going to say we are going to tax working families in America and provide free housing for individuals, with free utilities, with access to food programs, when you will not insist that your children remain in school, when dad will not go to a drug rehab program, and mom not get out and try to get her own job to help.

In many cases, a small helping hand is not giving more money; it is giving opportunity, the opportunity for that individual to regain their own dignity and honor, the decency of work, the ability to get an education, and to walk in the front door and say to his children, here are your tennis shoes, I worked for them, I earned them, and I want to give them to you to provide for a better America. It is regrettable, it is despicable that we have generations of families who have grown up on programs of social dependency, and the only model they have is that dad no longer lives at home, mom goes to the mailbox and gets a check, and they live in public housing where they literally board themselves in behind the door at night because they are afraid of someone breaking in during the evening and stealing what little they have.

We have to find a way to give dignity decency, and safety back to these individuals. And the safeguard for those who are worried that 83 cents a day, $25 a month, is too much a commitment to ask from someone who has got a shelter for their family? The housing authority may, upon a demonstration of hardship, grant a waiver to that family and not require them to pay that onerous 83 cents a day rent, for whatever period of time the housing authority determines is necessary. But nowhere should we say that anyone is entitled to free housing forever. Make some demonstration that you want to improve your personal circumstance and we will be there to help you. We will make sure that the drug dealers are out of your housing authority. We will make sure that your kids have a safe school to go to. We will make sure there is a job training program available to you, so you can get that job. But America is saying to us, stop throwing money away at faster and faster rates because we are not helping, we are in fact making it worse.

Ms. VELÁQUEZ. Mr. Chairman, I yield myself such time as I may consume. I just would like to say that what is despicable is a single mother with one child in Louisiana, who gets a $130 check from AFDC, is thrown out into the street, and the gentleman cannot understand what $25 represents for her and her child.

Mr. Chairman, I yield 1¼ minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentlewoman yielding me time. I stand in strong support of her amendment.

Mr. Chairman, I think it has been interesting to listen to some of the plantation owner mentality we are hearing from the other side of the aisle. The notion that these individuals are somehow desiring to stay in the circumstances that they are in by their own choice represents a complete misunderstanding of who qualifies for minimum rents. We already have, by virtue of the fact that we have the Brooke amendment, which no longer exists, deleted. What happens is all of those incentives that the Republicans so very much want to whip the poor into shape are now in place in the housing bill.

What this says is that if you have high medical expenses, if you happen to have a sick child, if you happen to have some extraordinary circumstances where you do not have the funds to be able to even pay a minimum rent, the 30 percent is not good enough. We are

going to come back in and we are going to hammer not the very poor, but the very, very poor.

That is what the heart of this amendment does. This amendment tries to say that there is a group of very, very poor people. I understand that maybe the gentleman from Louisiana [Mr. BAKER] does not know very many of them, but the truth of the matter is that there are others in this Chamber, the gentlewoman from New York [Ms. VELÁQUEZ] among them, that work with these individuals each and every day, and she deserves and they deserve a right to get the housing that they need.

Ms. VELÁQUEZ. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Chairman, I do not know whether the gentleman here comes from a farm State or not, but the people in my district want to know how you have a situation where farmers' home loan mortgages are forgiven. Over a 5-year period, the Department of Agriculture forgave $11 billion; $11 billion were forgiven in farmers' home loan mortgages. They want to know how our Government does such things, and then worries about people who do not have $25.

I met a lady just last Monday, I have known her for a long time, I did not know she was in such hard times, 85 years old she is. She has always been a tenacious entrepreneur all her life. She has never worked for anybody else. She does not have Social Security. She once owned a home, she lost it. She once had two children, they are dead now. Eighty-five years old. She has no income. Zero income.

When we say 30 percent of your income, the Brooke amendment we fought for, 30 percent, 30 percent of nothing is nothing, of course. But most of us, nobody in this Congress pays 30 percent of their income for rent. Nobody pays 30 percent of their income for rent. That is enough of a standard that is imposed on the poor that nobody else has to live up to.

Certainly anybody who has come to the point where they absolutely have no income, and there are many people who, for very good reasons, they are not drunkards or dope addicts, there is nothing wrong with them, they are hard-working Americans, at the ends of their lives, down and out, they need some help.

Mr. Chairman, I rise in opposition to the United States Housing Act (H.R. 2406). This bill would, in effect, lead to the dismantling of the Federal Government's role in providing safe, decent, and affordable housing to its citizens. H.R. 2406 does a good job of corroding what the Republican leadership in the other chamber has termed, "one of the last bastions of socialism"—public housing. Agriculture, which funnels billions of dollars to agribusiness, is neve seen as socialism; but now public housing is bastardized as the last bastion of socialism. Using such euphemisms as local flexibility, income diversity, and resident security, H.R. 2406 would shamefully take from our poorer and more vulnerable citizens the basic right to sleep comfortably at night. I support many of the amendments offered today, including the Veláquez amendment.

My Republican colleagues need to be reminded that U.S. public housing policy is embarrassingly inequitable. Despite the low-income housing needs of this country, only 20 percent of housing outlays is allocated for providing housing assistance and subsidies to families in need. The other 80 percent is tax expenditures enjoyed by wealthier families who are able to deduct mortgage interest, property taxes, capital gains, and other investor homeowner perks from their tax liabilities. The result of this unjust, inequitable housing policy: Over 70 percent of the families who qualify for low-income housing assistance, are not receiving it. This means that the richest Nation in the world has allowed, and will continue to allow, more than 20 million families to simply deal with substandard housing conditions with serious building code violations such as dangerous electrical wiring and inadequate plumbing; exorbitant rents; and even homelessness.

H.R. 2406 reflects a blatant disregard for those Americans who truly need assistance. Using income diversity as a goal, the manager's amendment would reserve only 30 percent of public housing units for those earning 30 percent or less of the median income in an area. Under current law, 85 percent of public housing units must be provided to low-income families. In most communities, 30 percent of the area's median income is roughly equivalent to the poverty line. However, the Republican solution to diversify the public-housing population is too extreme. To reserve such a small percentage of public housing to our poorest families, when they need it the most, is unforgivable. Again, the affront to the less-fortunate is evident in this Congress.

H.R. 2406 would further eliminate the caps on rent paid by seniors and working families. The Brooke amendment, which sets a maximum percentage that tenants could be charged for rent, 30 percent of adjusted gross income, would be abolished. The manager's amendment would maintain the 30 percent cap only for current elderly and disabled tenants, and current residents earning 30 percent or less of an area's median income. It is clearly insufficient. Any elderly or disabled person who is lucky enough to secure public housing after enactment of this bill, would be forced to sacrifice food, medicine, and other necessities for rent.

Furthermore, H.R. 2406 would allow housing authorities to set minimum rents at $25 to $50 a month, without any exception for hardship cases. To individuals who make more than $100,000 per year, a minimum rent of $25 to $50 may seem reasonable. Such reasoning illustrates how far removed from reality supporters of this bill really are from the people they represent. For the State of New York, a $50 minimum rent would affect 900 households, and a $25 minimum rent would affect 1,828 households. For homeless families utilizing special rent assistance, but who have no income, this minimum rent would be a hardship. For large families receiving AFDC in low-benefit States, this minimum rent would be a hardship. For families, elderly and disabled households awaiting determination of eligibility for public benefits, this minimum would be a hardship. Yes, many of the people that we represent have little to no income at all; and this Congress should be compassionate enough to grant these families some leeway.

Support the Valázquez amendment to set a minimum rent of $0 to $25; and to allow for a waiver in cases of extreme hardship.

And in an interesting twist, H.R. 2406 would mandate that all able-bodied, non elderly individuals work in some capacity for the local housing authority. In a despicable regard for the value of the work that such persons may perform, H.R. 2406 would exempt these workers' wages from the Davis-Bacon prevailing-wage requirement. The assurance that a job is a real job that pays a living wage and provides certain benefits is on the attack, again. I ask my colleagues to stand up to this typical Republican contempt for the American work ethic.

Last year, some Republicans promised to mount an aggressive campaign to eliminate the Department of Housing and Urban Development [HUD]. Recognizing that such action would be politically damaging, this year, the Republicans have weakened the agency's responsibilities, and eliminated numerous federal controls. Thus, they have defeated the economic, social, and historical purpose of the Federal Government's direct role in developing affordable housing. Yes, HUD will still be around, but 60 years of it's work will have been ignored. H.R. 2406 has little to do with ensuring housing for the low income. I challenge my colleagues to vote against this apparent disdain for nonwealthy Americans; and support the Valázquez amendment.

Ms. VALAZQUEZ. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Chairman, I rise in support of the Valázquez amendment, which sets a minimum rent of up to $25, and allows for a waiver to be granted in cases of extreme hardship.

In Florida, a $50 minimum rent will affect 2.100 households. This would mean an average annual rent increase of $340. That may not seem like a lot of money to some of my wealthy colleagues in Congress, but for some of our Nation's public housing residents, that could mean the difference between buying a child a warm winter coat, or buying that same child the correct-size shoes. This truly is a matter of having food on the table, clothes on their backs, and a roof over their heads.

Public housing in our Nation is the last resort for many of our citizens. It is the final safety net before low-income folks end up homeless and on the street. If we can make some responsible and appropriate changes in the current law to improve public housing, by all means, let's do it.

Many of the people who reside in public housing are low-income veterans. Forty-one percent of residents in public and assisted housing are seniors or

are disabled. The remainder are families with children.

This Congress should be doing everything it can to provide safe, affordable, units for our Nation's low-income citizens. That's the kind thing to do. That's the compassionate thing to do. That's the right thing to do. Support the amendment.

Ms. VALÁZQUEZ. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Chairman, I want to thank the gentlewoman from New York for her wisdom.

Mr. Chairman, I heard my colleague on the other side of the aisle say this is a revolution. It is a revolution, and the only wounded and dying are poor people. It is well known and the Texas Low Income Housing Coalition and the Border Low-Income Housing Coalition has sent me some very interesting facts. Nationwide public housing residents have extremely low incomes, averaging only 17 percent of the median. The rest are zero. We recognize that it is important to have affordable housing, to have mixed housing units where there are affordable housing units living among those very poor. If you do not take this amendment that the gentlewoman has offered, in Texas alone you will be affecting 18,200 households. I did not say people, I said 18,200 households. To the least of our brothers and sisters, can we not say if you have zero income, if you worked all your life, if all has come down crashing on you, you have the opportunity to have housing?

What is the look on our faces when we see homeless persons? We ask the question, "What have they done wrong? Why don't they get a job?" We do not know their circumstances. And the reason we have homeless persons is because there are 15,000 of them waiting on lists in Texas and other places around the country to get into public housing. There is a need to ensure that the poorest among us can pay a minimal amount, have a clean house, a clean place to live, and, yes, they will keep it up. I support the gentlewoman's amendment.

Mr. Chairman, I rise today in support of this amendment.

Affordable housing fills a void in our society for our less fortunate citizens who would not have homes without subsidies. H.R. 2406 is seriously lacking as it is currently written. It kills off the Brooke amendment which insured the affordability of public housing.

In my State of Texas, as the bill is currently written, if a minimum rent of $50 was charged it would affect 18,200 households, who would be hit by an average annual rent increase of $267—this is a lot for very poor people. A minimum rent of $25 would affect 15,749 households, for those using certificates, vouchers, and project-based section 8 housing, and is far more terrible.

The elitist of this body would say that $25 or $50 is not very much to ask for a place to live, but those of us who know the plight of the poor in our States, cities, and districts know better.

TEXAS LOW INCOME HOUSING COALITION AND BORDER LOW INCOME HOUSING COALITION

Austin and Laredo, TX, May 6, 1996.

Hon. SHEILA JACKSON-LEE,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE LEE: Your vote this Wednesday on the "U.S. Housing Act of 1995" will set a new course for federal public housing in this country. We seek your support for preservation of the Brooke Amendment and the enactment of strong low income targets when this bill moves to the floor of the House. We ask that you vote against the provisions of H.R. 2406 which repeal the Brooke Amendment.

H.R. 2406 repeals the Brooke Amendment for all residents of public housing and recipients of Section 8 tenant based rental assistance. This repeal is a dramatic departure from 25 years of housing policy during which time a tenant's rent contribution has been linked to the tenant's income. Since 1981 public housing and rental assistance programs have set tenant rent at 30% of the resident's adjusted gross income. The House bill repeals this important protection and puts in its place language which will permit public housing management agencies to set rents as they deem it appropriate.

Nationwide public housing residents have extremely low incomes averaging only 17% of the median income of the area where they live. Contrary to what proponents of repeal might suggest, the Brooke Amendment did not cause poverty in public housing. Our organizations strongly oppose the repeal of the Brooke Amendment and the eradication of meaningful income targets because of the harm this would do to low income Texans.

Changes in the occupancy of public housing occurred long before the enactment of the Brooke Amendment in 1970. Social changes in the 1950s and 1960s caused major alterations in the prevalence of very poor families living in public housing. This was compounded by the tendency of localities to situate projects in poorer, isolated or otherwise undesirable areas. The people left behind in the public housing projects after the demographic shifts of the post-war era were largely the long term poor. A federal cap on rents at 30% of income is just as important today, to ensure that no family is too poor to live in public housing. There is no market rate housing available to families with such low incomes.

H.R. 2406 would also allocate only 25% of new admissions to families with incomes below 30% of median. The majority of available units could go to families earning up to 80% of the area median. We also oppose this provision. All of the Section 8 rental assistance subsidy could be targeted to families up to 80% of the area median. According to HUD's list of median incomes for 1996, 80% of the median for a family of four in Dallas, Houston and San Antonio is $38,650, $36,800 and $28,800 respectively. The government does not need to provide public housing to families with incomes this high. That job should be left to the private market.

The resolution of these two fundamental issues will determine who these units will serve for the foreseeable future. Your support for a 30% cap on rents and appropriate income targeting will be crucial to preserving these subsidized housing opportunities for the Texas families that so urgently need them.

Sincerely,

JOHN HENNEBERGER,
Chair, Texas Low Income Housing Coalition.

RAFAEL TORRES,
Convenor, Border Low Income Housing Coalition.

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the poor across this country have already been asked to pay an extraordinarily high price. Essential programs like Medicare, Medicaid, and Workforce have all been put on the chopping block. At a time when society's most vulnerable are seeing a reduction in their benefits, an increasing amount of rent to pay is cruel, heartless and shameful.

If we do not adopt the Velázquez amendment, thousands of our Nation's poorest families will no longer be able to afford public housing. For the most part, they will be mothers and children, women and children, that will be thrown into the streets with no place to go.

We here in Congress should not be creating this underclass. It is a shame that what we are doing here today is creating an underclass of poor people that cannot afford even to live in public housing. If we do not want the poorest of the poor to live in public housing, just say it. Stop playing games, and let us end this charade.

□ 1430

Mr. LAZIO of New York. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, I will tell my colleagues what is cruel, what is heartless, and what is shameful. It is defending the status quo. It is continuing to condemn Americans throughout the country, especially in our inner-cities, to continue life in poverty, despair, and disillusion.

We are trying to transform our society, Mr. Chairman. We are trying to do that in a compassionate way. We understand this will not happen overnight. We understand this bill will not change the problems that have made these challenges so complex and sometimes overwhelming with the strike of a pen. But it begins the process of progress, of returning local control, of encouraging work and providing work incentives, of providing for mixed-income populations in public and assisted housing so that the working poor will no longer be taxed, will no longer be punished, and they will be permitted to stay in public housing.

Mr. Chairman, we here are saying that it is not the Secretary of the Department of Housing and Urban Development sitting in his office in Washington who will decide what an exemption will be, although we provide for an

exemption, Mr. Chairman. We say that every family should pay at least a minimum rent of $25 to $50, and that is the current law. There is already a minimum rent in place through the appropriations process. What we are adding to that, Mr. Chairman, is an escape valve, a hardship exemption so that those Americans who cannot even make the rent of $25 for their family's apartment will be able to appeal to their local community and be able to receive an exemption, an exception, so that rent can be lowered or completely waived.

We know that there are some Americans out there that will not be able to make the minimum rent. That is why we have the hardship exemption that was worked out with the administration. But we are going well beyond that. We are trying to eliminate the concept of having the minimum rent, and having the minimum rent is as basic as eliminating the work disincentives in the Brooke amendment. I urge a "no" vote.

The CHAIRMAN. All time has expired. The question is on the amendments offered by the gentlewoman from New York [Ms. VELÁZQUEZ].

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

Mr. BAKER of Louisiana. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendments offered by the gentlewoman from New York [Ms. VELÁZQUEZ] will be postponed.

The point of no quorum is considered withdrawn.

Are there further amendments to title II?

If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—CHOICE-BASED RENTAL HOUSING AND HOMEOWNERSHIP ASSISTANCE FOR LOW-INCOME FAMILIES

Subtitle A—Allocation

SEC. 301. AUTHORITY TO PROVIDE HOUSING ASSISTANCE AMOUNTS.

To the extent that amounts to carry out this title are made available, the Secretary may enter into contracts with local housing and management authorities for each fiscal year to provide housing assistance under this title.

SEC. 302. CONTRACTS WITH LHMA'S.

(a) CONDITION OF ASSISTANCE.—The Secretary may provide amounts under this title to a local housing and management authority for a fiscal year only if the Secretary has entered into a contract under this section with the local housing and management authority, under which the Secretary shall provide such authority with amounts (in the amount of the allocation for the authority determined pursuant to section 304) for housing assistance under this title for low-income families.

(b) USE FOR HOUSING ASSISTANCE.—A contract under this section shall require a local housing and management authority to use amounts provided under this title to provide housing assistance in any manner authorized under this title.

(c) ANNUAL OBLIGATION OF AUTHORITY.—A contract under this title shall provide amounts for housing assistance for 1 fiscal year covered by the contract.

(d) ENFORCEMENT OF HOUSING QUALITY REQUIREMENTS.—Each contract under this section shall require the local housing and management authority administering assistance provided under the contract—

(1) to ensure compliance, under each housing assistance payments contract entered into pursuant to the contract under this section, with the provisions of the housing assistance payments contract included pursuant to section 351(c)(4); and

(2) to establish procedures for assisted families to notify the authority of any noncompliance with such provisions.

SEC. 303. ELIGIBILITY OF LHMA'S FOR ASSISTANCE AMOUNTS.

The Secretary may provide amounts available for housing assistance under this title to a local housing and management authority only if—

(1) the authority has submitted a local housing management plan to the Secretary for such fiscal year and applied to the Secretary for such assistance;

(2) the plan has been determined to comply with the requirements under section 107 and the Secretary has not notified the authority that the plan fails to comply with such requirements;

(3) the authority is accredited under section 433 by the Housing Foundation and Accreditation Board;

(5) no member of the board of directors or other governing body of the authority, or the executive director, has been convicted of a felony; and

(6) the authority has not been disqualified for assistance pursuant to subtitle B of title IV.

SEC. 304. ALLOCATION OF AMOUNTS.

(a) FORMULA ALLOCATION.—

(1) IN GENERAL.—When amounts for assistance under this title are first made available for reservation, after reserving amounts in accordance with subsection (c) and section 109, the Secretary shall allocate such amounts, only among local housing and management authorities meeting the requirements under this title to receive such assistance, on the basis of a formula that is established in accordance with paragraph (2) and based upon appropriate criteria to reflect the needs of different States, areas, and communities, using the most recent data available from the Bureau of the Census of the Department of Commerce and the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act (or any consolidated plan incorporating such strategy) for the applicable jurisdiction. The Secretary may establish a minimum allocation amount, in which case only the local housing and management authorities that, pursuant to the formula, are provided an amount equal to or greater than the minimum allocation amount, shall receive an allocation.

(2) REGULATIONS.—The formula under this subsection shall be established by regulation issued by the Secretary. Notwithstanding sections 563(a) and 565(a) of title 5, United States Code, any proposed regulation containing such formula shall be issued pursuant to a negotiated rulemaking procedure under subchapter of chapter 5 of such title and the Secretary shall establish a negotiated rulemaking committee for development of any such proposed regulations.

(b) ALLOCATION CONSIDERATIONS.—

(1) LIMITATION ON REALLOCATION FOR ANOTHER STATE.—Any amounts allocated for a State or areas or communities within a State that are not likely to be used within the fiscal year for which the amounts are provided shall not be reallocated for use in another State, unless the Secretary determines that other areas or communities within the same State (that are eligible for amounts under this title) cannot use the amounts within the same fiscal year.

(2) EFFECT OF RECEIPT OF TENANT-BASED ASSISTANCE FOR DISABLED FAMILIES.—The Secretary may not consider the receipt by a local housing and management authority of assistance under section 811(b)(1) of the Cranston-Gonzalez National Affordable Housing Act, or the amount received, in approving amounts under this title for the authority or in determining the amount of such assistance to be provided to the authority.

(3) EXEMPTION FROM FORMULA ALLOCATION.—The formula allocation requirements of subsection (a) shall not apply to any assistance under this title that is approved in appropriation Acts for uses that the Secretary determines are incapable of geographic allocation, including amendments of existing housing assistance payments contracts, renewal of such contracts, assistance to families that would otherwise lose assistance due to the decision of the project owner to prepay the project mortgage or not to renew the housing assistance payments contract, assistance to prevent displacement or to provide replacement housing in connection with the demolition or disposition of public and Indian housing, assistance for relocation from public housing, assistance in connection with protection of crime witnesses, assistance for conversion from leased housing contracts under section 23 of the United States Housing Act of 1937 (as in effect before the enactment of the Housing and Community Development Act of 1974), and assistance in support of the property disposition and loan management functions of the Secretary.

(c) SET-ASIDE FOR INDIAN HOUSING ASSISTANCE.—The Secretary shall allocate, in a manner determined by the Secretary, a portion of the amounts made available in each fiscal year for assistance under this title for assistance for Indian housing authorities.

(d) RECAPTURE OF AMOUNTS.—

(1) AUTHORITY.—In each fiscal year, from any budget authority made available for assistance under this title or section 8 of the United States Housing Act of 1937 (as in effect before the enactment of this Act) that is obligated to a local housing and management authority but remains unobligated by the authority upon the expiration of the 8-month period beginning upon the initial availability of such amounts for obligation by the authority, the Secretary may deobligate an amount, as determined by the Secretary, not exceeding 50 percent of such unobligated amount.

(2) USE.—The Secretary may reallocate and transfer any amounts deobligated under paragraph (1) only to local housing and management authorities in areas that the Secretary determines have received less funding than other areas, based on the relative needs of all areas.

SEC. 305. ADMINISTRATIVE FEES.

(a) FEE FOR ONGOING COSTS OF ADMINISTRATION.—

(1) IN GENERAL.—The Secretary shall establish fees for the costs of administering the choice-based housing assistance program under this title.

(2) FISCAL YEAR 1996.—

(A) CALCULATION.—For fiscal year 1996, the fee for each month for which a dwelling unit is covered by a contract for assistance under this title shall be—

(i) in the case of a local housing and management authority that, on an annual basis, is administering a program for not more than 600 dwelling units, 6.5 percent of the base amount; and

(ii) in the case of an authority that, on an annual basis, is administering a program for more than 600 dwelling units—

(I) for the first 600 units, 6.5 percent of the base amount; and

(II) for any additional dwelling units under the program, 6.0 percent of the base amount.

(B) BASE AMOUNT.—For purposes of this paragraph, the base amount shall be the higher of—

(i) the fair market rental established under section 8(c) of the United States Housing Act of 1937 (as in effect immediately before the date of the enactment of this Act) for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the market area of the authority, and

(ii) the amount that is the lesser of (I) such fair market rental for fiscal year 1994 or (II) 103.5 percent of the amount determined under clause (i),

adjusted based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary. The Secretary may require that the base amount be not less than a minimum amount and not more than a maximum amount.

(3) SUBSEQUENT FISCAL YEARS.—For subsequent fiscal years, the Secretary shall publish a notice in the Federal Register, for each geographic area, establishing the amount of the fee that would apply for local housing and management authorities administering the program, based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary.

(4) INCREASE.—The Secretary may increase the fee if necessary to reflect the higher costs of administering small programs and programs operating over large geographic areas.

(b) FEE FOR PRELIMINARY EXPENSES.—The Secretary shall also establish reasonable fees (as determined by the Secretary) for—

(1) the costs of preliminary expenses, in the amount of $500, for a local housing and management authority, but only in the first year that the authority administers a choice-based housing assistance program under this title, and only if, immediately before the date of the enactment of this Act, the authority was not administering a tenant-based rental assistance program under the United States Housing Act of 1937 (as in effect immediately before such date of enactment), in connection with its initial increment of assistance received;

(2) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

(3) extraordinary costs approved by the Secretary.

(c) TRANSFER OF FEES IN CASES OF CONCURRENT GEOGRAPHICAL JURISDICTION.—

(1) IN GENERAL.—In each fiscal year, if any local housing and management authority provides tenant-based rental assistance under section 8 of the United States Housing Act of 1937 or housing assistance under this title on behalf of a family who uses such assistance for a dwelling unit that is located within the jurisdiction of such authority but is also within the jurisdiction of another local housing and management authority, the Secretary shall require the authority issuing such assistance to transfer the amount provided under paragraph (2) to the closest eligible authority that is approved to administer the program and is not designated as a troubled authority under section 431(a)(2)(D).

(2) ADMINISTRATIVE FEE.—The amount provided under this paragraph is, with respect to each such family described in subsection (a)—

(A) in the case of assistance under section 8 of the United States Housing Act of 1937, the amount received under section 8(q) of such Act that is attributable to the administrative fee under such section for such family for the portion of the fiscal year during which such family resides in the dwelling unit described in paragraph (1); and

(B) in the case of housing assistance under this title, an amount of the grant amounts received under this title that is equal to the administrative fee for a family established under section 305 for such fiscal year, as adjusted based on the portion of the fiscal year during which such family resides in the dwelling unit described in paragraph (1).

SEC. 306. AUTHORIZATIONS OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated for providing local housing and management authorities with housing assistance under this title, $1,861,668,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

(b) ASSISTANCE FOR DISABLED FAMILIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, for choice-based housing assistance under this title to be used in accordance with paragraph (2), $50,000,000 for fiscal year 1997, and such sums as may be necessary for each subsequent fiscal year.

(2) USE.—The Secretary shall provide amounts made available under paragraph (1) to local housing and management authorities only for use to provide housing assistance under this title for nonelderly disabled families (including such families relocating pursuant to designation of a public housing development under section 227 and other nonelderly disabled families who have applied to the authority for housing assistance under this title).

(3) ALLOCATION OF AMOUNTS.—The Secretary shall allocate and provide amounts made available under paragraph (1) to local housing and management authorities as the Secretary determines appropriate based on the relative levels of need among the authorities for assistance for families described in paragraph (1).

SEC. 307. CONVERSION OF SECTION 8 ASSISTANCE.

(a) IN GENERAL.—Any amounts made available to a local housing and management authority under a contract for annual contributions for assistance under section 8 of the United States Housing Act of 1937 (as in effect before the enactment of this Act) that have not been obligated for such assistance by such authority before such enactment shall be used to provide assistance under this title, except to the extent the Secretary determines such use is inconsistent with existing commitments.

(b) EXCEPTION.—Subsection (a) shall not apply to any amounts made available under a contract for housing constructed or substantially rehabilitated pursuant to section 8(b)(2) of the United States Housing Act of 1937, as in effect before October 1, 1983.

Subtitle B—Choice-Based Housing Assistance for Eligible Families

SEC. 321. ELIGIBLE FAMILIES AND PREFERENCES FOR ASSISTANCE.

(a) LOW-INCOME REQUIREMENT.—Housing assistance under this title may be provided only on behalf of a family that—

(1) at the time that such assistance is initially provided on behalf of the family, is determined by the local housing and management authority to be a low-income family; or

(2) qualifies to receive such assistance under any other provision of Federal law.

(b) REVIEWS OF FAMILY INCOMES.—

(1) IN GENERAL.—Reviews of family incomes for purposes of this title shall be subject to the provisions of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 and shall be conducted upon the initial provision of housing assistance for the family and thereafter not less than annually.

(2) PROCEDURES.—Each local housing and management authority administering housing assistance under this title shall establish procedures that are appropriate and necessary to ensure that income data provided to the authority and owners by families applying for or receiving housing assistance from the authority is complete and accurate.

(c) PREFERENCES FOR ASSISTANCE.—

(1) AUTHORITY TO ESTABLISH.—Any local housing and management authority that receives amounts under this title may establish a system for making housing assistance available on behalf of eligible families that provides preference for such assistance to eligible families having certain characteristics.

(2) CONTENT.—Each system of preferences established pursuant to this subsection shall be based upon local housing needs and priorities, as determined by the local housing and management authority using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 107(e) or under the requirements applicable to comprehensive housing affordability strategy for the relevant jurisdiction.

(d) TREATMENT OF ASSISTED FAMILIES WHO MOVE OUT OF JURISDICTION OF LHMA.—

(1) IN GENERAL.—A local housing and management authority may, in the discretion of the agency and notwithstanding any preferences under subsection (c), provide housing assistance for eligible families (or a certain number of such families) who have moved into the jurisdiction of the authority and on whose behalf such assistance was being provided, at the time of such move, by the authority for the jurisdiction from which the family moved.

(2) ASSISTANCE UNDER 1937 ACT.—Notwithstanding any provision of this title, a local housing and management authority who, upon the date of the enactment of this Act, is providing assistance under section 8 of the United States Housing Act of 1937 for a family pursuant to subsection (r) of such section shall continue to provide such assistance (or housing assistance under this title) in accordance with such section until the local housing and management authority for the jurisdiction to which the family moved provides housing assistance on behalf of the family pursuant to paragraph (1) of this subsection or otherwise or the authority terminates such assistance for other reasons.

(e) TREATMENT OF FAMILIES ON WAITING LIST WHO MOVE OUT OF JURISDICTION OF LHMA.—

(1) MOVE TO JURISDICTION WITH OPEN WAITING LIST.—Except as provided in paragraph (2), if an eligible family (A) applies for choice-based housing assistance while residing within the jurisdiction of a local housing and management authority, (B) moves outside of the jurisdiction of the authority before such assistance is provided on behalf of the family, and (C) applies for housing assistance from the local housing and management authority for the jurisdiction to which the family moves, such authority shall consider the application to have been made upon the date that the family applied for assistance with the authority in whose jurisdiction the family previously resided.

(2) MOVE TO JURISDICTION WITH CLOSED WAITING LIST.—If the local housing and management authority for the jurisdiction to which an eligible family described in paragraph (1) moves is not generally accepting applications for housing assistance, such jurisdiction shall accept the application of such family but shall treat the application as having been made on the date on which it is actually made. Notwithstanding the preceding sentence, a local housing and management authority may (at the discretion of the authority) provide that any application by an eligible family whose move to the jurisdiction not accepting applications for assistance was made because of a verifiable employment opportunity shall be subject to the provisions of paragraph (1).

(f) AUTHORITY TO DENY ASSISTANCE TO CERTAIN FAMILIES WHO MOVE.—A local housing and management authority may establish criteria for denying housing assistance, and pursuant to such criteria may deny such assistance, to an eligible family who has moved from the jurisdiction of another authority, who received housing assistance from the authority for such other jurisdiction, and whose assistance was terminated by such other authority for reasons other than income ineligibility or the change of residence.

(g) LOSS OF ASSISTANCE UPON TERMINATION OF TENANCY.—A local housing and management authority may, to the extent such policies are described in the local housing management plan of the authority and included in the lease for a dwelling unit, establish policies providing that an assisted family whose tenancy is terminated for serious violations of the terms or conditions of the lease shall—

(1) lose any right to continued housing assistance; and

(2) immediately become ineligible for housing assistance under this title for a period not exceeding 3 years from the date of the termination of the housing assistance.

(h) CONFIDENTIALITY FOR VICTIMS OF DOMESTIC VIOLENCE.—A local housing and management authority shall be subject to the restrictions regarding release of information relating to the identity and new residence of any family receiving housing assistance who was a victim of domestic violence that are applicable to shelters pursuant to the Family Violence Prevention and Services Act. The authority shall work with the United States Postal Service to establish procedures consistent with the confidentiality provisions in the Violence Against Women Act of 1994.

SEC. 322. RESIDENT CONTRIBUTION.

(a) IN GENERAL.—An assisted family shall contribute on a monthly basis for the rental of an assisted dwelling unit an amount that the local housing and management authority determines is appropriate with respect to the family. The amount of the minimum monthly rental contribution—

(1) shall be based upon factors including the adjusted income of the family and any other factors that the authority considers appropriate;

(2) shall be not less than $25;

(3) shall include any portion of the cost of utilities for the dwelling unit for which the resident is responsible; and

(4) may be increased annually by the authority, except that no such annual increase may exceed 10 percent of the amount of the minimum monthly contribution in effect for the preceding year.

In any case in which the monthly rent charged for a dwelling unit pursuant to the housing assistance payments contract exceeds the payment standard (established under section 353) for the dwelling unit, the assisted family residing in the unit shall contribute (in addition to the amount of the monthly rent contribution otherwise determined under this subsection for such family) such entire excess rental amount.

(b) RENTAL CONTRIBUTION FOR ELDERLY AND DISABLED FAMILIES.—In establishing the amount of monthly rental contributions under this section for disabled families and elderly families residing in assisted dwelling units, a local housing and management authority shall waive the applicability of any provision of subsection (a) that may be necessary to establish such contributions that are reasonable based on the adjusted incomes of such families.

(c) TREATMENT OF CHANGES IN RENTAL CONTRIBUTION.—

(1) NOTIFICATION OF CHANGES.—A local housing and management authority shall promptly notify the owner of an assisted dwelling unit of any change in the resident contribution by the assisted family residing in the unit that takes effect immediately or at a later date.

(2) COLLECTION OF RETROACTIVE CHANGES.—In the case of any change in the rental contribution of an assisted family that affects rental payments previously made, the local housing and management authority shall collect any additional amounts required to be paid by the family under such change directly from the family and shall refund any excess rental contribution paid by the family directly to the family.

(d) PHASE-IN OF RENT CONTRIBUTION INCREASES.—

(1) IN GENERAL.—Except as provided in paragraph (2), for any family that is receiving tenant-based rental assistance under section 8 of the United States Housing Act of 1937 upon the initial applicability of the provisions of this title to such family, if the monthly contribution for rental of an assisted dwelling unit to be paid by the family upon such initial applicability is greater than the amount paid by the family under the provisions of the United States Housing Act of 1937 immediately before such applicability, any such resulting increase in rent contribution shall be—

(A) phased in equally over a period of not less than 3 years, if such increase is 30 percent or more of such contribution before initial applicability; and

(B) limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent of such contribution before initial applicability.

(2) EXCEPTION.—The minimum rent contribution requirement under subsection (a)(2) shall apply to each family described in paragraph (1) of this subsection, notwithstanding such paragraph.

SEC. 323. RENTAL INDICATORS.

(a) IN GENERAL.—The Secretary shall establish and issue rental indicators under this section periodically, but not less than annually, for existing rental dwelling units that are eligible dwelling units. The Secretary shall establish and issue the rental indicators by housing market area (as the Secretary shall establish) for various sizes and types of dwelling units.

(b) AMOUNT.—For a market area, the rental indicator established under subsection (a) for a dwelling unit of a particular size and type in the market area shall be a dollar amount that reflects the rental amount for a standard quality rental unit of such size and type in the market area that is an eligible dwelling unit.

(c) EFFECTIVE DATE.—The Secretary shall cause the proposed rental indicators established under subsection (a) for each market area to be published in the Federal Register with reasonable time for public comment, and such rental indicators shall become effective upon the date of publication in final form in the Federal Register.

(d) ANNUAL ADJUSTMENT.—Each rental indicator in effect under this section shall be adjusted to be effective on October 1 of each year to reflect changes, based on the most recent available data trended so that the indicators will be current for the year to which they apply, in rents for existing rental dwelling units of various sizes and types in the market area suitable for occupancy by families assisted under this title.

SEC. 324. LEASE TERMS.

Rental assistance may be provided for an eligible dwelling unit only if the assisted family and the owner of the dwelling unit enter into a lease for the unit that—

(1) provides for a single lease term of 12 months and continued tenancy after such term under a periodic tenancy on a month-to-month basis;

(2) contains terms and conditions specifying that termination of tenancy during the term of a lease shall be subject to the provisions set forth in section 325; and

(3) is set forth in the standard form, which is used in the local housing market area by the owner and applies generally to any other tenants in the property who are not assisted families, together with any addendum necessary to include the many terms required under this section.

A lease may include any addenda appropriate to set forth the provisions under section 325.

SEC. 325. TERMINATION OF TENANCY.

(a) GENERAL GROUNDS FOR TERMINATION OF TENANCY.—Each housing assistance payments contract under section 351 shall provide that the owner of any assisted dwelling unit assisted under the contract may, before expiration of a lease for a unit, terminate the tenancy of any tenant of the unit, but only for—

(1) violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or other good cause; or

(2) any activity, engaged in by the tenant, any member of the tenant's household, or any guest or other person under the tenant's control, that—

(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenants or employees of the owner or manager of the housing;

(B) threatens the health or safety of, or right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises; or

(C) is criminal activity (including drug-related criminal activity).

(b) MANNER OF TERMINATION.—Each housing assistance payments contract shall provide that the owner shall conduct the termination of tenancy of any tenant of an assisted dwelling unit under the contract in accordance with applicable State or local laws, including providing any notice of termination required under such laws.

SEC. 326. ELIGIBLE OWNERS.

(a) OWNERSHIP ENTITY.—Rental assistance under this title may be provided for any eligible dwelling unit for which the owner is any public agency, private person or entity (including a cooperative), nonprofit organization, agency of the Federal Government, or local housing and management authority.

(b) INELIGIBLE OWNERS.—

(1) IN GENERAL.—Notwithstanding subsection (a), a local housing and management authority may not enter into a housing assistance payments contract (or renew an existing contract) covering a dwelling unit that is owned by an owner who is debarred, suspended, or subject to limited denial of participation under part 24 of title 24, Code of Federal Regulations.

(2) PROHIBITION OF SALE TO RELATED PARTIES.—The Secretary shall establish guidelines to prevent housing assistance payments for a dwelling unit that is owned by any spouse, child, or other party who allows an owner described in paragraph (1) to maintain control of the unit.

(3) RULE OF CONSTRUCTION.—This subsection may not be construed to prohibit, or authorize the termination or suspension, of payment of housing assistance under a housing assistance payments contract in effect at the time such debarment, suspension, or limited denial of participation takes effect.

SEC. 327. SELECTION OF DWELLING UNITS.

(a) FAMILY CHOICE.—The determination of the dwelling unit in which an assisted family resides and for which housing assistance is provided under this title shall be made solely by the assisted family, subject to the provisions of this title.

(b) DEED RESTRICTIONS.—Housing assistance may not be used in any manner that abrogates

any local deed restriction that applies to any housing consisting of 1 to 4 dwelling units. Nothing in this section may be construed to affect the provisions or applicability of the Fair Housing Act.

SEC. 328. ELIGIBLE DWELLING UNITS.

(a) IN GENERAL.—A dwelling unit shall be an eligible dwelling unit for purposes of this title only if the local housing and management authority to provide housing assistance for the dwelling unit determines that the dwelling unit—

(1) is an existing dwelling unit that is not located within a nursing home or the grounds of any penal, reformatory, medical, mental, or similar public or private institution; and

(2) complies—

(A) with applicable State or local laws, regulations, standards, or codes regarding habitability of residential dwellings that—

(i) are in effect for the jurisdiction in which the dwelling unit is located;

(ii) provide protection to residents of the dwellings that is equal to or greater than the protection provided under the housing quality standards established under subsection (b); and

(iii) that do not severely restrict housing choice; or

(B) in the case of a dwelling unit located in a jurisdiction which does not have in effect laws, regulations, standards, or codes described in subparagraph (A), with the housing quality standards established under subsection (b).

Each local housing and management authority providing housing assistance shall identify, in the local housing management plan for the authority, whether the authority is utilizing the standard under subparagraph (A) or (B) of paragraph (2) and, if the authority utilizes the standard under subparagraph (A), shall certify in such plan that the applicable State or local laws, regulations, standards, or codes comply with the requirements under such subparagraph.

(b) DETERMINATIONS.—

(1) IN GENERAL.—A local housing and management authority shall make the determinations required under subsection (a) pursuant to an inspection of the dwelling unit conducted before any assistance payment is made for the unit.

(2) FAILURE TO INSPECT.—Notwithstanding subsection (a), if the inspection and the determinations referred to in paragraph (1) are not made before the expiration of the 7-day period beginning upon a request by the resident or landlord to the local housing and management authority—

(A) the dwelling unit shall be considered to be an eligible dwelling unit for purposes of this title; and

(B) the assisted family may occupy the dwelling unit, and assistance payments for the unit may be made before necessary repairs are completed, it the owner agrees to make such repairs within 15 days.

(c) FEDERAL HOUSING QUALITY STANDARDS.—The Secretary shall establish housing quality standards under this subsection that ensure that assisted dwelling units are safe, clean, and healthy. Such standards shall include requirements relating to habitability, including maintenance, health and sanitation factors, condition, and construction of dwellings, and shall, to the greatest extent practicable, be consistent with the standards established under section 232(b). The Secretary shall differentiate between major and minor violations of such standards.

(d) ANNUAL INSPECTIONS.—Each local housing and management authority providing housing assistance shall make an annual inspection of each assisted dwelling unit during the term of the housing assistance payments contracts for the unit to determine whether the unit is maintained in accordance with the requirements under subsection (a)(2). The authority shall submit the results of such inspections to the Secretary and the Inspector General for the Department of Housing and Urban Development and such results shall be available to the Housing Foundation and Accreditation Board established under title IV and any auditor conducting an audit under section 432.

(e) INSPECTION GUIDELINES.—The Secretary shall establish procedural guidelines and performance standards to facilitate inspections of dwelling units and conform such inspections with practices utilized in the private housing market. Such guidelines and standards shall take into consideration variations in local laws and practices of local housing and management authorities and shall provide flexibility to authorities appropriate to facilitate efficient provision of assistance under this title.

(f) RULE OF CONSTRUCTION.—This section may not be construed to prevent the provision of housing assistance in connection with supportive services for elderly or disabled families.

SEC. 329. HOMEOWNERSHIP OPTION.

(a) IN GENERAL.—A local housing and management authority providing housing assistance under this title may provide homeownership assistance to assist eligible families to purchase a dwelling unit (including purchase under lease-purchase homeownership plans).

(b) REQUIREMENTS.—A local housing and management authority providing homeownership assistance under this section shall, as a condition of an eligible family receiving such assistance, require the family to—

(1) demonstrate that the family has income from employment or other sources (other than public assistance), as determined in accordance with requirements established by the authority; and

(2) meet any other initial or continuing requirements established by the local housing and management authority.

(c) DOWNPAYMENT REQUIREMENT.—

(1) IN GENERAL.—A local housing and management authority may establish minimum downpayment requirements, if appropriate, in connection with loans made for the purchase of dwelling units for which homeownership assistance is provided under this section. If the authority establishes a minimum downpayment requirement, except as provided in paragraph (2) the authority shall permit the family to use grant amounts, gifts from relatives, contributions from private sources, and similar amounts as downpayment amounts in such purchase.

(2) DIRECT FAMILY CONTRIBUTION.—In purchasing housing pursuant to this section subject to a downpayment requirement, each family shall contribute an amount of the downpayment, from resources of the family other than grants, gifts, contributions, or other similar amounts referred to in paragraph (1), that is not less than 1 percent of the purchase price.

(d) INELIGIBILITY UNDER OTHER PROGRAMS.—A family may not receive homeownership assistance pursuant to this section during any period when assistance is being provided for the family under other Federal homeownership assistance programs, as determined by the Secretary, including assistance under the HOME Investment Partnerships Act, the Homeownership and Opportunity Through HOPE Act, title II of the Housing and Community Development Act of 1987, and section 502 of the Housing Act of 1949.

Subtitle C—Payment of Housing Assistance on Behalf of Assisted Families

SEC. 351. HOUSING ASSISTANCE PAYMENTS CONTRACTS.

(a) IN GENERAL.—Each local housing and management authority that receives amounts under a contract under section 302 may enter into housing assistance payments contracts with owners of existing dwelling units to make housing assistance payments to such owners in accordance with this title.

(b) LHMA ACTING AS OWNER.—A local housing and management authority may enter into a housing assistance payments contract to make housing assistance payments under this title to itself (or any agency or instrumentality thereof) as the owner of dwelling units, and the authority shall be subject to the same requirements that are applicable to other owners, except that the determinations under section 328(a) and 354(b) shall be made by a competent party not affiliated with the authority or the owner, and the authority shall be responsible for any expenses of such determinations.

(c) PROVISIONS.—Each housing assistance payments contract shall—

(1) have a term of not more than 12 months;

(2) require that the assisted dwelling unit may be rented only pursuant to a lease that complies with the requirements of section 324;

(3) comply with the requirements of section 325 (relating to termination of tenancy);

(4) require the owner to maintain the dwelling unit in accordance with the applicable standards under section 328(a)(2); and

(5) provide that the screening and selection of eligible families for assisted dwelling units shall be the function of the owner.

SEC. 352. AMOUNT OF MONTHLY ASSISTANCE PAYMENT.

The amount of the monthly assistance payment for housing assistance under this title on behalf of an assisted family shall be as follows:

(1) UNITS HAVING GROSS RENT LESS THAN PAYMENT STANDARD.—In the case of a dwelling unit bearing a gross rent that does not exceed the payment standard established under section 353 for a dwelling unit of the applicable size and located in the market area in which such assisted dwelling unit is located, the amount by which the gross rent for the dwelling unit exceeds the amount of the resident contribution determined in accordance with section 322.

(2) UNITS HAVING GROSS RENT EXCEEDING PAYMENT STANDARD.—In the case of a dwelling unit bearing a gross rent that exceeds the payment standard established under section 353 for a dwelling unit of the applicable size and located in the market area in which such assisted dwelling unit is located, the amount by which such payment standard exceeds the amount of the resident contribution determined in accordance with section 322.

SEC. 353. PAYMENT STANDARDS.

(a) ESTABLISHMENT.—Each local housing and management authority providing housing assistance under this title shall establish payment standards under this section for various areas, and sizes and types of dwelling units, for use in determining the amount of monthly housing assistance payment to be provided on behalf of assisted families.

(b) USE OF RENTAL INDICATORS.—The payment standard for each size and type of housing for each market area shall be an amount that is not less than 80 percent, and not greater than 120 percent, of the rental indicator established under section 323 for such size and type for such area.

(c) REVIEW.—If the Secretary determines, at any time, that a significant percentage of the assisted families who are assisted by a large local housing and management authority and are occupying dwelling units of a particular size are paying more than 30 percent of their adjusted incomes for rent, the Secretary shall review the payment standard established by the authority for such size dwellings. If, pursuant to the review, the Secretary determines that such payment standard is not appropriate to serve the needs of the low-income population of the jurisdiction served by the authority (taking

into consideration rental costs in the area), as identified in the approved community improvement plan of the authority, the Secretary may require the local housing and management authority to modify the payment standard. For purposes of this subsection, the term "large local housing and management authority" means a local housing and management authority that provides housing assistance on behalf of 1250 or more assisted families.

SEC. 354. REASONABLE RENTS.

(a) ESTABLISHMENT.—The rent charged for a dwelling unit for which rental assistance is provided under this title shall be established pursuant to negotiation and agreement between the assisted family and the owner of the dwelling unit.

(b) REASONABLENESS.—

(1) DETERMINATION.—A local housing and management authority providing rental assistance under this title for a dwelling unit shall, before commencing assistance payments for a unit, determine whether the rent charged for the unit exceeds the rents charged for comparable units in the applicable private unassisted market.

(2) UNREASONABLE RENTS.—If the authority determines that the rent charged for a dwelling unit exceeds such comparable rents, the authority shall—

(A) inform the assisted family renting the unit that such rent exceeds the rents for comparable unassisted units in the market; and

(B) refuse to provide housing assistance payments for such unit.

SEC. 355. PROHIBITION OF ASSISTANCE FOR VACANT RENTAL UNITS.

If an assisted family vacates a dwelling unit for which rental assistance is provided under a housing assistance payments contract before the expiration of the term of the lease for the unit, rental assistance pursuant to such contract may not be provided for the unit after the month during which the unit was vacated.

Subtitle D—General and Miscellaneous Provisions

SEC. 371. DEFINITIONS.

For purposes of this title:

(1) ASSISTED DWELLING UNIT.—The term "assisted dwelling unit" means a dwelling unit in which an assisted family resides and for which housing assistance payments are made under this title.

(2) ASSISTED FAMILY.—The term "assisted family" means an eligible family on whose behalf housing assistance payments are made under this title or who has been selected and approved for housing assistance.

(3) CHOICE-BASED.—The term "choice-based" means, with respect to housing assistance, that the assistance is not attached to a dwelling unit but can be used for any eligible dwelling unit selected by the eligible family.

(4) ELIGIBLE DWELLING UNIT.—The term "eligible dwelling unit" means a dwelling unit that complies with the requirements under section 328 for consideration as an eligible dwelling unit.

(5) ELIGIBLE FAMILY.—The term "eligible family" means a family that meets the requirements under section 321(a) for assistance under this title.

(6) HOMEOWNERSHIP ASSISTANCE.—The term "homeownership assistance" means housing assistance provided under section 329 for the ownership of a dwelling unit.

(7) HOUSING ASSISTANCE.—The term "housing assistance" means assistance provided under this title on behalf of low-income families for the rental or ownership of an eligible dwelling unit.

(8) HOUSING ASSISTANCE PAYMENTS CONTRACT.—The term "housing assistance payments contract" means a contract under section 351 between a local housing and management authority (or the Secretary) and an owner to make housing assistance payments under this title to the owner on behalf of an assisted family.

(9) LOCAL HOUSING AND MANAGEMENT AUTHORITY.—The terms "local housing and management authority" and "authority" have the meaning given such terms in section 103, except that the terms include—

(A) a consortia of local housing and management authorities that the Secretary determines has the capacity and capability to administer a program for housing assistance under this title in an efficient manner;

(B) any other entity that, upon the date of the enactment of this Act, was administering any program for tenant-based rental assistance under section 8 of the United States Housing Act of 1937 (as in effect before the enactment of this Act), pursuant to a contract with the Secretary or a public housing agency; and

(C) with respect to any area in which no local housing and management authority has been organized or where the Secretary determines that a local housing and management authority is unwilling or unable to implement this title, or is not performing effectively—

(i) the Secretary or another entity that by contract agrees to receive assistance amounts under this title and enter into housing assistance payments contracts with owners and perform the other functions of local housing and management authority under this title; or

(ii) notwithstanding any provision of State or local law, a local housing and management authority for another area that contracts with the Secretary to administer a program for housing assistance under this title, without regard to any otherwise applicable limitations on its area of operation.

(10) OWNER.—The term "owner" means the person or entity having the legal right to lease or sublease dwelling units. Such term includes any principals, general partners, primary shareholders, and other similar participants in any entity owning a multifamily housing project, as well as the entity itself.

(11) RENT.—The terms "rent" and "rental" include, with respect to members of a cooperative, the charges under the occupancy agreements between such members and the cooperative.

(12) RENTAL ASSISTANCE.—The term "rental assistance" means housing assistance provided under this title for the rental of a dwelling unit.

SEC. 372. RENTAL ASSISTANCE FRAUD RECOVERIES.

(a) AUTHORITY TO RETAIN RECOVERED AMOUNTS.—The Secretary shall permit local housing and management authorities administering housing assistance under this title to retain, out of amounts obtained by the authorities from tenants that are due as a result of fraud and abuse, an amount (determined in accordance with regulations issued by the Secretary) equal to the greater of—

(1) 50 percent of the amount actually collected; or

(2) the actual, reasonable, and necessary expenses related to the collection, including costs of investigation, legal fees, and collection agency fees.

(b) USE.—Amounts retained by an authority shall be made available for use in support of the affected program or project, in accordance with regulations issued by the Secretary. If the Secretary is the principal party initiating or sustaining an action to recover amounts from families or owners, the provisions of this section shall not apply.

(c) RECOVERY.—Amounts may be recovered under this section—

(1) by an authority through a lawsuit (including settlement of the lawsuit) brought by the authority or through court-ordered restitution pursuant to a criminal proceeding resulting from an authority's investigation where the authority seeks prosecution of a family or where an authority seeks prosecution of an owner;

(2) through administrative repayment agreements with a family or owner entered into as a result of an administrative grievance procedure conducted by an impartial decisionmaker in accordance with section 110; or

(3) through an agreement between the parties.

SEC. 373. STUDY REGARDING GEOGRAPHIC CONCENTRATION OF ASSISTED FAMILIES.

(a) IN GENERAL.—The Secretary shall conduct a study of the geographic areas in the State of Illinois served by the Housing Authority of Cook County and the Chicago Housing Authority and submit to the Congress a report and a specific proposal, which addresses and resolves the issues of—

(1) the adverse impact on local communities due to geographic concentration of assisted households under the tenant-based housing programs under section 8 of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act) and under this title; and

(2) facilitating the deconcentration of such assisted households by providing broader housing choices to such households.

The study shall be completed, and the report shall be submitted, not later than 90 days after the date of the enactment of this Act.

(b) CONCENTRATION.—For purposes of this section, the term "concentration" means, with respect to any area within a census tract, that—

(1) 15 percent or more of the households residing within such area have incomes which do not exceed the poverty level; or

(2) 15 percent or more of the total affordable housing stock located within such area is assisted housing.

The CHAIRMAN. Are there amendments to title III?

AMENDMENT NO. 47 OFFERED BY MR. SANDERS

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 47 offered by Mr. SANDERS: Page 145, line 23, strike "6.5 percent" and insert "7.65 percent".

Page 146, lines 4 and 5, strike "6.5 percent" and insert "7.65 percent".

Page 146, line 7, strike "6.0 percent" and insert "7.0 percent".

The CHAIRMAN. Pursuant to the order of the Committee of May 8, 1996, the gentleman from Vermont [Mr. SANDERS] will be recognized for 5 minutes in support of his amendment, and the gentleman from New York [Mr. LAZIO] will be recognized for 5 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Vermont [Mr. SANDERS].

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

Mr. Chairman, let me begin by thanking the Republican leadership here, because my understanding is that they will be accepting this amendment. In truth, this is a tripartisan amendment. It has support from the gentlewoman from New Jersey [Mrs. ROUKEMA] and other Republicans, as well as many Democrats.

Mr. Chairman, many Members of Congress have criticized public housing and believe that Americans should be able to decide for themselves how best to spend their housing allowance. These critics should be supporters of the Section 8 program, but this laudable program is not reaching everyone that is eligible for assistance.

About 1.5 million people receive section 8 assistance, but close to that same amount are on the waiting list. In my home State of Vermont, the waiting list is over 3 years long. In some areas, applicants wait for more than 10 years.

Unfortunately, this bill contains a provision that would make these waiting periods even longer. I am talking about the major cuts in fees for administering the Section 8 program. If the bill had been in place for fiscal year 1996, housing authorities would have received, on average, 23 percent less to administer the tenant-based Section 8 program. Nationally, according to HUD, we are talking about a $182 million cut in section 8 administration.

In California alone, that cut amounts to almost $30 million; in New York, over $21 million; and in New Jersey, over $7 million. In my small State of Vermont, we would lose $318,000.

Mr. Chairman, the simple fact of the matter is that this cut goes far too deep. If we believe in section 8 housing, then we must allocate enough money for the program to be administered effectively. Otherwise, we are killing this program through a backdoor method and I do not think that that is what the majority of Members want to do.

There is widespread support for section 8, and I do not believe that anyone really wants to hurt it. This bill provides for a two-tier formula where public housing authorities get a fee based on 6.5 percent of fair market value for the first 600 units and 6 percent of fair market value for the rest.

Mr. Chairman, this is a huge cut from the fiscal year 1995 and fiscal year 1996, when fees were based on 8.2 percent of fair market value. HUD estimates that over 90 percent of the agencies that administer Section 8 housing will lose more than 15 percent of their administrative funds. On average, it will be an estimated 23-percent cut per agency.

Mr. Chairman, I am offering a compromise amendment that puts the fee level about halfway in between where the funds are today and where they would be under the provisions of the bill. The two-tiered formula would remain, but the 6 percent number would be raised to 7 percent and the 6.5 percent number would be raised to 7.65. It is a compromise between the 8.2 percent formula used today and the 6 and 6.5 percent levels recommended in the bill.

Mr. Chairman, I should point out that that is the formula recommended by HUD and HUD supports this amendment. The National Association of Housing and Redevelopment Officials are also strong supporters of this amendment.

Frankly, Mr. Chairman, many of us had believed that this amendment was going to be accepted as part of the manager's amendment and we were surprised that it was not. If it is adopted, fees would still be cut an estimated 10.5 percent. That is a big cut. That is a major cut. But it would not devastate the administration of the program as the proposed cuts do. This is a compromise position, and my hope is that it would be supported by all Members.

Mr. Chairman, let me conclude by stating that every State in the country is severely affected by the provisions stated in this bill. It provides for an estimated 23 percent cut in Section 8 administrative fees. That is much too high.

Mr. Chairman, I urge my colleagues to please support the compromise position and vote "yes."

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

Mrs. ROUKEMA. Mr. Chairman, I want to commend Chairman LAZIO for his hard work on this thoughtful and forward thinking proposal to reform our public housing system, and ask the chairman to consider accepting the amendment offered by Congressman SANDERS.

H.R. 2406 significantly reforms the public housing programs and requires our public housing authorities to take on significant new responsibilities. At a time when we are making such monumental changes in the public housing assistance program, we should be careful not to reduce the fees to a level that could seriously undermined the ability of the authorities to do their job in an efficient and effective manner.

As the bill currently stands, my State would be forced to absorb a 23-percent reduction in administrative fees, and your own State New York will take a 24-percent reduction. Everyone that administers section 8 would be hurt—over 90 percent of the 2,300 agencies administering section 8 programs would lose more than 15 percent of their fees.

While I strongly support spending reductions and want to reach the goal of a balanced budget, I am concerned about the impact of such a large reduction on the agencies that administer section 8 tenant-based rental housing assistance programs.

The Sanders amendment would still require a reduction in spending. However, while the current proposal included in H.R. 2406 would require an overall reduction of 23.6 percent in fiscal year 1996; the Sanders amendment would require only a 10.5-percent reduction in administrative fees. This puts the fee level about halfway between where the funds are today and where they would be under the provisions of the bill. The two-tiered formula would remain, but instead of 6.5 percent for the first 600 units, and 6 percent for additional units, the fee would be 7.65 percent and 7 percent respectfully.

This amendment deserves the support of the chairman, and I urge your support.

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

Mr. SANDERS. Mr. Chairman, I urge the passage of this amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont [Mr. SANDERS].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to title III?

AMENDMENT NO. 16 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. KENNEDY of Massachusetts: Page 150, strike line 3 and all that follows through line 25, insert the following:

(b) ADDITIONAL ASSISTANCE.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, for choice-based housing assistance under this title—

(A) to be used in accordance with paragraph (2)(A), $50,000,000 for fiscal year 1997, and such sums as may be necessary for each subsequent fiscal year; and

(B) to be used in accordance with paragraph (2)(B), $195,000,000 for fiscal year 1997, and such sums as may be necessary for each subsequent fiscal year.

(2) USE.—

(A) NONELDERLY DISABLED FAMILIES.—The Secretary shall provide amounts made available under paragraph (1)(A) to local housing and management authorities only for use to provide housing assistance under this title for nonelderly disabled families (including such families relocating pursuant to designation of a public housing development under section 227 and other nonelderly disabled families who have applied to the authority for housing assistance under this title).

(B) WELFARE AND HOMELESS FAMILIES.—The Secretary shall provide amounts made available under paragraph (1)(B) to local housing and management authorities only for use to provide housing assistance under this title for, as determined by the Secretary, the following families:

(i) Families participating in programs that link housing assistance to State and local welfare reform strategies for the purposes of assisting families making the transition from welfare to work and empowering families to choose housing in locations that offer the best access to jobs, education, training, and other services needed to achieve long-term self-sufficiency.

(ii) Homeless families with children.

(iii) Other eligible families.

(3) ALLOCATION OF AMOUNTS.—The Secretary shall allocate and provide amounts made available under paragraph (1) to local housing and management authorities as the Secretary determines appropriate based on the relative levels of need among the authorities for assistance for families described in subparagraphs (A) and (B) of paragraph (2) and such other relevant factors as the Secretary deems appropriate.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Massachusetts [Mr. KENNEDY] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment deals with what I think is a critical shortage, and I am sure the gentleman from New York [Mr. LAZIO], my friend and chairman of the committee, will agree that there is an unprecedented aspect of this bill which we have not discussed as yet, and that is that this is the first time in some 15 years that we have zeroed out or limited the number of new vouchers that will be provided for by our Government to the people in greatest need.

Mr. Chairman, we have had so much debate over the course of the last several years about how we are going to help people transition from welfare to work. The truth of the matter is if we are really interested in getting people out of welfare and into work, we have to recognize that we are going to need to deal with some short-term housing needs.

This amendment would provide for those short-term housing needs by virtue of a $195 million allocation for welfare and homeless families where they are involved solely in programs linking work and welfare, and/or other homeless families with children that would qualify.

This tries to deal with the fact that if we simply level off the number of Section 8 vouchers that we are providing, and do not take into account the fact that there are now many more people that are going to need those vouchers, particularly if they are in a transition from welfare to work, that we give rhetoric to the whole idea of the transition but we do not put the dollars that are necessary to fulfill the hopes and dreams of people that actually want to get off of the welfare system and get back into full-fledged American society in the sense of being able to participate and being able to go out and make some money and have a self-sustaining home and family life.

So, Mr. Chairman, I would hope that we could have an agreement. I fully recognize that trying to get an additional authorization of appropriations of $50 million for locating the elderly and the nonelderly and tenants dislocated because of project changes that we have talked about that might occur as a result of the over 30,000 units that are going to be destroyed because of the flexibilities that we are building into this bill, it would be very difficult to actually obtain given the make up of the House of Representatives and the fact that we have seen the housing budget of the country cut by 25 percent.

So, trying to actually get more money in this bill is probably a very difficult thing. If we offered an amendment and called for a vote, the truth of the matter is we would probably lose it. But I would like to enter into a dialog with my good friend and chairman, the gentleman from New York [Mr. LAZIO], with the hopes that he would commit himself in the conference that will be generated between this body and the other body to make certain that we try to leverage as many new Section 8 vouchers as we possibly can.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, as the gentleman has suggested, we have actually in our bill allowed for the issuance or the authorization for the issuance of new vouchers over and above those that currently exist and those that get turned in. We authorize the issuance of further vouchers.

Mr. Chairman, as we go through the conference process, I would assure the gentleman that I will continue to support strongly the authority for new incremental vouchers, and I will also support that through the budget process wherever possible.

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, I appreciate the gentleman's offer. I point out that we are holding out the promise of being able to transition from welfare to work. If all we do is give the promise without the necessary dollars to actually allow people to get out of public housing and get back on track, then it is a false hope and we end up destroying lives rather than helping to improve them.

So, Mr. Chairman, I look forward to working with the gentleman from New York.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. Are there other amendments to title III?

AMENDMENT NO. 32 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent that it now be in order to consider amendment No. 32, without prejudice to other amendments in title III.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio:

There was no objection.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 32 offered by Mr. TRAFICANT: At the end of title V of the bill, insert the following new section:

SEC. 504. USE OF AMERICAN PRODUCTS.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

The CHAIRMAN. Pursuant to the unanimous-consent agreement of May 8, 1996, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 5 minutes, and a Member in opposition will be recognized for 5 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

□ 1445

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

This is a straightforward amendment, buy American amendment. If we are going to get people off welfare and into work, there is only one way to do it. That is to create a few jobs. If the products are made in America by American workers who get a paycheck, who pay taxes, that is a pretty good way and a pretty good start to doing it. This is not a fancy amendment, but in our housing programs they buy sinks, they buy toilets. They buy plumbing materials. They buy electrical supplies. There is an awful lot of procurement.

And for the Members of the House to understand something, it came to my attention just this week, that certain legislative offices here at the Capitol got brand new televisions that were made in Malaysia. The question I have is, how many people in Malaysia pay taxes to Uncle Sam?

I am for all of this internationalism. I am hoping that we will pass H.R. 447, the 1-800 buy America program that whenever any citizen is going to make a purchase over $250, they could call that buy American number and say, what product is made in America. Hopefully there will be some products made in America. There will be some jobs. I appreciate the fact no one objected to this being taken out of order. I would ask that it be included in the bill and saved in the conference.

I yield to the gentleman from New York [Mr. LAZIO], a good friend doing a good job on this tough bill.

Mr. LAZIO of New York. Mr. Chairman, beam me up, Scottie. We would not have an American housing bill without a buy American amendment by my friend, the gentleman from Ohio. I want to say that I am happy to support the gentleman's amendment, urge its adoption, thank the gentleman for coming to the floor, continuing to remind us of the buy American pattern.

I hope Americans that are watching this continue to stay focused on buying American goods wherever possible and that we encourage that in our public and assisted housing as well.

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

The CHAIRMAN. Is there a Member seeking time in opposition to the amendment?

If not, the question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to title III?

AMENDMENT NO. 6 OFFERED BY MR. FILNER

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. FILNER:

Page 170, after line 3, insert the following new section:

SEC. 330. ASSISTANCE FOR RENTAL OF MANUFACTURED HOMES.

(a) AUTHORITY.—Nothing in this title may be construed to prevent a local housing and management authority from providing housing assistance under this title on behalf of a low-income family for the rental of—

(1) a manufactured home that is the principal residence of the family and the real property on which the home is located; or

(2) the real property on which is located a manufactured home, which is owned by the family and is the principal residence of the family.

(b) ASSISTANCE FOR CERTAIN FAMILIES OWNING MANUFACTURED HOMES.—

(1) AUTHORITY.—Notwithstanding section 351 or any other provision of this title, a local housing and management authority that receives amounts under a contract under section 302 may enter into a housing assistance payment contract to make assistance payments under this title to a family that owns a manufactured home, but only as provided in paragraph (2).

(2) LIMITATIONS.—In the case of a low-income family that owns a manufactured home, rents the real property on which it is located, and to whom housing assistance under this title has been made available for the rental of such property, the local housing and management authority making such assistance available shall enter into a contract to make housing assistance payments under this title directly to the family (rather than to the owner of such real property) if—

(1) the owner of the real property refuses to enter into a contract to receive housing assistance payments pursuant to section 351(a);

(2) the family was residing in such manufactured home on such real property at the time such housing assistance was initially made available on behalf of the family;

(3) the family provides such assurances to the agency, as the Secretary may require, to ensure that amounts from the housing assistance payments are used for rental of the real property; and

(4) the rental of the real property otherwise complies with the requirements for assistance under this title.

A contract pursuant to this subsection shall be subject to the provisions of section 351 and any other provisions applicable to housing assistance payments contracts under this title, except that the Secretary may provide such exceptions as the Secretary considers appropriate to facilitate the provision of assistance under this subsection.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from California [Mr. FILNER] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from California [Mr. FILNER].

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

My amendment could be called the mobile homeowners protection amendment, because it calls for fairness and equity for thousands of our citizens who live in mobile homes. Currently, as you know, housing assistance payments are made to landlords of rental property, not to the tenants. And in most cases, this makes sense. For example, an apartment renter having received a housing assistance payment could move without using the money for rent. But we have a very unique situation with residents of mobile homes. Most own their own home and rent the land on which it sits.

Contrary to the name, mobile home, they are really not free to move quickly. It is both laborious and expensive to do so. For example, in San Diego County, where many of my constituents live in mobile homes, it costs a minimum of $10,000 to move a mobile home.

In fact, in San Diego County, they can barely move at all because there are very few empty spaces and they are held captive to the whims of the park owners from whom they rent a space to park their homes.

Mr. Chairman, when park owners decide they will not accept housing assistance payments, the mobile home residents are stuck because the law says their participation is voluntary and there is nothing that the department of HUD can do to force owners to accept payments for residents.

In fact, recently HUD told a couple of my constituents who had section 8 eligibility whose park owner would not accept it, just move. Well, as I have said before, they cannot move.

So my amendment will fix that. It is a simple change in the law which will allow housing assistance payments to go to the tenants of mobile home parks, the people who must rent their land upon which to put their mobile home. This amendment will not increase costs. It will not force mobile home park residents to accept new residents because mobile home residents who qualify for rental assistance do so because they have either grown older or become disabled. They are already residents of these mobile home parks by my amendment.

This amendment will provide fairness to our citizens who need housing assistance and who live in mobile home parks.

Mr. Chairman, that explains the amendment. If there are any questions or comments from the honorable chairman, I would be happy to answer them.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. FILNER. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I know the gentleman refers to what is referred to as a mobile home, but this amendment is far broader than just mobile home. In fact, manufactured homes these days, a combination of prefabricated homes in a number of different styles, are increasingly attractive, and I know the gentleman from Indiana, my friend, Mr. ROEMER, would be quick to suggest to me that manufactured homes are not just mobile homes as well as other Members. I think this is a good amendment. I appreciate the gentleman's cooperation, working with both me personally and our staff. I am happy to accept and support this amendment.

Mr. FILNER. Mr. Chairman, I thank the gentleman. I appreciate the correct terminology here and certainly that is what my amendment uses.

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

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

If not, the question is on the amendment offered by the gentleman from California [Mr. FILNER].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—ACCREDITATION AND OVERSIGHT OF LOCAL HOUSING AND MANAGEMENT AUTHORITIES

Subtitle A—Housing Foundation and Accreditation Board

SEC. 401. ESTABLISHMENT.

There is established an independent agency in the executive branch of the Government to be known as the Housing Foundation and Accreditation Board (in this title referred to as the "Board").

SEC. 402. MEMBERSHIP.

(a) IN GENERAL.—The Board shall be composed of 12 members appointed by the President not later than 180 days after the date of the enactment of this Act, as follows:

(1) 4 members shall be appointed from among 10 individuals recommended by the Secretary of Housing and Urban Development.

(2) 4 members shall be appointed from among 10 individuals recommended by the Chairman and Ranking Minority Member of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(3) 4 members appointed from among 10 individuals recommended by the Chairman and Ranking Minority Member of the Committee on Banking and Financial Services of the House of Representatives.

(b) QUALIFICATIONS.—

(1) REQUIRED REPRESENTATION.—The Board shall at all times have the following members:

(A) 2 members who are residents of public housing or dwelling units assisted under title III of this Act or the provisions of section 8 of the United States Housing Act of 1937 (as in effect before the enactment of this Act).

(B) 2 members who are executive directors of local housing and management authorities.

(C) 1 member who is a member of the Institute of Real Estate Managers.

(D) 1 member who is the owner of a multifamily housing project assisted under a program administered by the Secretary of Housing and Urban Development.

(2) REQUIRED EXPERIENCE.—The Board shall at all times have as members individuals with the following experience:

(A) At least 1 individual who has extensive experience in the residential real estate finance business.

(B) At least 1 individual who has extensive experience in operating a nonprofit organization that provides affordable housing.

(C) At least 1 individual who has extensive experience in construction of multifamily housing.

(D) At least 1 individual who has extensive experience in the management of a community development corporation.

A single member of the board with the appropriate experience may satisfy the requirements of more than 1 subparagraph of this paragraph. A single member of the board with the appropriate qualifications and experience may satisfy the requirements of a subparagraph of paragraph (1) and a subparagraph of this paragraph.

(c) POLITICAL AFFILIATION.—Not more than 6 members of the Board may be of the same political party.

(d) TERMS.—

(1) IN GENERAL.—Each member of the Board shall be appointed for a term of 4 years, except as provided in paragraphs (2) and (3).

(2) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—

(A) 3 shall be appointed for terms of 1 year;

(B) 3 shall be appointed for terms of 2 years;

(C) 3 shall be appointed for terms of 3 years; and

(D) 3 shall be appointed for terms of 4 years;

(3) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(e) CHAIRPERSON.—The Board shall elect a chairperson from among members of the Board.

(f) QUORUM.—A majority of the members of the Board shall constitute a quorum for the transaction of business.

(g) VOTING.—Each member of the Board shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Board.

(h) PROHIBITION ON ADDITIONAL PAY.—Members of the Board shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board.

SEC. 403. FUNCTIONS.

The purpose of this subtitle is to establish the Board as a nonpolitical entity to carry out the following functions:

(1) EVALUATION OF DEEP SUBSIDY PROGRAMS.—Measuring the performance and efficiency of all "deep subsidy" programs for housing assistance administered by the Secretary of Housing and Urban Development, including the public housing program under title II and the programs for tenant- and project-based rental assistance under title III and section 8 of the United States Housing Act of 1937 (as in effect before the enactment of this Act).

(2) ESTABLISHMENT OF LHMA PERFORMANCE BENCHMARKS.—Establishing standards and guidelines under section 431 for use by the Secretary in measuring the performance and efficiency of local housing and management authorities and other owners and providers of federally assisted housing in carrying out operational and financial functions.

(3) ACCREDITATION OF LHMA'S.—Establishing a procedure under section 431(b) for accrediting local housing and management authorities to receive block grants under title I for the operation, maintenance, and production of public housing, ensuring that financial and performance audits under such section are conducted annually for each local housing and management authority, and reviewing such audits for purposes of accreditation.

(4) CLASSIFICATION OF LHMA'S.—Classifying local housing and management authorities, under to section 434, according to the performance categories under section 431(a)(2).

SEC. 404. INITIAL ESTABLISHMENT OF STANDARDS AND PROCEDURES FOR LHMA COMPLIANCE.

(a) DEADLINE.—Not later than the expiration of the 12-month period beginning upon the completion of the appointment, under section 402, of the initial members of the Board, the Board shall organize its structure and operations, establish the standards, guidelines, and procedures under sections 431, and establish any fees under section 406. Before issuing such standards, guidelines, and procedures in final form, the Board shall submit a copy to the Congress.

(b) PRIORITY OF INITIAL EVALUATIONS.—After organization of the Board and establishment of standards, guidelines, and procedures under sections 431, the Board shall commence evaluations under section 433(b) for the purpose of accrediting local housing and management authorities and shall give priority to conducting evaluations of local housing and management authorities that are designated as troubled public housing agencies under section 6(j) of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act) pursuant to section 431(d).

SEC. 405. POWERS.

(a) HEARINGS.—The Board may, for the purpose of carrying out this subtitle, hold such hearings and sit and act at such times and places as the Board determines appropriate.

(b) RULES AND REGULATIONS.—The Board may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

(c) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) INFORMATION.—The Board may secure directly from any department or agency of the Federal Government such information as the Board may require for carrying out its functions, including local housing management plans submitted to the Secretary by local housing and management authorities under title II. Upon request of the Board, any such department or agency shall furnish such information. The Board may acquire information directly from local housing and management authorities to the same extent the Secretary may acquire such information.

(2) GENERAL SERVICES ADMINISTRATION.—The Administrator of General Services shall provide to the Board, on a reimbursable basis, such administrative support services as the Board may request.

(3) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—Upon the request of the chairperson of the Board, the Secretary of Housing and Urban Development shall, to the extent possible and subject to the discretion of the Secretary, detail any of the personnel of the Department of Housing and Urban Development, on a nonreimbursable basis, to assist the Board in carrying out its functions under this subtitle.

(d) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(e) CONTRACTING.—The Board may, to such extent and in such amounts as are provided in appropriation Acts, enter into contracts with private firms, institutions, and individuals for the purpose of conducting research or surveys necessary to enable the Board to discharge its functions under this subtitle.

(f) STAFF.—

(1) EXECUTIVE DIRECTOR.—The Board shall appoint an executive director of the Board, who shall be compensated at a rate fixed by the Board, but which shall not exceed the rate established for level V of the Executive Schedule under title 5, United States Code.

(2) OTHER PERSONNEL.—In addition to the executive director, the Board may appoint and fix the compensation of such personnel as the Board considers necessary, in accordance with the provisions of title 5, United States Code, governing appointments to the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. Such personnel may include personnel for assessment teams under section 431(b).

SEC. 406. FEES.

(a) ACCREDITATION FEES.—The Board may establish and charge fees for the accreditation of local housing and management authorities as the Board considers necessary to cover the costs of the operations of the Board relating to establishing standards, guidelines, and procedures for evaluating the performance of local housing and management authorities and performing comprehensive reviews relating to the accreditation of such authorities.

(b) FUND.—Any fees collected under this section shall be deposited in an operations fund for the Board, which is hereby established in the Treasury of the United States. Amounts in such fund shall be available, to the extent provided in appropriation Acts, for the expenses of the Board in carrying out its functions under this subtitle.

SEC. 407. REPORTS.

The Board shall submit a report to the Congress annually describing, for the year for which the report is made—

(1) any modifications made by the Board to the standards, guidelines, and procedures issued under section 431 by the Board;

(2) the results of the assessments, reviews, and evaluations conducted by the Board under subtitle B;

(3) the types and extent of assistance, information, and products provided by the Board; and

(4) any other activities of the Board.

Subtitle B—Accreditation and Oversight Standards and Procedures

SEC. 431. ESTABLISHMENT OF PERFORMANCE BENCHMARKS AND ACCREDITATION PROCEDURES.

(a) PERFORMANCE BENCHMARKS.—

(1) PERFORMANCE AREAS.—The Housing Foundation and Accreditation Board established under section 401 (in this subtitle referred to as the "Board") shall establish standards and guidelines, for use under section 434, to measure the performance of local housing and management authorities in all aspects relating to—

(A) operational and financial functions;

(B) providing, maintaining, and assisting low-income housing—

(i) that is safe, clean, and healthy, as required under sections 232 and 328;

(ii) in a manner consistent with the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act, if appropriate;

(iii) that is occupied by eligible families; and

(iv) that is affordable to eligible families;

(C) producing low-income housing and executing capital projects, if applicable;

(D) administering the provision of housing assistance under title III;

(E) accomplishing the goals and plans set forth in the local housing management plan for the authority;

(F) promoting responsibility and self-sufficiency among residents of public housing developments of the authority and assisted families under title III; and

(G) complying with the other requirements of the authority under block grant contracts under title II, grant agreements under title III, and the provisions of this Act.

(2) PERFORMANCE CATEGORIES.—In establishing standards and guidelines under this section, the Board shall define various levels of performance, which shall include the following levels:

(A) EXCEPTIONALLY WELL-MANAGED.—A minimum acceptable level of performance in the areas specified in paragraph (1) for classification of a local housing and management authority as exceptionally well-managed, which shall indicate that the authority functions exceptionally.

(B) WELL-MANAGED.—A minimum acceptable level of performance in the areas specified in paragraph (1) for classification of a local housing and management authority as well-managed, which shall indicate that the authority functions satisfactorily.

(C) AT RISK OF BECOMING TROUBLED.—A minimum acceptable level of performance in the areas specified in paragraph (1) for classification of a local housing and management authority as at risk of becoming troubled, which shall indicate that there are elements in the operations, management, or functioning of the authority that must be addressed before they result in serious and complicated deficiencies.

(D) TROUBLED.—A minimum level of performance in the areas specified in paragraph (1) for classification of a local housing and management authority as a troubled authority, which shall indicate that the authority functions unsatisfactorily with respect to certain areas under paragraph (1), but such deficiencies are not irreparable.

(E) DYSFUNCTIONAL.—A maximum level of performance in the areas specified in paragraph (1) for classification of a local housing and management authority as dysfunctional, which shall indicate that the authority suffers such deficiencies that the authority should not be allowed to continue to manage low-income housing or administer housing assistance.

(3) ACCREDITATION STANDARD.—In establishing standards and guidelines under this section, the Board shall establish a minimum acceptable level of performance for accrediting a local housing and management authority for purposes of authorizing the authority to enter into a new block grant contract under title II or a new grant agreement under title III.

(b) ACCREDITATION PROCEDURE.—The Accreditation Board shall establish procedures for—

(1) reviewing the performance of a local housing and management authority over the term of the expiring accreditation, which review shall be conducted during the 12-month period that ends upon the conclusion of the term of the expiring accreditation;

(2) evaluating the capability of a local housing and management authority that proposes to enter into an initial block grant contract under title II or an initial grant agreement under title III; and

(3) determining whether the authority complies with the standards and guidelines for accreditation established under subsection (a)(3).

The procedures for a review or evaluation under this subsection shall provide for the review or evaluation to be conducted by an assessment team established by the Board, which shall review annual financial and performance audits conducted under section 432 and obtain such information as the Board may require.

(c) IDENTIFICATION OF POTENTIAL PROBLEMS.—The standards and guidelines under subsection (a) and the procedure under subsection (b) shall be established in a manner designed to identify potential problems in the operations, management, functioning of local housing and management authorities at a time before such problems result in serious and complicated deficiencies.

(d) INTERIM APPLICABILITY OF PHMAP.—Notwithstanding any other provision of this subtitle, during the period that begins on the date of the enactment of this Act and ends upon the date of the effectiveness of final regulations establishing the standards, guidelines, and procedures required under this section and section 432, the Secretary shall assess the management performance of local housing and management authorities in the same manner provided for public housing agencies pursuant to section 6(j) of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act) and may take actions with respect to local housing and management authorities that are authorized under such section with respect to public housing agencies.

SEC. 432. ANNUAL FINANCIAL AND PERFORMANCE AUDIT.

(a) REQUIREMENT.—The Secretary shall require each local housing and management authority that receives grant amounts under this Act in a fiscal year to have a financial and performance audit of the authority conducted for the fiscal year and to submit the results of the audit to the Secretary and the Board. Not later than 60 days before submitting a financial and performance audit to the Secretary and the Board, the local housing and management authority shall submit the audit to any local elected official or officials responsible for appointing the members of the board of directors (or other similar governing body) of the local housing and management authority for review and comment. Any such comments shall be submitted, together with the audit, to the Secretary and the Board and the Secretary and the Board shall consider such comments in reviewing the audit.

(b) PROCEDURES.— The requirements for financial and performance audits shall—

(1) provide for the audit to be conducted by an independent auditor selected by the authority;

(2) authorize the auditor to obtain information from a local housing and management authority, to access any books, documents, papers, and records of an authority that are pertinent to this Act and assistance received pursuant to this Act, and to review any reports of an authority to the Secretary; and

(3) be designed to identify potential problems in the operations, management, functioning of a local housing and management authority at a time before such problems result in serious and complicated deficiencies.

(c) PURPOSE.—Audits under this section shall be designed to—

(1) evaluate the financial performance and soundness and management performance of the local housing and management authority board of directors (or other similar governing body) and the authority management officials and staff;

(2) assess the compliance of an authority with all aspects of the standards and guidelines established under section 431(a)(1); and

(3) provide information to the Secretary and the Board regarding the financial performance and management of the authority and to determine whether a review under section 225(d) or 353(c) is required.

(d) SINGLE AUDIT ACT COMPLIANCE.—An audit under this section shall be made in a manner so that the audit complies with the requirements for audits under chapter 75 of title 31, United States Code.

(e) WITHHOLDING OF AMOUNTS FOR COSTS OF AUDIT.—If the Secretary determines that a local housing and management authority has failed to take the actions required to submit an audit under this section for a fiscal year, the Secretary may—

(1) arrange for, and pay the costs of, the audit; and

(2) withhold, from the total allocation for any fiscal year otherwise payable to the authority under this Act, amounts sufficient to pay for the reasonable costs of conducting an acceptable audit, including, if appropriate, the reasonable costs of accounting services necessary to place the authority's books and records in condition that permits an audit.

SEC. 433. ACCREDITATION.

(a) REVIEW UPON EXPIRATION OF PREVIOUS ACCREDITATION.—The Accreditation Board shall perform a comprehensive review of the performance of a local housing and management authority, in accordance with the procedures established under section 431(b), before the expiration of the term for which a previous accreditation was granted under this subtitle.

(b) INITIAL EVALUATION.—

(1) IN GENERAL.—Before entering into an initial block grant contract under title II or an initial contract pursuant to section 302 for assistance under title III with any local housing and management authority, the Board shall conduct a comprehensive evaluation of the capabilities of the local housing and management authority.

(2) EXCEPTION.—Paragraph (1) shall not apply to an initial block grant contract or grant agreement entered into during the period beginning upon the date of the enactment of this Act and ending upon the date of the effectiveness of final regulations establishing the standards, guidelines, and procedures required under section 431 with any public housing agency that received amounts under the United States Housing Act of 1937 during fiscal year 1995.

(c) DETERMINATION AND REPORT.—Pursuant to a review or evaluation under this section, the Board shall determine whether the authority meets the requirements for accreditation under section 431(a)(3), shall accredit the authority if it meets such requirements, and shall submit a report on the results of the review or evaluation and such determination to the Secretary and the authority.

(d) ACCREDITATION.—An accreditation under this section shall expire at the end the term established by the Board in granting the accreditation, which may not exceed 5 years. The Board may qualify an accreditation placing conditions on the accreditation based on the future performance of the authority.

SEC. 434. CLASSIFICATION BY PERFORMANCE CATEGORY.

Upon completing the accreditation process under section 433 with respect to a local housing and management authority, the Housing Finance and Accreditation Board shall designate the authority according to the performance categories under section 431(a)(2). In determining the classification of an authority, the Board shall consider the most recent financial and performance audit under section 432 of the authority and accreditation reports under section 433(c) for the authority.

SEC. 435. PERFORMANCE AGREEMENTS FOR AUTHORITIES AT RISK OF BECOMING TROUBLED.

(a) IN GENERAL.—Upon designation of a local housing and management authority as at risk of becoming troubled under section 431(a)(2)(C), the Secretary shall seek to enter into an agreement with the authority providing for improvement of the elements of the authority that have been identified. An agreement under this section shall contain such terms and conditions as the

Secretary determines are appropriate for addressing the elements identified, which may include an on-site, independent assessment of the management of the authority.

(b) POWERS OF SECRETARY.—If the Secretary determines that such action is necessary to prevent the local housing and management authority from becoming a troubled authority, the Secretary may—

(1) solicit competitive proposals from other local housing and management authorities and private housing management agents (which may be selected by existing tenants through administrative procedures established by the Secretary), to prepare for any case in which such agents may be needed for managing all, or part, of the housing administered by the authority; or

(2) solicit competitive proposals from other local housing and management authorities and private entities with experience in construction management, to prepare for any case in which such authorities or firms may be needed to oversee implementation of assistance made available for capital improvement for public housing of the authority.

SEC. 436. PERFORMANCE AGREEMENTS AND CDBG SANCTIONS FOR TROUBLED LHMA'S.

(a) IN GENERAL.—Upon designation of a local housing and management authority as a troubled authority under section 431(a)(2)(D), the Secretary shall seek to enter into an agreement with the authority providing for improving the management performance of the authority.

(b) CONTENTS.—An agreement under this section between the Secretary and a local housing and management authority shall set forth—

(1) targets for improving performance, as measured by the guidelines and standards established under section 431(a)(1) and other requirements within a specified period of time, which shall include targets to be met upon the expiration of the 12-month period beginning upon entering into the agreement;

(2) strategies for meeting such targets;

(3) sanctions for failure to implement such strategies; and

(4) to the extent the Secretary deems appropriate, a plan for enhancing resident involvement in the management of the local housing and management authority.

(c) LOCAL ASSISTANCE IN IMPLEMENTATION.—The Secretary and the local housing and management authority shall, to the maximum extent practicable, seek the assistance of local public and private entities in carrying out an agreement under this section.

(d) DEFAULT UNDER PERFORMANCE AGREEMENT.—Upon the expiration of the 12-month period beginning upon entering into an agreement under this section with a local housing and management authority, the Secretary shall review the performance of the authority in relation to the performance targets and strategies under the agreement. If the Secretary determines that the authority has failed to comply with the performance targets established for the expiration of such period, the Secretary shall take the action authorized under section 437(b)(2).

(e) CDBG SANCTION AGAINST LOCAL GOVERNMENT CONTRIBUTING TO TROUBLED STATUS OF LHMA.—If the Secretary determines that the actions or inaction of any unit of general local government within which any portion of the jurisdiction of a local housing and management authority is located has substantially contributed to the conditions resulting in the authority being designated under section 431(a)(2)(D) as a troubled authority, the Secretary may redirect or withhold, from such unit of general local government any amounts allocated for such unit under section 106 of such Act.

SEC. 437. OPTION TO DEMAND CONVEYANCE OF TITLE TO OR POSSESSION OF PUBLIC HOUSING.

(a) AUTHORITY FOR CONVEYANCE.—A contract under section 201 for block grants under title II (including contracts which amend or supersede contracts previously made (including contracts for contributions)) may provide that upon the occurrence of a substantial default with respect to the covenants or conditions to which the local housing and management authority is subject (as such substantial default shall be defined in such contract) or upon designation of the authority as dysfunctional pursuant to section 431(a)(2)(E), the local housing and management authority shall be obligated, at the option of the Secretary, to—

(1) convey title in any case where, in the determination of the Secretary (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act; or

(2) deliver to the Secretary possession of the development, as then constituted, to which such contract relates.

(b) OBLIGATION TO RECONVEY.—Any block grant contract under title II containing the provisions authorized in subsection (a) shall also provide that the Secretary shall be obligated to reconvey or redeliver possession of the development, as constituted at the time of reconveyance or redelivery, to such local housing and management authority or to its successor (if such local housing and management authority or a successor exists) upon such terms as shall be prescribed in such contract, and as soon as practicable after—

(1) the Secretary is satisfied that all defaults with respect to the development have been cured, and that the development will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or

(2) the termination of the obligation to make annual block grants to the authority, unless there are any obligations or covenants of the authority to the Secretary which are then in default.

Any prior conveyances and reconveyances or deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the development to the Secretary pursuant to subsection (a) upon the subsequent occurrence of a substantial default.

(c) CONTINUED GRANTS FOR REPAYMENT OF BONDS AND NOTES UNDER 1937 ACT.—If—

(1) a contract for block grants under title II for an authority includes provisions that expressly state that the provisions are included pursuant to this subsection, and

(2) the portion of the block grant payable for debt service requirements pursuant to the contract has been pledged by the local housing and management authority as security for the payment of the principal and interest on any of its obligations, then—

(A) the Secretary shall (notwithstanding any other provisions of this Act), continue to make the block grant payments for the authority so long as any of such obligations remain outstanding; and

(B) the Secretary may covenant in such a contract that in any event such block grant amounts shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the development for the purpose at the time such block grant payments are made, will suffice for the payment of all installments of principal and interest on the obligations for which the amounts provided for in the contract shall have been pledged as security that fall due within the next succeeding 12 months.

In no case shall such block grant amounts be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.

SEC. 438. REMOVAL OF INEFFECTIVE LHMA'S.

(a) CONDITIONS OF REMOVAL.—The actions specified in subsection (b) may be taken only upon—

(1) the occurrence of events or conditions that constitute a substantial default by a local housing and management authority with respect to (A) the covenants or conditions to which the local housing and management authority is subject, or (B) an agreement entered into under section 435;

(2) designation of the authority as dysfunctional pursuant to section 431(a)(2)(E);

(3) in the case only of action under subsection (b)(1), failure of a local housing and management authority to obtain reaccreditation upon the expiration of the term of a previous accreditation granted under this subtitle; or

(4) submission to the Secretary of a petition by the residents of the public housing owned or operated by a local housing and management authority that is designated as troubled or dysfunctional pursuant to section 431(a)(2).

(b) REMOVAL ACTIONS.—Notwithstanding any other provision of law or of any block grant contract under title II or any grant agreement under title III, in accordance with subsection (a), the Secretary may—

(1) solicit competitive proposals from other local housing and management authorities and private housing management agents (which, in the discretion of the Secretary, may be selected by existing public housing residents through administrative procedures established by the Secretary) and, if appropriate, provide for such agents to manage all, or part, of the housing administered by the local housing and management authority or all or part of the other functions of the authority;

(2) take possession of the local housing and management authority, including any developments or functions of the authority under any section of this Act;

(3) solicit competitive proposals from other local housing and management authorities and private entities with experience in construction management and, if appropriate, provide for such authorities or firms to oversee implementation of assistance made available for capital improvements for public housing;

(4) require the authority to make other arrangements acceptable to the Secretary and in the best interests of the public housing residents and assisted families under title III for managing all, or part of, the public housing administered by the authority or the functions of the authority; or

(5) if the Secretary determines that reasonable opportunities for remedy using the actions under paragraphs (1) through (4) have failed or are not available, petition for the appointment of a receiver for the local housing and management authority to any district court of the United States or to any court of the State in which any portion of the jurisdiction of the local housing and management authority is located, that is authorized to appoint a receiver for the purposes and having the powers prescribed in this section.

(c) EMERGENCY ASSISTANCE.—The Secretary may make available to receivers and other entities selected or appointed pursuant to this section such assistance as is fair and reasonable to remedy the substantial deterioration of living conditions in individual public housing developments or other related emergencies that endanger the health, safety and welfare of public housing residents or assisted families under title III.

(d) POWERS OF SECRETARY.—If the Secretary takes possession of an authority, or any developments or functions of an authority, pursuant to subsection (b)(2), the Secretary—

(1) may abrogate contracts that substantially impede correction of the substantial default or improvement of the classification;

(2) may demolish and dispose of assets of the authority in accordance with subtitle E;

(3) where determined appropriate by the Secretary, may require the establishment of one or more new local housing and management authorities;

(4) may consolidate the authority into other well-managed local housing and management authorities with the consent of such well-managed authorities;

(5) shall not be subject to any State or local laws that, in the determination of the receiver, substantially impede correction of the substantial default or improvement of the classification; and

(6) shall have such additional authority as a district court of the United States has the authority to confer under like circumstances upon a receiver to achieve the purposes of the receivership.

The Secretary may appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the Secretary's responsibility under this paragraph for the administration of a local housing and management authority. The Secretary may delegate to the administrative receiver any or all of the powers of the Secretary under this subsection. Regardless of any delegation under this subsection, an administrative receiver may not require the establishment of one or more new local housing and management authorities pursuant to paragraph (3) unless the Secretary first approves such establishment. For purposes of this subsection, the term "local housing and management authority" includes any developments or functions of a local housing and management authority under any section of this title.

(e) RECEIVERSHIP.—

(1) REQUIRED APPOINTMENT.—In any proceeding under subsection (b)(5), upon a determination that a substantial default has occurred, and without regard to the availability of alternative remedies, the court shall appoint a receiver to conduct the affairs of the local housing and management authority in a manner consistent with this Act and in accordance with such further terms and conditions as the court may provide. The receiver appointed may be another local housing and management authority, a private management corporation, the Secretary, or any other appropriate entity. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

(2) POWERS OF RECEIVER.—If a receiver is appointed for a local housing and management authority pursuant to subsection (b)(5), in addition to the powers accorded by the court appointing the receiver, the receiver—

(A) may abrogate contracts that substantially impede correction of the substantial default or improvement of the classification;

(B) may demolish and dispose of assets of the authority in accordance with subtitle E;

(C) where determined appropriate by the Secretary, may require the establishment of one or more new local housing and management authorities, to the extent permitted by State and local law; and

(D) except as provided in subparagraph (C), shall not be subject to any State or local laws that, in the determination of the receiver, substantially impede correction of the substantial default or improvement of the classification.

For purposes of this paragraph, the term "local housing and management authority" includes any developments or functions of a local housing and management authority under any section of this title.

(3) TERMINATION.—The appointment of a receiver pursuant to this subsection may be terminated, upon the petition of any party, when the court determines that all defaults have been cured or the local housing and management authority will be able to make the same amount of progress in correcting the management of the housing as the receiver.

(f) LIABILITY.—If the Secretary takes possession of an authority pursuant to subsection (b)(2) or a receiver is appointed pursuant to subsection (b)(5) for a local housing and management authority, the Secretary or the receiver shall be deemed to be acting in the capacity of the local housing and management authority (and not in the official capacity as Secretary or other official) and any liability incurred shall be a liability of the local housing and management authority.

SEC. 439. MANDATORY TAKEOVER OF CHRONICALLY TROUBLED PHA'S.

(a) REMOVAL OF AGENCY.—Notwithstanding any other provision of this Act, not later than the expiration of the 180-day period beginning on the date of the enactment of this Act, the Secretary shall take one of the following actions with respect to each chronically troubled public housing agency:

(1) CONTRACTING FOR MANAGEMENT.—Solicit competitive proposals for the management of the agency pursuant to section 437(b)(1) and replace the management of the agency pursuant to selection of such a proposal.

(2) TAKEOVER.—Take possession of the agency pursuant to section 437(b)(2) of such Act.

(b) DEFINITION.—For purposes of this section, the term "chronically troubled public housing agency" means a public housing agency that, as of the date of the enactment of this Act, is designated under section 6(j)(2) of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act) as a troubled public housing agency and has been so designated continuously for the 3-year period ending upon such date of enactment; except that such term does not include any agency that owns or operates less than 1250 public housing dwelling units and that the Secretary determines can, with a reasonable amount of effort, make such improvements or remedies as may be necessary to remove its designation as troubled within 12 months.

SEC. 440. TREATMENT OF TROUBLED PHA'S.

(a) EFFECT OF TROUBLED STATUS ON CHAS.—The comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the first year beginning after the date of the enactment of this Act for the State or unit of general local government in which any troubled public housing agency is located shall not be considered to comply with the requirements under section 105 of the Cranston-Gonzalez National Affordable Housing Act unless such plan includes a description of the manner in which the State or unit will assist such troubled agency in improving its operations to remove such designation.

(b) DEFINITION.—For purposes of this section, the term "troubled public housing agency" means a public housing agency that—

(1) upon the date of the enactment of this Act, is designated under section 6(j)(2) of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act) as a troubled public housing agency; and

(2) is not a chronically troubled public housing agency, as such term is defined in section 438(b) of this Act.

SEC. 441. MAINTENANCE OF AND ACCESS TO RECORDS.

(a) KEEPING OF RECORDS.—Each local housing and management authority shall keep such records as may be reasonably necessary to disclose the amount and the disposition by the authority of the proceeds of assistance received pursuant to this Act and to ensure compliance with the requirements of this Act.

(b) ACCESS TO DOCUMENTS.—The Secretary, the Inspector General for the Department of Housing and Urban Development, and the Comptroller General of the United States shall each have access for the purpose of audit and examination to any books, documents, papers, and records of a local housing and management authority that are pertinent to this Act and assistance received pursuant to this Act.

SEC. 442. ANNUAL REPORTS REGARDING TROUBLED LHMA'S.

The Secretary shall submit a report to the Congress annually, as a part of the report of the Secretary under section 8 of the Department of Housing and Urban Development Act, that—

(1) identifies the local housing and management authorities that are designated as troubled or dysfunctional under section 431(a)(2) and the reasons for such designation;

(2) identifies the local housing and management authorities that have lost accreditation pursuant to section 432; and

(3) describes any actions that have been taken in accordance with sections 433, 434, 435, and 436.

SEC. 443. APPLICABILITY TO RESIDENT MANAGEMENT CORPORATIONS.

The Secretary shall apply the provisions of this subtitle to resident management corporations in the same manner as applied to local housing and management authorities.

SEC. 444. INAPPLICABILITY TO INDIAN HOUSING.

The provisions of sections 431, 432, 433, 434, 435, 436, 438, and 442 shall not apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.

The CHAIRMAN. Are there amendments to title IV?

If not, the Clerk will designate title V.

The text of title V is as follows:

TITLE V—REPEALS AND CONFORMING AMENDMENTS

SEC. 501. REPEALS.

(a) IN GENERAL.—The following provisions of law are hereby repealed:

(1) UNITED STATES HOUSING ACT OF 1937.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.).

(2) ASSISTED HOUSING ALLOCATION.—Section 213 of the Housing and Community Development Act of 1974 (42 U.S.C. 1439).

(3) PUBLIC HOUSING RENT WAIVERS FOR POLICE.—Section 519 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437a-1).

(4) OCCUPANCY PREFERENCES AND INCOME MIX FOR NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION PROJECTS.—Subsection (c) of section 545, and section 555, of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note).

(5) TREATMENT OF CERTIFICATE AND VOUCHER HOLDERS.—Subsection (c) of section 183 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(6) RETROACTIVE PAYMENT FOR ANNUAL ADJUSTMENT FACTORS.—Section 801 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 1437f note).

(7) EXCESSIVE RENT BURDEN DATA.—Subsection (b) of section 550 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note).

(8) SECTION 8 DISASTER RELIEF.—Sections 931 and 932 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437c note).

(9) MOVING TO OPPORTUNITY FOR FAIR HOUSING.—Section 152 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note).

(10) REPORT REGARDING FAIR HOUSING OBJECTIVES.—Section 153 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note).

(11) SECTION 8 COMMUNITY INVESTMENT DEMONSTRATION.—Section 6 of the HUD Demonstration Act of 1993 (42 U.S.C. 1437f note).

(12) SPECIAL PROJECTS FOR ELDERLY OR HANDICAPPED FAMILIES.—Section 209 of the Housing and Community Development Act of 1974 (42 U.S.C. 1438).

(13) ACCESS TO PHA BOOKS.—Section 816 of the Housing Act of 1954 (42 U.S.C. 1435).

(14) MISCELLANEOUS PROVISIONS.—Subsections (b)(1), (c), and (d) of section 326 of the Housing and Community Development Amendments of 1981 (Public Law 97–35, 95 Stat. 406; 42 U.S.C. 1437f note).

(15) PAYMENT FOR DEVELOPMENT MANAGERS.—Section 329A of the Housing and Community Development Amendments of 1981 (42 U.S.C. 1437j–1).

(16) PURCHASE OF PHA OBLIGATIONS.—Section 329E of the Housing and Community Development Amendments of 1981 (12 U.S.C. 2294a).

(17) PROCUREMENT OF INSURANCE BY PHA'S.—(A) In the item relating to "ADMINISTRATIVE PROVISIONS" under the heading "MANAGEMENT AND ADMINISTRATION" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1991, the penultimate undesignated paragraph of such item (Public Law 101–507; 104 Stat. 1369).

(B) In the item relating to "ADMINISTRATIVE PROVISIONS" under the heading "MANAGEMENT AND ADMINISTRATION" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992, the 19th through 23d undesignated paragraphs of such item (Public Law 102–139; 105 Stat. 758).

(18) PUBLIC HOUSING CHILDHOOD DEVELOPMENT.—Section 222 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z–6 note).

(19) INDIAN HOUSING CHILDHOOD DEVELOPMENT.—Section 518 of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701z–6 note).

(20) PUBLIC HOUSING COMPREHENSIVE TRANSITION DEMONSTRATION.—Section 126 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(21) PUBLIC HOUSING ONE-STOP PERINATAL SERVICES DEMONSTRATION.—Section 521 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437t note).

(22) PUBLIC HOUSING MINCS DEMONSTRATION.—Section 522 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note).

(23) PUBLIC HOUSING ENERGY EFFICIENCY DEMONSTRATION.—Section 523 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437g note).

(24) OMAHA HOMEOWNERSHIP DEMONSTRATION.—Section 132 of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 stat. 3712).

(25) PUBLIC AND ASSISTED HOUSING YOUTH SPORTS PROGRAMS.—Section 520 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a).

(b) SAVINGS PROVISION.—The repeals made by subsection (a) shall not affect any legally binding obligations entered into before the date of the enactment of this Act. Any funds or activities subject to a provision of law repealed by subsection (a) shall continue to be governed by the provision as in effect immediately before such repeal.

SEC. 502. CONFORMING AND TECHNICAL PROVISIONS.

(a) ALLOCATION OF ELDERLY HOUSING AMOUNTS.—Section 202(l) of the Housing Act of 1959 (12 U.S.C. 1701q(l)) is amended by adding at the end the following new paragraph:

"(4) CONSIDERATION IN ALLOCATING ASSISTANCE.—Assistance under this section shall be allocated in a manner that ensures that the awards of the assistance are made for projects of sufficient size to accommodate facilities for supportive services appropriate to the needs of frail elderly residents.".

(b) ELIGIBILITY FOR ASSISTED HOUSING.—

(1) GENERAL.—Notwithstanding any other provision of law, for purposes of determining eligibility for admission to assisted housing, a person shall not be considered to have a disability or a handicap solely because of the prior or current illegal use of a controlled substance (as defined in section 102 of the Controlled Substances Act) or solely by reason of the prior or current use of alcohol.

(2) DEFINITION.—For purposes of this subsection, the term "assisted housing" means housing designed primarily for occupancy by elderly persons or persons with disabilities that is assisted pursuant to this Act, the United States Housing Act of 1937, section 221(d)(3) or 236 of the National Housing Act, section 202 of the Housing Act of 1959, section 101 of the Housing and Urban Development Act of 1965, or section 811 of the Cranston-Gonzalez National Affordable Housing Act.

(3) CONTINUED OCCUPANCY.—This subsection may not be construed to prohibit the continued occupancy of any person who is a resident in assisted housing on the date of enactment of this Act.

(c) AMENDMENT TO HOUSING AND URBAN-RURAL RECOVERY ACT OF 1983.—Section 227(d)(2) of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701r–1(d)(2)) is amended by inserting "the United States Housing Act of 1996," after "the United States Housing Act of 1937,".

(d) REVIEW OF DRUG ELIMINATION PROGRAM CONTRACTS.—

(1) REQUIREMENT.—Notwithstanding the repeal under section 501(a)(26), the Secretary of Housing and Urban Development shall investigate all security contracts awarded by grantees under the Public and Assisted Housing Drug Elimination Act of 1990 (42 U.S.C. 11901 et seq.) that are public housing agencies that own or operate more than 4,500 public housing dwelling units—

(A) to determine whether the contractors under such contracts have complied with all laws and regulations regarding prohibition of discrimination in hiring practices;

(B) to determine whether such contracts were awarded in accordance with the applicable laws and regulations regarding the award of such contracts;

(C) to determine how many such contracts were awarded under emergency contracting procedures;

(D) to evaluate the effectiveness of the contracts; and

(E) to provide a full accounting of all expenses under the contracts.

(2) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete the investigation required under paragraph (1) and submit a report to the Congress regarding the findings under the investigation. With respect to each such contract, the report shall (A) state whether the contract was made and is operating, or was not made or is not operating, in full compliance with applicable laws and regulations, and (B) for each contract that the Secretary determines is in such compliance in a personal certification of such compliance by the Secretary of Housing and Urban Development.

(3) ACTIONS.—For each contract that is described in the report under paragraph (2) as not made or not operating in full compliance with applicable laws and regulation, the Secretary of Housing and Urban Development shall promptly take any actions available under law or regulation that are necessary—

(A) to bring such contract into compliance; or

(B) to terminate the contract.

(e) REFERENCES.—Except as provided in section 271 and 501(b), any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to—

(1) public housing or housing assisted under the United States Housing Act of 1937 is deemed to refer to public housing assisted under title II of this Act;

(2) to assistance under section 8 of the United States Housing Act of 1937 is deemed to refer to assistance under title III of this Act; and

(3) to assistance under the United States Housing Act of 1937 is deemed to refer to assistance under this Act.

SEC. 503. AMENDMENTS TO PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT OF 1990.

(a) SHORT TITLE, PURPOSES, AND AUTHORITY TO MAKE GRANTS.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et seq.) is amended by striking the chapter heading and all that follows through section 5123 and inserting the following:

"CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME

"SEC. 5121. SHORT TITLE.

"This chapter may be cited as the 'Community Partnerships Against Crime Act of 1996'.

"SEC. 5122. PURPOSES.

"The purposes of this chapter are to—

"(1) improve the quality of life for the vast majority of law-abiding public housing residents by reducing the levels of fear, violence, and crime in their communities;

"(2) broaden the scope of the Public and Assisted Housing Drug Elimination Act of 1990 to apply to all types of crime, and not simply crime that is drug-related; and

"(3) reduce crime and disorder in and around public housing through the expansion of community-oriented policing activities and problem solving.

"SEC. 5123. AUTHORITY TO MAKE GRANTS.

"The Secretary of Housing and Urban Development may make grants in accordance with the provisions of this chapter for use in eliminating crime in and around public housing and other federally assisted low-income housing projects to (1) local housing and management authorities, and (2) private, for-profit and nonprofit owners of federally assisted low-income housing.".

(b) ELIGIBLE ACTIVITIES.—

(1) IN GENERAL.—Section 5124(a) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903(a)) is amended—

(A) in the matter preceding paragraph (1), by inserting "and around" after "used in";

(B) in paragraph (3), by inserting before the semicolon the following: ", including fencing, lighting, locking, and surveillance systems";

(C) in paragraph (4), by striking subparagraph (A) and inserting the following new subparagraph:

"(A) to investigate crime; and";

(D) in paragraph (6)—

(i) by striking "in and around public or other federally assisted low-income housing projects"; and

(ii) by striking "and" after the semicolon; and

(E) by striking paragraph (7) and inserting the following new paragraphs:

"(7) providing funding to nonprofit public housing resident management corporations and resident councils to develop security and crime prevention programs involving site residents;

"(8) the employment or utilization of one or more individuals, including law enforcement officers, made available by contract or other cooperative arrangement with State or local law enforcement agencies, to engage in community- and problem-oriented policing involving interaction with members of the community in proactive crime control and prevention activities;

"(9) programs and activities for or involving youth, including training, education, recreation and sports, career planning, and entrepreneurship and employment activities and after school and cultural programs; and

"(10) service programs for residents that address the contributing factors of crime, including programs for job training, education, drug and alcohol treatment, and other appropriate social services.".

(2) OTHER LHMA-OWNED HOUSING.—Section 5124(b) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903(b)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking "drug-related crime in housing owned by public housing agencies" and inserting "crime in and around housing owned by local housing and management authorities"; and

(ii) by striking "paragraphs (1) through (7)" and inserting "paragraphs (1) through (10)"; and

(B) in paragraph (2)—

(i) by striking "public housing agency" and inserting "local housing and management authority"; and

(ii) by striking "drug-related" and inserting "criminal".

(c) GRANT PROCEDURES.—Section 5125 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended to read as follows:

"SEC. 5125. GRANT PROCEDURES.

"(a) LHMA'S WITH 250 OR MORE UNITS.—

"(1) GRANTS.—In each fiscal year, the Secretary shall make a grant under this chapter from any amounts available under section 5131(b)(1) for the fiscal year to each of the following local housing and management authorities:

"(A) NEW APPLICANTS.—Each local housing and management authority that owns or operates 250 or more public housing dwelling units and has—

"(i) submitted an application to the Secretary for a grant for such fiscal year, which includes a 5-year crime deterrence and reduction plan under paragraph (2); and

"(ii) had such application and plan approved by the Secretary.

"(B) RENEWALS.—Each local housing and management authority that owns or operates 250 or more public housing dwelling units and for which—

"(i) a grant was made under this chapter for the preceding Federal fiscal year;

"(ii) the term of the 5-year crime deterrence and reduction plan applicable to such grant includes the fiscal year for which the grant under this subsection is to be made; and

"(iii) the Secretary has determined, pursuant to a performance review under paragraph (4), that during the preceding fiscal year the agency has substantially fulfilled the requirements under subparagraphs (A) and (B) of paragraph (4).

"(2) 5-YEAR CRIME DETERRENCE AND REDUCTION PLAN.—Each application for a grant under this subsection shall contain a 5-year crime deterrence and reduction plan. The plan shall describe, for the local housing and management authority submitting the plan—

"(A) the nature of the crime problem in public housing owned or operated by the local housing and management authority;

"(B) the building or buildings of the local housing and management authority affected by the crime problem;

"(C) the impact of the crime problem on residents of such building or buildings; and

"(D) the actions to be taken during the term of the plan to reduce and deter such crime, which shall include actions involving residents, law enforcement, and service providers.

The term of a plan shall be the period consisting of 5 consecutive fiscal years, which begins with the first fiscal year for which funding under this chapter is provided to carry out the plan.

"(3) AMOUNT.—In any fiscal year, the amount of the grant for a local housing and management authority receiving a grant pursuant to paragraph (1) shall be the amount that bears the same ratio to the total amount made available under section 5131(b)(1) as the total number of public dwelling units owned or operated by such authority bears to the total number of dwelling units owned or operated by all local housing and management authorities that own or operate 250 or more public housing dwelling units that are approved for such fiscal year.

"(4) PERFORMANCE REVIEW.—For each fiscal year, the Secretary shall conduct a performance review of the activities carried out by each local housing and management authority receiving a grant pursuant to this subsection to determine whether the agency—

"(A) has carried out such activities in a timely manner and in accordance with its 5-year crime deterrence and reduction plan; and

"(B) has a continuing capacity to carry out such plan in a timely manner.

"(5) SUBMISSION OF APPLICATIONS.—The Secretary shall establish such deadlines and requirements for submission of applications under this subsection.

"(6) REVIEW AND DETERMINATION.—The Secretary shall review each application submitted under this subsection upon submission and shall approve the application unless the application and the 5-year crime deterrence and reduction plan are inconsistent with the purposes of this chapter or any requirements established by the Secretary or the information in the application or plan is not substantially complete. Upon approving or determining not to approve an application and plan submitted under this subsection, the Secretary shall notify the local housing and management authority submitting the application and plan of such approval or disapproval.

"(7) DISAPPROVAL OF APPLICATIONS.—If the Secretary notifies an authority that the application and plan of the authority is not approved, not later than the expiration of the 15-day period beginning upon such notice of disapproval, the Secretary shall also notify the authority, in writing, of the reasons for the disapproval, the actions that the authority could take to comply with the criteria for approval, and the deadlines for such actions.

"(8) FAILURE TO APPROVE OR DISAPPROVE.—If the Secretary fails to notify an authority of approval or disapproval of an application and plan submitted under this subsection before the expiration of the 60-day period beginning upon the submission of the plan or fails to provide notice under paragraph (7) within the 15-day period under such paragraph to an authority whose application has been disapproved, the application and plan shall be considered to have been approved for purposes of this section.

"(b) LHMA'S WITH FEWER THAN 250 UNITS AND OWNERS OF FEDERALLY ASSISTED LOW-INCOME HOUSING.—

"(1) APPLICATIONS AND PLANS.—To be eligible to receive a grant under this chapter, a local housing and management authority that owns or operates fewer than 250 public housing dwelling units or an owner of federally assisted low-income housing shall submit an application to the Secretary at such time, in such manner, and accompanied by such additional information as the Secretary may require. The application shall include a plan for addressing the problem of crime in and around the housing for which the application is submitted, describing in detail activities to be conducted during the fiscal year for which the grant is requested.

"(2) GRANTS FOR LHMA'S WITH FEWER THAN 250 UNITS.—In each fiscal year the Secretary may, to the extent amounts are available under section 5131(b)(2), make grants under this chapter to local housing and management authorities that own or operate fewer than 250 public housing dwelling units and have submitted applications under paragraph (1) that the Secretary has approved pursuant to the criteria under paragraph (4).

"(3) GRANTS FOR FEDERALLY ASSISTED LOW-INCOME HOUSING.—In each fiscal year the Secretary may, to the extent amounts are available under section 5131(b)(3), make grants under this chapter to owners of federally assisted low-income housing that have submitted applications under paragraph (1) that the Secretary has approved pursuant to the criteria under paragraphs (4) and (5).

"(4) CRITERIA FOR APPROVAL OF APPLICATIONS.—The Secretary shall determine whether to approve each application under this subsection on the basis of—

"(A) the extent of the crime problem in and around the housing for which the application is made;

"(B) the quality of the plan to address the crime problem in the housing for which the application is made;

"(C) the capability of the applicant to carry out the plan; and

"(D) the extent to which the tenants of the housing, the local government, local community-based nonprofit organizations, local tenant organizations representing residents of neighboring projects that are owned or assisted by the Secretary, and the local community support and participate in the design and implementation of the activities proposed to be funded under the application.

In each fiscal year, the Secretary may give preference to applications under this subsection for housing made by applicants who received a grant for such housing for the preceding fiscal year under this subsection or under the provisions of this chapter as in effect immediately before the date of the enactment of the United States Housing Act of 1996.

"(5) ADDITIONAL CRITERIA FOR FEDERALLY ASSISTED LOW-INCOME HOUSING.—In addition to the selection criteria under paragraph (4), the Secretary may establish other criteria for evaluating applications submitted by owners of federally assisted low-income housing, except that such additional criteria shall be designed only to reflect—

"(A) relevant differences between the financial resources and other characteristics of local housing and management authorities and owners of federally assisted low-income housing; or

"(B) relevant differences between the problem of crime in public housing administered by such authorities and the problem of crime in federally assisted low-income housing.".

(d) DEFINITIONS.—Section 5126 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11905) is amended—

(1) by striking paragraphs (1) and (2);

(2) in paragraph (4)(A), by striking "section" before "221(d)(4)";

(3) by redesignating paragraphs (3) and (4) (as so amended) as paragraphs (1) and (2), respectively; and

(4) by adding at the end the following new paragraph:

"(3) LOCAL HOUSING AND MANAGEMENT AUTHORITY.—The term 'local housing and management authority' has the meaning given the term

in title I of the United States Housing Act of 1996.".

(e) IMPLEMENTATION.—Section 5127 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11906) is amended by striking "Cranston-Gonzalez National Affordable Housing Act" and inserting "United States Housing Act of 1996".

(f) REPORTS.—Section 5128 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11907) is amended—

(1) by striking "drug-related crime in" and inserting "crime in and around"; and

(2) by striking "described in section 5125(a)" and inserting "for the grantee submitted under subsection (a) or (b) of section 5125, as applicable".

(g) FUNDING AND PROGRAM SUNSET.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 is amended by striking section 5130 (42 U.S.C. 11909) and inserting the following new sections:

"SEC. 5130. FUNDING.

"(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this chapter such sums as may be necessary for fiscal year 1996.

"(b) ALLOCATION.—Of any amounts available, or that the Secretary is authorized to use, to carry out this chapter in any fiscal year—

"(1) 85 percent shall be available only for assistance pursuant to section 5125(a) to local housing and management authorities that own or operate 250 or more public housing dwelling units;

"(2) 10 percent shall be available only for assistance pursuant to section 5125(b)(2) to local housing and management authorities that own or operate fewer than 250 public housing dwelling units; and

"(3) 5 percent shall be available only for assistance to federally assisted low-income housing pursuant to section 5125(b)(3).

"SEC. 5131. PROGRAM TERMINATION.

"The program under this chapter shall terminate at the end of September 30, 1996. No grants may be made under the program after such date.".

(h) CONFORMING AMENDMENTS.—The table of contents in section 5001 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690; 102 Stat. 4295) is amended—

(1) by striking the item relating to the heading for chapter 2 of subtitle C of title V and inserting the following:

"CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME";

(2) by striking the item relating to section 5122 and inserting the following new item:

"Sec. 5122. Purposes.";

(3) by striking the item relating to section 5125 and inserting the following new item:

"Sec. 5125. Grant procedures.";

and

(4) by striking the item relating to section 5130 and inserting the following new items:

"Sec. 5130. Funding.

"Sec. 5131. Program termination.".

The CHAIRMAN. Are there amendments to title V?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me just understand. I know that there is a discussion taking place on the other side of the aisle at the moment over the Roemer amendment. Do we have an agreement? We have the gentlewoman from California [Ms. WATERS] here for her amendment. That is amendment No. 42.

AMENDMENT NO. 42 OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 42 offered by Ms. WATERS: At the end of title V, insert the following new section:

SEC. 504. LIMITATION ON EXTENT OF USE OF LOAN GUARANTEES FOR HOUSING PURPOSES.

Section 108 of the Housing and Community Development Act of 1992 (42 U.S.C. 5308) is amended by inserting after subsection (h) the following new section:

"(i) LIMITATION ON USE.—Of any amounts obtained from notes or other obligations issued by an eligible public entity or public agency designated by an eligible public entity and guaranteed under this section pursuant to an application for a guarantee submitted after the date of the enactment of the Housing and Community Development Act of 1992, the aggregate amount used for the purposes described in clauses (2) and (4) of subsection (a), and for other housing activities under the purposes described in clauses (1) and (3) of subsection (a), may not exceed 10 percent of such amounts obtained by the eligible public entity or agency.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentlewoman from California [Ms. WATERS] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentlewoman from California [Ms. WATERS].

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

This is really not a complicated amendment. Early on when I came to Congress, I discovered something called section 108 loan guarantee funds in HUD. These were funds that basically are used to provide economic development assistance to cities. It is a fund or a loan guarantee type program that is not scored in the budget.

When I discovered this item, I moved to expand the opportunity for cities to have economic development programs that would increase the job opportunities, that would support businesses, that would basically direct some attention toward commercial development.

One of the things I have been very concerned about is the fact that we have put an emphasis oftentimes on developing housing and low-income housing, but the problem is precisely what we have created in public housing projects. We have provided some housing opportunities and basically placed poor people on top of each other without any businesses and without any services.

So I thought that the use of these section 108 loan guarantee funds would have well served our cities if we had an opportunity to support business and commerce so that we do not continue to have housing and low-income housing without businesses in those communities that would provide goods and services and job opportunities.

Section 108 loan guarantee funds I was able to expand to the tune of about $2 billion over 5 years. All of the cities have been applying for these funds. Many of the cities welcome the opportunity to have some funds by which they could create projects working with the business community to expand job opportunities, to expand entrepreneurship. But some of the cities have begun to use this money in ways other than economic development that was anticipated.

I recognized that some of the cities have a need to be very creative in the way that they use these section 108 loan guarantee funds and they put a little bit off maybe into some infrastructure, maybe a little bit off into some housing. But my appeal here is to say let us put a cap on how much of this money can be taken and further used maybe for housing or anything else.

Let us really pay attention to how we can empower communities and develop real economic development so that in fact the people that we say that we want to make independent, we create some opportunities for them to be independent.

We hope, we know that small businesses, for example, create more job opportunities than any other entities in America. We know that, to the degree that we are able to develop small businesses, we expand job opportunities.

I do not have oftentimes the opportunity to come to this floor and to really tell Members what I understand about business and economic development. There are those who would like to say all she and those others care about is welfare, all they care about is low-income housing, all they care about are government expenditures for the poor.

That absolutely is not true. Many of us understand a lot more about business and business development and how to really support commerce and entrepreneurs in these communities than we often have an opportunity to demonstrate.

I am here today because section 108 loan guarantee funds in HUD is a real opportunity to create economic development projects. This loan guarantee basically is given to those cities and the CDBG moneys are kind of used as a guarantee working with HUD. They get with local business persons, and they think about utilizing the resources of local government. Maybe there are some land opportunities. Maybe there are some programs in local government that they can match with some investment by the local entrepreneurs and this loan guarantee opportunity, and they come up with projects that they can locate in these communities and not only support business, small business and entrepreneurship but do job creation.

Mr. Chairman, my colleagues must pay more attention to what the Government can do to help create jobs in

our community. We want welfare to go away, we need jobs. We want people to be able to use the training that they are supposed to be getting through the use of our job training programs. There must be a job at the end of these job training programs. Do we want JTPA to be viable? I simply ask that my colleagues support me. Join hands in supporting that we limit the use of section 108 so that the money is not siphoned off into other projects but goes into economic development. I ask for an aye vote.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Mr. LAZIO of New York. Mr. Chairman, I am opposed to the amendment.

The CHAIRMAN. The gentleman from New York [Mr. LAZIO] is recognized for 5 minutes.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I have a great deal of sympathy for what the gentlewoman from California just said with respect to some of the points and the concerns that she has. It is a truism that, if all we deal with is housing in a particular community, we are failing that community. No community has just a housing, affordable housing problem. If it has an affordable housing problem, it probably also has an economic development problem, an education program, a job training problem. It has a problem in terms of access to basic banking services and affordable grocery markets and all the things that more affluent communities rely on that help make them healthy.

Mr. Chairman, my concern is that first of all we are trying to take this whole subject up of CDBG and community development block programs and section 108 guarantee and the successor bill that will be coming down 2 or 3 months further down the pike in which we will begin to look at this very closely to ensure that there is maximum flexibility and the maximum ability to target resources to ensure that there is a relationship between the economic development and the affordable housing that we have.

However, I have grave concerns about the way this particular amendment has been drafted because it targets and mandates that only 10 percent of the money can be used for housing. In certain communities, especially those in more rural areas, the need for infrastructure for development of an entire block are more trying to be developed at the same time, the need to have a cost-effective development require the section 108 guarantee program.

Mr. Chairman, it is exactly why we have this program, to front end the money because it is more cost effective to do it up front as opposed to doing it year after year after year. When you are doing a housing development, you need to put in new streets, new lights, new utilities. You need that section 108 program to go forward.

If we had more flexibility in this amendment, I think it would be worthy of closer consideration. But to say to communities that only 10 percent of the money can be used for housing and 90 percent can be used for economic development, without frankly identifying exactly how that money can be spent, without proper consideration by the committee or having hearings, I have a concern and a problem with that.

□ 1500

Mr. Chairman, I reluctantly must oppose this amendment, but I do not oppose the concern of the gentlewoman from California [Ms. WATERS]. I do not oppose the gentlewoman's commitment on this. I think she is right in terms of her concept, and I pledge to her that I am willing to continue to work closely with her to make sure the communities are integrated more closely, especially commerce with respect to affordable housing.

We are in the process, Mr. Chairman, of trying to negotiate something that I think will provide some flexibility. I mean to speak to a particular point while some of the staffs are trying to work out some of the technical aspects of a possible compromise here that will allow for both economic and home ownership opportunities and the use of section 108 for developing homes.

Let me say also the need for commercial development; later on there is going to be an amendment offered by the gentleman from Arizona [Mr. HAYWORTH] which provides an opportunity for Native American houisng, and one of the most important parts of that amendment, which was a bill that was filed earlier, introduced earlier, by myself and many Members of our side of the aisle was to provide not only maximum flexibility in respect for the nation-nation relationship in terms of Native American Indian country, but also to provide for the first time the same type of loan guarantee program that has brought home ownership and economic development to so many communities in America.

The relationship between economic development and housing, especially affordable housing, is a strong one. As I say, no community has just an affordable housing program. If people had the capability to have jobs, it would enable them to have an income so they can make their own choices, and we would not have those same needs for affordable housing. Unfortunately, we do not have the same relationship and targeting that is necessary. Those are mostly locally based solutions in the end. Organizations like List and Enterprise are doing that throughout the country, creating a synergy where commercial enterprise and housing is built together, planned together. Local communities are involved in the outcome and the strategies in getting there, and that is exactly the right model that we ought to be following because that is the successful model.

The first year and a half of my chairmanship, one of the things I did was to back up and to say let us find out what is going on right out there. One of the things that is right, one of the successes that is happening throughout our country, is in self-help housing, is an integrated commercial and residential development, mostly by entities like List and Enterprise.

Let me suggest that if we can work out a compromise on this to allow for both economic development and home ownership opportunities through this section 108 program, I think we will preserve both of our principles of flexibility and also providing for the initiative to have more economic development.

MODIFICATION OF AMENDMENT OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I ask unanimous consent to modify my amendment to accommodate the concerns of the chairman.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification of amendment offered by Ms. WATERS: in the proposed new subsection (i) of section 108 of the Housing and Community Development Act of 1992, strike out "10 percent" and insert "50 percent".

The CHAIRMAN. Is there objection to the request of the gentlewoman from California that the amendment be modified?

There was no objection.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentlewoman from California [Ms. WATERS].

The amendment, as modified, was agreed to.

The CHAIRMAN. Are there other amendments to title V?

AMENDMENT NO. 45 OFFERED BY MR. DURBIN

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 45 offered by Mr. DURBIN: At the end of title V of the bill, insert the following new section:

SEC. 515. PROHIBITION AGAINST ILLEGAL POSSESSION OR DISCHARGE OF FIREARMS IN PUBLIC HOUSING ZONES.

(a) CONGRESSIONAL FINDINGS.—The Congress finds and declares that—

(A) crime, particularly crime involving firearms, is a pervasive, nationwide problem;

(B) crime at the local level is exacerbated by the interstate movement of firearms;

(C) firearms and ammunition move easily in interstate commerce and illegal firearms have been found in increasing numbers in and around public housing zones;

(D) in fact, even before the sale of a firearm, the gun, its component parts, ammunition, and the raw materials from which they are made have considerably moved in interstate commerce;

(E) while criminals freely move from State to State, ordinary citizens and foreign visitors may fear to travel to or through certain parts of the country due to concern about violent crime and gun violence;

(F) the occurrence of violent crime in public housing zones has resulted in a decline in the quality of public housing in our country;

(G) this decline in the quality of public housing has an adverse impact on interstate commerce and the foreign commerce of the United States;

(H) States, localities, and local housing and management authorities find it almost impossible to handle gun-related crime by themselves; even States, localities, and local housing and management authorities that have made strong efforts to prevent, detect, and punish gun-related crime find their efforts unavailing due in part to the failure or inability of other States or localities to take strong measures; and

(I) the Congress has power, under the interstate commerce clause and other provisions of the Constitution, to enact measures to ensure the integrity and safety of the Nation's public housing by enactment of this section.

(b) PROHIBITIONS.—

(1) POSSESSION.—It shall be unlawful for any person, in or affecting interstate or foreign commerce, to possess a firearm in violation of any other Federal law or of any State or local law, at a place that the person knows is in a public housing zone.

(2) DISCHARGE.—

(A) IN GENERAL.—It shall be unlawful for any person, in or affecting interstate or foreign commerce, to discharge or attempt to discharge a firearm, knowingly or with reckless disregard for the safety of another, at a place that the person knows is in a public housing zone.

(B) EXCEPTIONS.—Subparagraph (A) shall not apply to the discharge of a firearm—

(i) by a person employed by a local housing and management authority to provide security for a public housing development in the public housing zone, acting within the scope of such employment; or

(ii) by a law enforcement officer acting in his or her official capacity.

(c) PENALTIES.—Whoever violates subsection (b) shall be fined under title 18, United States Code, imprisoned for not more than 5 years, or both. Notwithstanding any other provision of law, a term of imprisonment imposed under this subsection shall not run concurrently with any other term of imprisonment imposed under any other provision of law. Except for the authorization of a term of imprisonment of not more than 5 years made in this subsection, for the purposes of any other law a violation of subsection (b) shall be deemed to be a misdemeanor.

(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) The terms "firearm", "interstate or foreign commerce", "person", and "whoever", have the meanings given such terms in section 921(a) of title 18, United States Code.

(2) The term "public housing zone" means in or upon—

(A) the real property comprising the public housing developments of any local housing and management authority; or

(B) any public property which is at a distance of not more than 1,000 feet from property referred to in subparagraph (A).

(e) EFFECTIVE DATE.—This section shall apply to conduct engaged in after the end of the 60-day period that begins with the date of the enactment of this Act.

(f) GUN-FREE ZONE SIGNS.—Federal, State, and local authorities (including local housing and management authorities) are encouraged to cause signs to be posted around public housing zones giving warning of the prohibition against the illegal possession of a firearm in such zones.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Illinois [Mr. DURBIN] and a Member opposed will each control 5 minutes.

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

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

Mr. Chairman, I hope this amendment will receive bipartisan support. What we are trying to address in this amendment is a very serious life-and-death problem in public housing across America.

Several weeks ago I was taken on a tour of the Chicago housing projects. The people who took me on the tour pointed out buildings in the projects, fully occupied buildings, that were under the control of drug gangs. Despite the best efforts of security personnel and Chicago police, these gangs literally took control of housing units, terrorizing the residents, selling narcotics, brandishing weapons and firing those weapons at will.

Anyone who wants this documented should read the story entitled "There Are No Children Here," by Alex Kotlowitz, a Wall Street Journal correspondent who followed the lives of two tiny children growing up in public housing in the city of Chicago. It is an incredible story.

Mr. Chairman, the worst part of the story is the violence that takes place in public housing today.

This amendment addresses clearly and plainly the question of possessing firearms in public housing, and it attempts to establish a national standard which says very simply that we prohibit the possession of illegal, illegal firearms in public housing and public housing zones, that we prohibit the reckless discharge or attempted discharge of any firearm in public housing, and those found guilty of the crime will be subject to 5 years in prison, a $5,000 fine, or both.

Is this necessary? Let me use the city of Chicago as an example. In one sweep of public housing projects in the city of Chicago between April and June of last year, this is what they confiscated: 170 handguns, 192 assault weapons, assault weapons, over $133,000 in cash, thousands of grams of controlled narcotics and substances with a street value in excess of $2 million.

This public housing belongs to the residents, but it also belongs to the taxpayers of America. We owe it to the families, we certainly owe it to the children in that public housing, to keep their lives safe from harm.

Those who would bring in illegal firearms or discharge them in public housing should be subject to the full brunt of the law, not just tenants, but those who come onto public housing grounds and take advantage of the poor families living there.

I commend this amendment to all of my colleagues, Democrat and Republican, and reserve the balance of my time.

Mr. LAZIO of New York. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. DURBIN].

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I man consume.

Mr. Chairman, I have several concerns, and I am compelled to oppose this amendment. The first concern is that this provision federalizes State law. On page 3, line 2, this provision makes it a Federal violation to violate this amendment.

My second concern is that nowhere in this provision do we require criminal intent to be a factor in terms of prohibiting the use or the possession of firearms in an area of public housing. For example, if the State law allows a single mother to carry a gun and she lives in public housing, she can not protect herself.

Lastly and most importantly, let me say this is not the vehicle to be talking about gun control. We are trying to get housing policy done right now. We have dramatic arguments that have been made already with respect to section 8 public housing income mixes, different aspects of protections. To interject gun arguments right now I think is frankly a red herring, it is not the appropriate place to be inserting this, and frankly I think there are a number of these concerns that most Members should share in terms of insuring that the intent of the gentleman from Illinois [Mr. DURBIN] is carried out.

So, frankly, I think that if the gentleman were interested in really having something done with respect to in and around the property around public housing, we will be happy to try and work with him as time went on, but this is just the wrong vehicle.

Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. MCCOLLUM], the chairman of the Subcommittee on Crime.

Mr. MCCOLLUM. Mr. Chairman, I know the gentleman who is offering this amendment is doing it with all good intent because I am sure, as he does, I share the basic premise that we should not have criminals out there discharging firearms or using them or possessing them in a public housing unit. Nobody in America wants crime to be going on in public housing units.

But the problem with this amendment is that it prohibits law-abiding citizens from possessing firearms, from having them to defend themselves, or

to discharge those firearms in the defense of their own home in a public housing unit.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I believe the language, the specific language, says illegal firearms.

Mr. McCOLLUM. Reclaiming my time, Mr. Chairman, I only have 1 minute.

The fact of the matter is that if he has the firearm, somebody has that firearm, I think that person ought to have the right to possess that firearm and to be able to protect it. That firearm is only going to be illegal maybe because New York City makes it illegal to possess one, something of that nature.

The truth of the matter is we should not, as a Congress, federalize local ordinances, which this does, makes a Federal crime out of it if you violate a local ordinance in a situation like this. And in addition to that, I do not believe, and I do not think most of us believe, anybody who is a law-abiding citizen should be prohibited from having a firearm in their possession in a public housing unit.

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

Mr. Chairman, I find this incredible. I offer an amendment which prohibits the possession of illegal firearms, illegal firearms, in public housing, and it is being resisted by the Republican majority. Illegal firearms.

Do we want to end crime in this country with sensible gun regulation?

Every time we raise the issue of firearms on this floor, will we have people go into a panic?

We are talking about illegal firearms. We are talking about the discharge of firearms in public housing, terrorizing families and their children. We are talking about drug gangs.

Mr. Chairman, the resistance to this amendment tells me that many of the people who are opposing it have not even been to these public housing projects and spoken to the families.

Mr. Chairman, I yield 30 seconds to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, let me just quote from the law that the gentleman from Illinois [Mr. DURBIN] has proposed: "to posses a firearm in violation of any other federal law or any State or local law at a place that person knows."

The fact of the matter is this is restricted to illegal firearms. How can our colleagues possibly suggest that we ought to allow illegal firearms use in public housing? This is plain and simple, black and white.

This is, once again, the hidden arm at the NRA at work on the floor of the House of Representatives, once again gutting basic protections of the vulnerable people of this country.

I strongly support the Durbin amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield 1 minute to the distinguished gentleman from the State of Georgia [Mr. BARR].

Mr. BARR of Georgia. Mr. Chairman, I thank the gentleman for yielding this time to me.

My distinguished colleague on the other side just mentioned that, well, he does not know if any of us have been in housing projects. Mr. Chairman, my colleagues are about to hear from one that has, that has prosecuted crimes in our housing projects, that has been to funerals of people who have been killed in housing projects, that has met with the men and women whose sons and daughters have been shot and injured in drive-by shootings, and we certainly agree with the gentleman that we should be doing everything that we can to protect those people. But this amendment is simply not the way to do it.

There are page after page, volume after volume of Federal laws that have been enforced, that can be enforced, that should be enforced that protect against these people who use firearms in the commission of a crime.

But, very frankly, I am not interested in making criminal a woman who defends herself in that housing project, the same elderly woman that my colleague spoke of eloquently a few moments ago that wants to use a firearm to protect herself and yet who may run afoul of some other law. I think protecting those people, giving them the right to protect themselves, is absolutely paramount, and I am opposed to this thinly veiled effort to take that right away.

Mr. VOLKMER. Mr. Chairman, I ask unanimous consent that each side be given an additional 10 minutes for debate on the amendment.

Mr. BEREUTER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

PREFERENTIAL MOTION OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. VOLKMER moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

□ 1515

The CHAIRMAN. The gentleman from Missouri [Mr. VOLKMER] is recognized for 5 minutes in support of his motion.

Mr. VOLKMER. Mr. Chairman, I think it would be wise for all Members of this body to read this amendment, especially page 3, as I did about a half an hour ago over in my office. I had asked my staff this morning to get a copy of this amendment, because the way it was reported in the digest that we received this morning, I had some reservations. I wanted to see the amendment.

Lo and behold, when I read the amendment, on page 3, under the heading, subparagraph 2, it says: "Discharge. In general, it shall be unlawful for any person in or affecting interstate or foreign commerce to discharge or attempt to discharge a firearm knowingly, or with reckless disregard for the safety of another, at a place that the person knows is in a public housing zone." that may sound harmless, but let us put it in actual conditions of what may happen.

I am residing in a public housing project. I have an apartment. I also am a hunter. I have some guns. That is not illegal in my housing project. Now, about 9 or 10 o'clock at night, a drug addict needing money busts through my door, holding a gun aimed at me. I grab my gun. He fires and misses. I fire and hit him. I only wound him. Guess what, Mr. Chairman? He gets charged for armed robbery. I get charged under this, and I could get 5 years because I have discharged a firearm in a public housing zone, knowingly and with reckless disregard for safety, because I was not worried about his safety, I guarantee you.

I am sure the gentleman did not mean that, Mr. Chairman, but that is they way the amendment reads.

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

Mr. VOLKMER. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, the gentleman, I am sure, is familiar with the defense of self-defense.

Mr. VOLKMER. Yes, but that is no defense to this offense.

Mr. DURBIN. It is a common-law defense.

Mr. VOLKMER. Not to this offense. No, it is not.

Mr. DURBIN. Yes, sir.

Mr. VOLKMER. Mr. Chairman, if the gentleman wants to put it in there, an exception for self-defense, then I would say yes. But the gentleman does not have that in here. He just says anybody who knowingly and with intent, with reckless disregard for the safety of another.

Mr. DURBIN. If the gentleman will yield one more time, Mr. Chairman, I will accept the gentleman's amendment. I would add the language "except in cases of self-defense."

Mr. VOLKMER. Mr. Chairman, I would ask the gentleman, why does he want to upgrade a local ordnance involving guns to a Federal offense?

Mr. DURBIN. If the gentleman will further yield, I think the gentleman is aware of the fact that we have more than a casual interest in public housing in America. Federal taxpayers have a massive investment in public housing. What we are attempting to do, I

say to my friend, the gentleman from Missouri, is to remove illegal firearms from public housing, firearms which are being used to terrorize.

Mr. VOLKMER. That is not necessarily so.

Mr. DURBIN. Some State laws cover it, some do not. We are trying to establish a national uniform standard that illegal firearms in public housing and the illegal discharge of those firearms is against the law.

Mr. VOLKMER. They are not federally illegal. What you are telling me is if a local city body decides that there are not going to be any guns, as the gentleman has in Illinois, there are not going to be any guns in this community, none whatsoever, and I have a gun in that community and it is in a public housing project, I have a Federal offense of 5 years, not just a violation of a local ordnance.

That is the other objection I have to it. I do not believe that we should make every local ordnance a Federal offense if it involves guns in a public housing project. No, I do not believe that.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I am trying to understand, is the gentleman's objection.

Mr. VOLKMER. Two objections. We cleared up one.

Mr. KENNEDY of Massachusetts. If it is the one objection, that if you are possessing an illegal firearm and you use that illegal firearm——

Mr. VOLKMER. Illegal because of what? Because of a local zoning ordinance that says you cannot have a gun in this town?

Mr. KENNEDY of Massachusetts. Let us go back to what the proposal says. It says "in possession of a firearm violation of any State law or any local law."

Mr. VOLKMER. Any local law. That is my objection, any local law.

Mr. KENNEDY of Massachusetts. What you are saying is, if you are possessing a gun illegally and you use that in defense of yourself——

Mr. VOLKMER. No, that has nothing to do with this. One has nothing to do with the other.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would ask the gentleman, what is his objection?

Mr. VOLKMER. I am saying, you are elevating a local ordnance to a 5-year Federal offense. We do not do it in anything else. We do not make a DWI, a DWI which could kill people, we do not make that a Federal offense.

Mr. BEREUTER. Mr. Chairman, I claim 5 minutes in opposition.

Mr. KENNEDY of Massachusetts. Mr. Chairman, was that not a point of personal privilege?

The CHAIRMAN. The gentleman had a preferential motion that the enacting clause be stricken. He is recognized under that motion for 5 minutes. Someone in opposition to that motion is also recognized for 5 minutes. The gentleman from Nebraska [Mr. BEREUTER] has claimed that.

Mr. BEREUTER. Mr. Chairman, I yield to the distinguished gentleman from Illinois [Mr. HASTERT], the distinguished deputy whip.

Mr. HASTERT. Mr. Chairman, I thank the chairman for yielding to me.

First of all, Mr. Chairman, we have a housing bill before us. There is a motion to change this whole system by the gentleman from Missouri, [Mr. VOLKMER].

Mr. Chairman, when I started to look at it, if I did not know my colleague, the gentleman from Illinois, [Mr. DURBIN], better, I would say this probably smacks of maybe even senatorial politics, but I am sure that that is not the case.

On the other hand, when we start to look at the situation, I believe that the ordinance for the city of Chicago prohibits any type of firearm or weapon, possession and use. The State of Illinois prohibits certain types of weapons and use. We also have a requirement of an FOID card, possession, and almost a 6-week waiting period before any type of possession of a firearm.

Also, there are various countries in Illinois that have, whether it is valid or not, county restrictions. I am not sure which law that my friend, the gentleman from Illinois, is going to ascribe and make that a Federal Law. Is it the State Law? Is it the municipal ordinances? Is it the county statutes?

Mr. Chairman, I think certainly the ability of trying to figure out or to sort out for local and State and county officials, whether you are from the sheriff's office and you have that jurisdiction, or if you are from the Chicago city police, from that jurisdiction, or the Illinois State Police, from that jurisdiction, certainly they have conflicting jurisdictions, and really it makes a mess of the system that is before us, I would think probably we ought to take this amendment for what it is, trying to get a little plus up in an area that some people are not well known in, and let it go at that. I ask that we vote against this.

Mr. BEREUTER. Mr. Chairman, I yield to the gentleman from Florida, [Mr. MCCOLLUM], the distinguished chairman of the Subcommittee on Crime.

Mr. MCCOLLUM. Mr. Chairman, I thank the gentleman, for I want to explain why we are talking about this. First of all, I do not think we ought to rise, but we ought to understand that under the underlying amendment that is here, it is not the possession of an illegal firearm that is the problem. It is the illegal possession. That is the language that says here. It says we are going to federalize all local ordinances that make it illegal to possess a firearm in public housing.

I do not think we have any business doing that. The firearms could be perfectly legal. They could be lawful. They do not have to be assault weapons or something. As long as you possess a firearm in many communities, the very possession of an ordinary gun is illegal or unlawful in that community. Now we are going to make it a Federal crime if that is the case. I think that is wrong.

Second, the fact of the matter is that under the discharge provisions of this, whatever we are going to do with self-defense really is irrelevant. I think under the Lopez decision, which we saw last year come down, it is unconstitutional for the Federal Government be involved in saying that we are going to make it a crime in every public housing unit in this country to discharge a firearm. We already know under the Supreme Court ruling you cannot do that with respect to a school.

Mr. BEREUTER. Mr. Chairman, I yield to the gentleman from Georgia [Mr. BARR].

Mr. BARR of Georgia. Mr. Chairman, I think this particular provision is a wolf in sheep's clothing. As the distinguished chairman of the Subcommittee on Crime correctly pointed out, its reach would be vast. It would be vast, indeed, because what it does by its very terms and its implication would be to federalize a huge category of potential crimes, in addition to creating a new substantive crime, in and of itself.

I would urge Members to look very carefully at this, to put aside the self-defense language that we have heard of, because it does not go to the root, the heart of the problem, with this amendment. That is its vast scope and the federalism problems that we have, in addition to those other problems that the distinguished chairman of the Subcommittee on Crime has already pointed out that relate to its underlying constitutionality.

Mr. Chairman, I would simply tell Members that there are other constitutional infirmities that appear on the face of this particular provision.

The CHAIRMAN. All time on the motion has been used.

Does the gentleman from Missouri [Mr. VOLKMER] wish to withdraw his motion?

Mr. VOLKMER. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri.

There was no objection.

MODIFICATION OF AMENDMENT OFFERED BY MR. DURBIN

Mr. DURBIN. Mr. Chairman, I ask unanimous consent to offer a modification to the amendment.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification of amendment offered by Mr. DURBIN:

On page 3 line 11 of the amendment, add after the word "zone", the following ", except in cases of self-defense."

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. BARR of Georgia. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DURBIN. Mr. Chairman, would the Chair please advise me of the remaining time on the amendment?

The CHAIRMAN. The gentleman from Illinois [Mr. DURBIN] and the gentleman from New York [Mr. LAZIO] each have 1 minute remaining on the amendment offered by the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, would the Chair advise me of who has the right to close?

The CHAIRMAN. The time in opposition is controlled by the gentleman from New York [Mr. LAZIO]. He would have the right to close.

Mr. DURBIN. Mr. Chairman, I yield myself my 1 remaining minute.

Mr. Chairman, I hope the Members and those watching this debate are paying close attention. I introduced an amendment which said that it is a Federal crime to possess illegal firearms in public housing projects, or to discharge firearms, except in cases of self-defense. Did Members notice the opposition that came to the floor? What family in America would argue against the proposition that you should keep illegal firearms out of their home and not fire them at will? Yet, when we raise the question of firearms on the floor of this House of Representatives, the gun lobby comes rolling through. You cannot mention those words.

That is mindless. This has nothing to do with the second amendment. This is a question of common sense. American taxpayers who own public housing with the residents and the families who live there need the peace of mind and security that this amendment will bring. I hope that my colleagues will push aside the gun lobby once and forever, and say when it comes to illegal firearms, we do not want them in public housing projects. We do not want them anywhere.

Mr. BEREUTER. Mr. Chairman, as designee, I claim the final minute in opposition to the amendment, and I yield to the gentleman from Florida [Mr. MCCOLLUM].

Mr. MCCOLLUM. Mr. Chairman, I know that the gentleman from Illinois is well-intentioned. Whatever his intent is, the language that is written here does not express that intent. There is a possession crime and it is going to be federalized in here. It is a possession not of an illegal firearm but of any firearm. If the possession happened to be unlawful under a local community act, then it would become an unlawful Federal crime. That is a wrong procedure. We should not do it.

In addition to that, Mr. Chairman, this amendment, no matter what the intent, would mean that somebody who has a permit, a lawful permit to carry a gun, to protect themselves, perhaps because of a stalker who has been after them, would no longer be allowed to discharge or possess that firearm in a public housing unit of this country or it would be a Federal crime. It is wrong. It is not the right way to proceed.

Nobody wants criminals discharging firearms in public housing. There are already provisions, a Federal law, that prohibited it in the course of a drug transaction or that kind of thing where there is a real Federal nexus, but not to protect yourself in self-defense. Everybody ought to have the right to possess a gun to do that. Vote "no" on this amendment.

□ 1530

The CHAIRMAN. All time on this amendment has expired.

PREFERENTIAL MOTION OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Ms. WATERS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The motion offered by the gentlewoman from California [Ms. WATERS] is not timely because there must be a change in the bill before a second motion striking the enacting clause is in order; therefore, the motion to strike the enacting clause is out of order at this point.

The question is on the amendment offered by the gentleman from Illinois [Mr. DURBIN].

The question was taken; and the Chairman announced that the noes have it.

Mr. DURBIN. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Illinois [Mr. DURBIN] will be postponed.

The point of no quorum is considered withdrawn.

Are there further amendments to title V?

AMENDMENT OFFERED BY MR. NEY

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

The Clerk read as follows:

Amendment offered by Mr. NEY: At the end of title V of the bill, insert the following new section:

SEC. 515. ELIGIBILITY FOR PARTICIPATION IN FEDERAL FLOOD INSURANCE PROGRAM.

The placement of any manufactured or mobile home on any site, shall not affect the eligibility of any community to participate in the Federal flood insurance program under the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 (notwithstanding that such placement may fail to comply with any elevation or flood damage mitigation requirements), if—

(1) such manufactured or mobile home was previously located on such site;

(2) such manufactured or mobile home was relocated from such site because of flooding that threatened or affected such site; and

(3) such replacement is conducted not later than the expiration of the 180-day period that begins upon the subsidence (in the area of such site) of the body of water that flooded to a level considered lower than flood levels.

Mr. NEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. KENNEDY of Massachusetts. Mr. Chairman, reserving the right to object, I reserve a point of order against the amendment. I had tried to raise a point of order against the amendment.

The CHAIRMAN. Is the gentleman reserving a point of order?

Mr. KENNEDY of Massachusetts. Yes, I want to reserve the point of order.

The CHAIRMAN. Does the gentleman want to insist on the point of order at this point?

Mr. KENNEDY of Massachusetts. I do not want to insist on it at this point. I want to enter into a dialogue with the gentleman that is offering the amendment to clarify my understanding of what the intent of the amendment is.

The CHAIRMAN. The gentleman from Massachusetts has the option to insist on or reserve the point of order at this point. If he wants to reserve the point of order, the Chair will then recognize the gentleman from Ohio [Mr. NEY] for the purposes of explaining his amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, how much time do I have to do that? Does he have the time or do I have the time?

The CHAIRMAN. The gentleman can reserve the point now, but at a later time during the consideration of the amendment he may make his point of order.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I am asking how long is he allowed? Am I allowed to speak and then to provide him the time?

The CHAIRMAN. The gentleman can raise the point of order at this point or he can reserve the point of order. If he reserves the point of order, he can allow the gentleman from Ohio his 5 minutes in support of the amendment. The gentleman from Massachusetts could insist on a point of order at that point. At the Chair's discretion he could speak against the amendment and at the conclusion of that insist on the point of order. Remember, there is

a 10-minute allocation for any amendment under the agreement of May 8.

Mr. KENNEDY of Massachusetts. Mr. Chairman, in that case, I will reserve the point of order.

The CHAIRMAN. The gentleman from Massachusetts, [Mr. KENNEDY] reserves a point of order on the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will complete the reading of the amendment.

The Clerk concluded the reading of the amendment.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Ohio [Mr. NEY] will be recognized for 5 minutes in support of his amendment, and a Member opposed will be recognized for 5 minutes.

The Chair recognizes the gentleman from Ohio [Mr. NEY].

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

Mr. Chairman, on January 20, 1996, eastern Ohio and the northern panhandle of West Virginia were struck with a disastrous flood. There are many residents in this area that are owners of mobile homes. Several of those homeowners transported their mobile homes to safe areas away from the rising water before the mobile homes were damaged.

After this area was drained, after the flood waters receded, the owners then moved their homes back and in some cases attempted to move their homes back, because according to FEMA, these mobile homeowners must build expensive 12-foot-tall foundations if they want to move their homes back to the areas that were affected.

Even though it was all along the Ohio River, and the northern panhandle of West Virginia in particular, this was called to our attention about this FEMA regulation by a local newspaper, the Wheeling Intelligencer. We were getting calls from not only Wheeling, WV, but Powhatan, OH, in particular. These are two areas, but I am sure this applies to many people along that entire Ohio River.

In some cases the mayor in, for example, Powhatan, OH, Mayor Bell is forced to tell people, "You can not bring your trailer back onto your land." Because if the mayor does not do that, aid is going to be cut to that municipality.

So the intent is to let people come back onto their land. The problem we have got is that FEMA, however, is saying they have got to build a 12-foot foundation, bring their mobile home back, put it on top of that 12-foot foundation, which is ridiculous. If another flood occurs, they can move the mobile home off and then they can bring the mobile home back once the flood waters have receded.

So there are a lot of people, Mr. Chairman, that are simply in a very bad position as a result of this rule.

The amendment simply states that the placement of any manufactured or mobile home on any site shall not affect the eligibility of any community to participate in the Federal Flood Insurance Program under the National Flood Disaster Protection Act of 1973, so long as the home was previously located on the site, the home was relocated from the site because of the threat of flooding and such replacement is conducted no later than 180 days after a flood subsides.

I spoke to the gentleman from West Virginia [Mr. MOLLOHAN] and this has affected his area. I feel this is a bipartisan amendment. It is my understanding hopefully that there will be no opposition to this but I just want to urge, this is very important to people in the regions concerned. I urge your support.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. NEY. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would like to enter into a dialog with the gentleman with regard to his amendment. I have worked very hard, along with other Members of the Committee on Banking and Financial Services, over the course of the last several years to reform the flood insurance program of this country, a program which has been in disastrous shape itself.

We have often found ourselves rewarding individuals, homeowners that build homes in flood plains knowing that floods are going to come and knowing that when they do come, simply by buying relatively inexpensive flood insurance they can simply have his home rebuild at Federal taxpayers' expense. It is a horrific situation. It is one that ends up driving up the cost of flood insurance for everyone else and discouraging flood insurance for millions of Americans that otherwise might participate.

As I understand the amendment that the gentleman is trying to get accomplished here, what he is saying is that there are people that live in mobile homes that live in flood plains that can anticipate floods are coming; that then hook their trailers up to cars or whatever, drive them out of the flood plains when the flood comes, and then when flood goes away, they take their mobile homes and drive them back into the flood plain. Is that correct?

Mr. NEY. That is correct.

Mr. KENNEDY of Massachusetts. Does this cover those homes that do not move?

Mr. NEY. It does not, Mr. Chairman. These are for the homes, this is word-specific, that were moved out and brought back. Right now the mayor has to tell the people, for example, "You cannot bring them back because the aid is going to be cut off to the entire community." If they took the home out, they brought the home back after the flood, this applies to those individuals.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman would continue to yield, I am just trying to understand it here now. If these people are all so mobile and they can anticipate the floods, then why do they need the flood insurance? Does the gentleman know what I mean? They can just hook up and get out of there.

I would like to have a further understanding as to how we distinguish between the guy who could not quite get hooked up in time, and he ends up getting flooded out and then we pay for the insurance to rebuild his home.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. NEY] has expired.

Mr. KENNEDY of Massachusetts. I now have my own time, is that correct, Mr. Chairman?

The CHAIRMAN. That is correct. The gentleman has 5 minutes in opposition to the amendment if he so chooses.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I am maintaining the point of order, preserving the point of order on germaneness until we have this understanding.

The CHAIRMAN. The gentleman is recognized on his own time for 5 minutes.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to make it clear to the offerer, the individual offering the amendment, that I have been to West Virginia and I understand that there are some families that are forced to live in flood plains simply because in many cases the mining companies or the Federal Government owns all the land outside of the flood plain, and these individuals are forced to live there. So I want to be sensitive to those needs but I do not want to be irresponsible with Federal tax dollars and reward individuals that stay in flood plains, knowing that they are going to be reimbursed by the Federal Government, and abuse the system.

I want to make certain that until it is clear to me, and know that the gentleman from Illinois [Mr. DURBIN], who chaired the disaster task force last year, is concerned about this as well, we want to make very clear that we are not going to be supportive of this amendment until we understand what the details are.

Mr. NEY. Mr. Chairman will the gentleman yield?

Mr. KENNEDY of Massachusetts. I am happy to yield to the gentleman from Ohio.

Mr. NEY. Mr. Chairman, at issue here is not a matter of the insurance or anybody trying to scam the system. What has happened here, the Federal

agency—by the way, I want to say FEMA did a good job in representing people when the President declared a disaster—but what has happened is someone in FEMA said, "Okay, you bring the trailers back." This has nothing to do with an insurance measure. "You bring them back, take the piece of ground and build a 12-foot cinder block foundation, put it up on top of there and you can come back."

So if they do not do that, the entire city of Wheeling, WV, the entire city of Powhatan, OH, lose all their aid unless they make people do that. It is not a matter of insurance or whether they had it or not. It is a matter of whether they took the trailer out, away from harm's way, and took it back. They cannot physically place it on their own land unless a 12-foot cinder block foundation has been built.

Mr. KENNEDY of Massachusetts. Reclaiming my time, the problem is that we asked FEMA in the legislation, the reform of the flood insurance program last year, we asked FEMA to draw up plans to make certain that we were not sending people back into the flood plain. If that flood plain is in fact 12 feet high where people are locating these homes, then it seems to me that FEMA was only doing its job by requiring that we do not in fact allow people to rebuild.

Mr. Chairman, I yield to my friend the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I say to the gentleman from Ohio [Mr. NEY], when our task force looked into Federal disaster policy, we learned that in the 1950's the Federal Government assumed responsibility for 5 percent of the cost of natural disasters. We now assume responsibility for 95 percent of the cost and it adds to our deficit every time.

The policy which the gentleman is trying to subvert would allow people to move back in the flood plain and leave the Federal taxpayers liable and vulnerable again in the event of disaster. I think that is a mistake.

Mr. Chairman, I would say to the gentleman I know what his intent is, to help these families, but bringing them back into harm's way merely increases the exposure of the Federal Treasury and the Federal taxpayers.

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

Mr. KENNEDY of Massachusetts. I would be happy to yield. Let me check how much time we have left.

The CHAIRMAN. The gentleman has 2 minutes remaining.

Mr. KENNEDY of Massachusetts. I am happy to yield to the gentleman from Ohio.

Mr. NEY. Mr. Chairman, I will make it real quick.

In all due respect, it does not do that. This does not cost the taxpayers. They have to have insurance. People are stuck, they cannot go back to their homes. Senior citizens are having to live with their families right now. They cannot go back.

To put a good foot forward on this, I will work with the gentleman in the conference committee. They can be required to have insurance when they go back. They just simply cannot move. One day they had their mobile home there, there was a huge flood, and now they cannot put it back. They are stuck. They have do place to live.

Mr. KENNEDY of Massachusetts. Reclaiming my time, I very much appreciate and am very sensitive to the concerns that the gentleman from Ohio [Mr. NEY] has described, and my good friend from West Virginia [Mr. MOLLOHAN] has also spoken to me about it, although very briefly.

Mr. Chairman, I would pledge to work with the gentleman, and I am sure that if we ask Chairman LAZIO, that we can find a mechanism in another bill coming up if we have an opportunity to delve into this. If what the gentleman is suggesting is the case, where we are simply providing protections for mobile homeowners that are having burdensome requirements placed on them by FEMA that have no bearing on living in the flood zone and are unprecedented and unworkable, then I would pledge to working with the gentleman to making certain that they get the flood insurance that they need.

□ 1545

I do not think we ought to be doing that in this bill.

I would ask the gentleman from New York [Mr. LAZIO], would you pledge working with us to make certain that we can work this out? We have to reauthorize the flood insurance program in any event this year.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will yield, we obviously have a great deal of work to do in terms of reauthorizing the flood insurance program. We have had various discussions on this in the last Congress. I am particularly sensitive to it, representing a coastal area, but I know that the gentleman from Ohio [Mr. NEY] feels strongly about offering this amendment. I think it is an acceptable amendment from my perspective. I support the amendment. I hope we can address your concerns as we go forward through the process conference.

POINT OF ORDER

Mr. KENNEDY of Massachusetts. Mr. Chairman, the rules of the House provide an amendment must be germane to the subject matter of the bill under consideration. The subject matter of H.R. 2406 is the deregulation of public and tenant-based housing. Although the manager's amendment expands the scope of the bill, it still does not affect flood control matters. Therefore, I insist on my point of order.

The CHAIRMAN. The gentleman from Massachusetts [Mr. KENNEDY] raises a point of order against the amendment. Does the gentleman from Ohio wish to be heard on the point of order?

Mr. NEY. Mr. Chairman, I do. Obviously I am not pleased. I feel very sorry for the people.

Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. Therefore, the amendment is not in order.

Are there other amendments to title IV?

Ms. WATERS. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The Chair would like to point out that the Chair incorrectly prevented the gentlewoman from California [Ms. WATERS] from speaking previously, because there is a very distinct, minute, but very important difference between obtaining unanimous consent that a motion striking the enacting clause be withdrawn, and such motion being defeated. If such a motion is defeated, there must be a change in the bill by adoption of an amendment before that motion can be made again on the same day.

Because the gentleman from Missouri [Mr. VOLKMER] asked unanimous consent to have his motion withdrawn, it was as if it did not happen. So the Chair made a mistake in preventing the gentlewoman from California from being recognized earlier. The Chair apologizes to the gentlewoman for that, and clarifies to the committee the situation, and now invites the gentlewoman to be recognized for 5 minutes.

Ms. WATERS. Mr. Chairman, thank you very much. I appreciate that. I know it was inadvertent. I appreciate the opportunity to at least express my views on the Durbin amendment.

Mr. Chairman, I first would like to share with this House that I have the highest respect for Congressman DURBIN. I consider him a friend and I consider him a leader, and I consider him to have been the author of some of the best legislation that has ever been presented before this august body.

However, I do rise to disagree with the amendment that the gentleman is offering for this legislation. I know that his intentions are good, and I know that he is concerned about violence and gunfire and other kinds of things in public housing projects.

I also would like to say, I have absolutely nothing in common with the NRA. I do not like guns, I wish there were none in our society. However, I have a passion for fairness. This passion for fairness drives me not to allow there to be law created for certain segments of our society, even though we are trying very desperately to solve problems.

It is illegal to have an illegal weapon. It is illegal to have an illegal weapon.

Whether you live in housing projects, whether you live in condominiums, whether you live in cities, whether you live in rural communities, on farms, it does not matter. You are in violation of the law if you possess an illegal firearm, and that is for everybody, and we should not change that.

We should not create law again for special segments of our society. There is absolutely no reason why we should move our concerns to housing projects of America and say "Oh, but you are different. You are different because you live in public housing. We are going to create an additional law for you."

Somehow it is not enough for your gun to be illegal. Your gun is illegal, illegal, illegal, and we are going to create a whole new Federal crime, because you happen to live in a housing project.

I suppose I could submit to this body a number of reasons why someone may find themselves in that position, but I choose not to try and make that argument, and I think there are some legitimate reasons why someone may find themselves in that unfortunate position of trying to defend themselves with an illegal weapon. But I choose, rather, to just simply deal with what I think we responsible public policymakers should be about. We should be about creating law for everybody. We should be about making sure that we do not use our power and our influence to single out any segment of our society and say somehow your crime is a worse crime than somebody else's.

Mr. DURBIN. Mr. Chairman, will the gentlewoman yield?

Ms. WATERS. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I greatly respect the gentlewoman from California and have the same admiration for her legislative record as she does for mine.

Having said that though, we make a point of saying, for example, we are going to have drug-free school zones, gun-free school zones. We single out certain areas of vulnerability. The gentlewoman knows, as I do, many of the families in public housing today are terrorized by drug gangs and violent criminals who prey upon children and families that need extra protection. That is the reason for this amendment.

Ms. WATERS. Mr. Chairman, reclaiming my time, let me just say that is not a good argument, and it is not synonymous when you talk about what we do with schools.

As a matter of fact, let me ask you in my own way, if in fact those terrorists, those people holed up in Montana somewhere, who are part of some kind of militia, do not live in public housing projects. However, they live out in the rural areas. We have people who live in communities that have firearms, illegal and otherwise. Some of them right now have the attention of this Nation. They are holed up. The FBI is not moving in on them, they want to be sensitive in the way they capture them, but they are dangerous people. They are very dangerous and they have decided to defy every law in America. They decided they are going to have their guns, they are not going to pay any taxes. They decided they are going to shoot FBI agents and others who would dare challenge them about the fact they are breaking the law. But somehow, under your proposition, their guns would not be as illegal as the firearms that would be discharged in housing projects.

It does not make good sense. I tell you, again, I do not like firearms, I do not like guns and I wish we did not have any. But I cannot sit here and allow this kind of public policy to proceed through this House without challenging it. Again, my passion in life is that no matter what the law, it is fair, that it treats everybody the same. No matter what the law, it does not take those who may not have the political clout and somehow single them out for the kind of laws that we would not assign to other people.

I say to you, an illegal gun is an illegal gun, and we have laws on the books in the state that will take care of those who have them, who would discharge them, who would brandish them, who would do anything. And I think it should be that way. I think we should apprehend them and we should apply the law to the fullest extent.

Do I think we should create a special law for public housing project people who would fire an arm, but leave all the militia out there in America discharging firearms, and somehow they would not come under the same law? No, I do not think so.

Mr. Chairman, that is my argument. I think it makes good sense.

The CHAIRMAN. Are there other amendments to title V?

AMENDMENT OFFERED BY MR. CARDIN

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

The Clerk read as follows:

Amendment offered by Mr. CARDIN: Title V of the bill, insert at the end of such title the following new section:

SSEC. 515. CONSULTATION WITH AFFECTED AREAS IN SETTLEMENT OF LITIGATION.

In negotiating any settlement of, or consent decree for, any litigation regarding public housing or rental assistance (under title III of this Act or the United States Housing Act of 1937, as in effect before the enactment of this Act) that involves the Secretary and any local housing and management authority, or any units of general local government, the Secretary shall consult with any units of general local government and local housing and management authorities having jurisdictions that are adjacent to the jurisdiction of the local housing and management authority involved.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Maryland [Mr. CARDIN] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from Maryland [Mr. CARDIN].

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

Mr. Chairman, this amendment deals with the process that should be used in settling lawsuits that involve local housing authorities and HUD. If I might just refer briefly to the recent settlement of the Baltimore litigation, initially the local parties entered into a tentative agreement without consultation with the surrounding counties that were affected by the lawsuit.

Now, many of us have concern about the Baltimore settlement, the underlying policy of special aid certificates. The process used denied the surrounding jurisdictions the opportunity to be heard. HUD slowed that process down, giving the surrounding counties an opportunity to have input, and there were improvements that were made as the process went forward because of consultation with the surrounding jurisdictions.

This amendment puts the local parties on notice that before they enter into any settlement involving the local housing authorities, that the jurisdictions that can be affected by that settlement need to be consulted and that HUD will consult with local jurisdictions before they enter into any settlement of such a lawsuit.

Mr. Chairman, let me tell you, I do not believe this amendment is controversial. HUD has no objections to it. I would urge my colleagues to accept this amendment.

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

Mr. CARDIN. I yield to the gentleman from Maryland.

Mr. EHRLICH. Mr. Chairman, I thank my colleague for yielding.

Last night on this floor, Mr. Chairman, I talked about the substance of the ACLU lawsuit in Baltimore, the fact that special race, class, and location-based housing vouchers will become public policy outside the scope of this House, of this Congress, because of government by consent decree, which is what some groups in our country want to foist upon the people.

This amendment goes to process. I know with respect to substance he agrees with me, and I certainly agree with him, and want to lend my support to his amendment, because as bad as the substance of the settlement is, the process was just as bad. The lack of notification to the leaders of subdivisions of the impacted areas in the Baltimore metropolitan area was wrong, it will always be wrong, and I certainly am glad to rise today to lend my support to my colleague from Baltimore County with respect to the poor, horrific process, that was foisted on the people of the Baltimore metropolitan area in the context of this lawsuit.

I enjoyed my colloquy with the chairman last night, and I even look forward

to working with my friend from Baltimore County on working with the policy which is the threshold issue with respect to which groups HUD is now foisting upon the American people, particularly metropolitan areas like Baltimore in the future.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Mr. LAZIO of New York. Mr. Chairman, I claim the time.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

□ 1600

Mr. LAZIO of New York. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I compliment my colleagues from Maryland for bringing this forward. The shame of it is that we have to resort to legislation to do what ought to be done by nature, which is to integrate the community into the decisionmaking process and to ensure that there is a local voice.

But, Mr. Chairman, I support this effort. Again, I support it only reluctantly, because we ought not to be required to bring legislation to the floor to ensure that there is consultation with local governments. That is a basic framework. We are partners. We are not imposing our will. We sometimes forget that in Washington. But I compliment both gentlemen from Maryland, Mr. EHRLICH and Mr. CARDIN, for bringing this amendment forward.

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

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

Mr. Chairman, let me point out that this is notice to the local parties to the lawsuits that they need to consult with the local jurisdictions before going forward.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. CARDIN].

The amendment was agreed to.

Are there other amendments to title V?

The Clerk will designate title VI.

The text of title VI is as follows:

TITLE VI—NATIONAL COMMISSION ON HOUSING ASSISTANCE PROGRAMS COST

SEC. 601. ESTABLISHMENT.

There is established a commission to be known as the National Commission on Housing Assistance Programs Cost (in this title referred to as the "Commission").

SEC. 602. MEMBERSHIP.

(a) APPOINTMENT.—The Commission shall be composed of 9 members, who shall be appointed not later than 90 days after the date of the enactment of this Act. The members shall be as follows:

(1) 3 members to be appointed by the Secretary of Housing and Urban Development;

(2) 3 members appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing Opportunity and Community Development of the Committee on Banking, Housing, and Urban Affairs of the Senate and the Chairman and Ranking Minority Member of the Subcommittee on VA, HUD, and Independent Agencies of the Committee on Appropriations of the Senate; and

(3) 3 members appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Services of the House of Representatives and the Chairman and Ranking Minority Member of the Subcommittee on VA, HUD, and Independent Agencies of the Committee on Appropriations of the House of Representatives.

(b) QUALIFICATIONS.—The 3 members of the Commission appointed under each of paragraphs (1), (2), and (3) of subsection (a)—

(1) shall all be experts in the field of accounting, economics, cost analysis, finance, or management; and

(2) shall include—

(A) 1 individual who is an elected public official at the State or local level;

(B) 1 individual who is a distinguished academic engaged in teaching or research;

(C) 1 individual who is a business leader, financial officer, management or accounting expert.

In selecting members of the Commission for appointment, the individuals appointing shall ensure that the members selected can analyze the Federal assisted housing programs (as such term is defined in section 604(a)) on an objective basis and that no member of the Commission has a personal financial or business interest in any such program.

SEC. 603. ORGANIZATION.

(a) CHAIRPERSON.—The Commission shall elect a chairperson from among members of the Commission.

(b) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business, but a lesser number may hold hearings.

(c) VOTING.—Each member of the Commission shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Commission.

(d) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(e) PROHIBITION ON ADDITIONAL PAY.—Members of the Commission shall serve without compensation.

(f) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 604. FUNCTIONS.

(a) IN GENERAL.—The Commission shall —

(1) analyze the full cost to the Federal Government, public housing agencies, State and local governments, and other parties, per assisted household, of the Federal assisted housing programs, and shall conduct the analysis on a nationwide and regional basis and in a manner such that accurate per unit cost comparisons may be made between Federal assisted housing programs; and

(2) estimate the future liability that will be borne by taxpayers as a result of activities under the Federal assisted housing programs before the date of the enactment of this Act.

(b) DEFINITION.—For purposes of this section, the term "Federal assisted housing programs" means—

(1) the public housing program under the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act);

(2) the public housing program under title II of this Act;

(3) the certificate program for rental assistance under section 8(b)(1) of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act);

(4) the voucher program for rental assistance under section 8(o) of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act);

(5) the programs for project-based assistance under section 8 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act);

(6) the rental assistance payments program under section 521(a)(2)(A) of the Housing Act of 1949;

(7) the program for housing for the elderly under section 202 of the Housing Act of 1959;

(8) the program for housing for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(9) the program for financing housing by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(10) the program under section 236 of the National Housing Act;

(11) the program for constructed or substantial rehabilitation under section 8(b)(2) of the United States Housing Act of 1937, as in effect before October 1, 1983; and

(12) any other program for housing assistance administered by the Secretary of Housing and Urban Development or the Secretary of Agriculture, under which occupancy in the housing assisted or housing assistance provided is based on income, as the Commission may determine.

(c) FINAL REPORT.—Not later than 18 months after the Commission is established pursuant to section 602(a), the Commission shall submit to the Secretary and to the Congress a final report which shall contain the results of the analysis and estimates required under subsection (a).0

(d) LIMITATION.—The Commission may not make any recommendations regarding Federal housing policy.

SEC. 605. POWERS.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this title, hold such hearings and sit and act at such times and places as the Commission may find advisable.

(b) RULES AND REGULATIONS.—The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization and personnel.

(c) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) INFORMATION.—The Commission may request from any department or agency of the United States, and such department or agency shall provide to the Commission in a timely fashion, such data and information as the Commission may require for carrying out this title, including—

(A) local housing management plans submitted to the Secretary of Housing and Urban Development under section 107;

(B) block grant contracts under title II;

(C) contracts under section 302 for assistance amounts under title III; and

(D) audits submitted to the Secretary of Housing and Urban Development under section 403.

(2) ADMINISTRATIVE SUPPORT.—The General Services Administration shall provide to the Commission, on a reimbursable basis, such

administrative support services as the Commission may request.

(3) PERSONNEL DETAILS AND TECHNICAL ASSISTANCE.—Upon the request of the chairperson of the Commission, the Secretary of Housing and Urban Development shall, to the extent possible and subject to the discretion of the Secretary—

(A) detail any of the personnel of the Department of Housing and Urban Development, on a nonreimbursable basis, to assist the Commission in carrying out its duties under this title; and

(B) provide the Commission with technical assistance in carrying out its duties under this title.

(d) INFORMATION FROM LOCAL HOUSING AND MANAGEMENT AUTHORITIES.—The Commission shall have access, for the purpose of carrying out its functions under this title, to any books, documents, papers, and records of a local housing and management authority that are pertinent to this Act and assistance received pursuant to this Act.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(f) CONTRACTING.—The Commission may, to the extent and in such amounts as are provided in appropriations Acts, enter into contracts necessary to carry out its duties under this title.

(g) STAFF.—

(1) EXECUTIVE DIRECTOR.—The Commission shall appoint an executive director of the Commission who shall be compensated at a rate fixed by the Commission, but which shall not exceed the rate established for level V of the Executive Schedule under title 5, United States Code.

(2) PERSONNEL.—In addition to the executive director, the Commission may appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of title 5, United States Code, governing appointments to the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(3) LIMITATION.—Paragraphs (1) and (2) shall be effective only to the extent and in such amounts as are provided in appropriations Acts.

(4) SELECTION CRITERIA.—In appointing an executive director and staff, the Commission shall ensure that the individuals appointed can conduct any functions they may have regarding the Federal assisted housing programs (as such term is defined in section 604(a)) on an objective basis and that no such individual has a personal financial or business interest in any such program.

(h) ADVISORY COMMITTEE.—The Commission shall be considered an advisory committee within the meaning of the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. 606. FUNDING.

Of any amounts made available for policy, research, and development activities of the Department of Housing and Urban Development, there shall be available for carrying out this title $750,000, for fiscal year 1997. Any such amounts so appropriated shall remain available until expended.

SEC. 607. SUNSET.

The Commission shall terminate upon the expiration of the 18-month period beginning upon the date that the Commission is established pursuant to section 602(a).

The CHAIRMAN. Are there amendments to title VI?

AMENDMENT NO. 9 OFFERED BY MR. HAYWORTH

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

The CHAIRMAN. If I am correct, the gentleman's amendment affects various titles, including title I; is that correct?

Mr. HAYWORTH. Mr. Chairman, that is technically correct.

The CHAIRMAN. Will the gentleman ask unanimous consent that we may return to title I to include all titles under his amendment?

Mr. HAYWORTH. Mr. Chairman, I ask unanimous consent that we return to title I for the purposes of offering my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. HAYWORTH:

H.R. 2406

Page 9, strike line 12 and all that follows through page 10, line 12.

Page 13, line 2, after "Samoa," insert "and".

Page 13, line 3, strike ", and Indian tribes".

Page 13, lines 19 and 20, strike "or Indian housing authority".

Page 14, after line 8, insert the following:

The term does not include any entity that is Indian housing authority for purposes of the United States Housing Act of 1937 (as in effect before the enactment of this Act) or a tribally desingated housing entity, as such term is defined in section 604.

Page 43, after line 4, insert the following new section:

SEC. 114. INAPPLICABILITY TO INDIAN HOUSING.

Except as specifically provided by law, the provisions of this title, and titles II, III, and IV shall not apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority or to housing assisted under the Native American Housing Assistance and Self-Determination Act of 1996.

Page 53, strike line 19 and all that follows through page 54, line 5.

Page 57, line 20, strike "and Indian".

Page 89, strike lines 11 through 15.

Page 102, lines 19 and 20, strike ", except that it does not include Indian housing authorities".

Page 144, line 2, strike "and Indian".

Page 144, strike lines 11 through 15.

Page 144, line 16, strike "(d)" and insert "(c)".

Page 217, strike lines 16 through 20.

At the end of the bill, insert the following new title:

TITLE VI—NATIVE AMERICAN HOUSING ASSISTANCE

SECTION 601. SHORT TITLE.

This title may be cited as the "Native American Housing Assistance and Self-Determination Act of 1996".

SEC. 602. CONGRESSIONAL FINDINGS.

The Congress hereby finds that—

(1) the Federal Government has a responsibility to promote the general welfare of the Nation—

(A) by using Federal resources to aid families and individuals seeking affordable homes that are safe, clean, and healthy and, in particular, assisting responsible, deserving citizens who cannot provide fully for themselves because of temporary circumstances or factors beyond their control;

(B) by working to ensure a thriving national economy and a strong private housing market; and

(C) by developing effective partnerships among the Federal Government, State and local governments, and private entities that allow government to accept responsibility for fostering the development of a healthy marketplace and allow families to prosper without government involvement in their day-to-day activities;

(2) there exists a unique relationship between the Government of the United States and the governments of Indian tribes and a unique Federal responsibility to Indian people;

(3) the Constitution of the United States invests the Congress with plenary power over the field of Indian affairs, and through treaties, statutes, and historical relations with Indian tribes, the United States has undertaken a trust responsibility to protect Indian tribes;

(4) the Congress, through treaties, statutes, and the general course of dealing with Indian tribes, has assumed the responsibility for the protection and preservation of Indian tribes and for working with tribes and their members to improve their socio-economic status so that they are able to take greater responsibility for their own economic condition;

(5) providing affordable and healthy homes is an essential element in the special role of the United States in helping tribes and their members to achieve a socio-economic status comparable to their non-Indian neighbors;

(6) the need for affordable and healthy homes on Indian reservations, in Indian communities, and in Native Alaskan villages is acute and the Federal Government should work not only to provide housing assistance, but also, to the extent practicable, to assist in the development of private housing finance mechanisms on Indian lands to achieve the goals of economic self-sufficiency and self-determination for tribes and their members; and

(7) Federal assistance to meet these responsibilities should be provided in a manner that recognizes the right of tribal self-governance by making such assistance available directly to the tribes or tribally designated entities.

SEC. 603. ADMINISTRATION THROUGH OFFICE OF NATIVE AMERICAN PROGRAMS.

The Secretary of Housing and Urban Development shall carry out this title through the Office of Native American Programs of the Department of Housing and Urban Development.

SEC. 604. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) AFFORDABLE HOUSING.—The term "affordable housing" means housing that complies with the requirements for affordable housing under subtitle B. The term includes permanent housing for homeless persons who are persons with disabilities, transitional housing, and single room occupancy housing.

(2) FAMILIES AND PERSONS.—

(A) SINGLE PERSONS.—The term "families" includes families consisting of a single person in the case of (i) an elderly person, (ii) a disabled person, (iii) a displaced person, (iv) the remaining members of a tenant family, and (v) any other single persons.

(B) FAMILIES.—The term "families" includes families with children and, in the

cases of elderly families, near-elderly families, and disabled families, means families whose heads (or their spouses), or whose sole members, are elderly, near-elderly, or persons with disabilities, respectively. The term includes, in the cases of elderly families, near-elderly families, and disabled families, 2 or more elderly persons, near-elderly persons, or persons with disabilities living together, and 1 or more such persons living with 1 or more persons determined under the regulations of the Secretary to be essential to their care or well-being.

(C) ABSENCE OF CHILDREN.—The temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size for purposes of this title.

(D) ELDERLY PERSON.—The term "elderly person" means a person who is at least 62 years of age.

(E) PERSON WITH DISABILITIES.—The term "person with disabilities" means a person who—

(i) has a disability as defined in section 223 of the Social Security Act,

(ii) is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment which (I) is expected to be of long-continued and indefinite duration, (II) substantially impedes his or her ability to live independently, and (III) is of such a nature that such ability could be improved by more suitable housing conditions, or

(iii) has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.

Such term shall not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

(F) DISPLACED PERSON.—The term "displaced person" means a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

(G) NEAR-ELDERLY PERSON.—The term "near-elderly person" means a person who is at least 50 years of age but below the age of 62.

(3) GRANT BENEFICIARY.—The term "grant beneficiary" means the Indian tribe or tribes on behalf of which a grant is made under this title to a recipient.

(4) INDIAN.—The term "Indian" means any person who is a member of an Indian tribe.

(5) INDIAN AREA.—The term "Indian area" means the area within which a tribally designated housing entity is authorized to provide assistance under this title for affordable housing.

(6) INDIAN TRIBE.—The term "Indian tribe" means—

(A) any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975; and

(B) any tribe, band, nation, pueblo, village, or community that—

(i) has been recognized as an Indian tribe by any State; and

(ii) for which an Indian housing authority is eligible, on the date of the enactment of this title, to enter into a contract with the Secretary pursuant to the United States Housing Act of 1937.

(7) LOCAL HOUSING PLAN.—The term "local housing plan" means a plan under section 612.

(8) LOW-INCOME FAMILY.—The term "low-income family" means a family whose income does not exceed 80 percent of the median income for the area, except that the Secretary may, for purposes of this paragraph, establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the authority's findings that such variations are necessary because of unusually high or low family incomes.

(9) MEDIAN INCOME.—The term "median income" means, with respect to an area that is an Indian area, the greater of—

(A) the median income for the Indian area, which the Secretary shall determine; or

(B) the median income for the United States.

(10) RECIPIENT.—The term "recipient" means the entity for an Indian tribe that is authorized to receive grant amounts under this title on behalf of the tribe, which may only be the tribe or the tribally designated housing entity for the tribe.

(11) TRIBALLY DESIGNATED HOUSING ENTITY.—The terms "tribally designated housing entity" and "housing entity" have the following meaning:

(A) EXISTING IHA'S.—For any Indian tribe that has not taken action under subparagraph (B) and for which an Indian housing authority—

(i) was established for purposes of the United States Housing Act of 1937 before the date of the enactment of this title that meets the requirements under the United States Housing Act of 1937,

(ii) is acting upon such date of enactment as the Indian housing authority for the tribe, and

(iii) is not an Indian tribe for purposes of this title,

the terms mean such Indian housing authority.

(B) OTHER ENTITIES.—For any Indian tribe that, pursuant to this Act, authorizes an entity other than the tribal government to receive grant amounts and provide assistance under this title for affordable housing for Indians, which entity is established—

(i) by exercise of the power of self-government of an Indian tribe independent of State law, or

(ii) by operation of State law providing specifically for housing authorities or housing entities for Indians, including regional housing authorities in the State of Alaska,

the terms mean such entity.

A tribally designated housing entity may be authorized or established by one or more Indian tribes to act on behalf of each such tribe authorizing or establishing the housing entity. Nothing in this title may be construed to affect the existence, or the ability to operate, of any Indian housing authority established before the date of the enactment of this title by a State-recognized tribe, band, nation, pueblo, village, or community of Indian or Alaska Natives that is not an Indian tribe for purposes of this title.

(12) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development, except as otherwise specified in this title.

Subtitle A—Block Grants and Grant Requirements

SEC. 611. BLOCK GRANTS.

(a) AUTHORITY.—For each fiscal year, the Secretary shall (to the extent amounts are made available to carry out this title) make grants under this section on behalf of Indian tribes to carry out affordable housing activities. Under such a grant on behalf of an Indian tribe, the Secretary shall provide the grant amounts for the tribe directly to the recipient for the tribe.

(b) CONDITION OF GRANT.—

(1) IN GENERAL.—The Secretary may make a grant under this title on behalf of an Indian tribe for a fiscal year only if—

(A) the Indian tribe has submitted to the Secretary a local housing plan for such fiscal year under section 612; and

(B) the plan has been determined under section 613 to comply with the requirements of section 612.

(2) WAIVER.—The Secretary may waive the applicability of the requirements under paragraph (1), in whole or in part, if the Secretary finds that an Indian tribe has not complied or can not complied with such requirements because of circumstances beyond the control of the tribe.

(c) AMOUNT.—Except as otherwise provided under subtitle B, the amount of a grant under this section to a recipient for a fiscal year shall be—

(1) in the case of a recipient whose grant beneficiary is a single Indian tribe, the amount of the allocation under section 641 for the Indian tribe; and

(2) in the case of a recipient whose grant beneficiary is more than 1 Indian tribe, the sum of the amounts of the allocations under section 641 for each such Indian tribe.

(d) USE FOR AFFORDABLE HOUSING ACTIVITIES.—Except as provided in subsection (f), amounts provided under a grant under this section may be used only for affordable housing activities under subtitle B.

(e) EFFECTUATION OF LHP.—Except as provided in subsection (f), amounts provided under a grant under this section may be used only for affordable housing activities that are consistent with the approved local housing plan under section 613 for the grant beneficiary on whose behalf the grant is made.

(f) ADMINISTRATIVE EXPENSES.—

(1) IN GENERAL.—The Secretary shall, by regulation, authorize each recipient to use a percentage of any grant amounts received under this title for any administrative and planning expenses of the recipient relating to carrying out this title and activities assisted with such amounts, which may include costs for salaries of individuals engaged in administering and managing affordable housing activities assisted with grant amounts provided under this title and expenses of preparing a local housing plan under section 612.

(2) CONTENTS OF REGULATIONS.—The regulations referred to in paragraph (1) shall provide that—

(A) the Secretary shall, for each recipient, establish a percentage referred to in paragraph (1) based on the specific circumstances of the recipient and the tribes served by the recipient; and

(B) the Secretary may review the percentage for a recipient upon the written request of the recipient specifying the need for such review or the initiative of the Secretary and, pursuant to such review, may revise the percentage established for the recipient.

(g) PUBLIC-PRIVATE PARTNERSHIPS.—Each recipient shall make all reasonable efforts, consistent with the purposes of this title, to

maximize participation by the private sector, including nonprofit organizations and for-profit entities, in implementing the approved local housing plan for the tribe that is the grant beneficiary.

SEC. 612. LOCAL HOUSING PLANS.

(a) IN GENERAL.—

(1) SUBMISSION.—The Secretary shall provide for an Indian tribe to submit to the Secretary, for each fiscal year, a local housing plan under this section for the tribe (or for the tribally designated housing entity for a tribe to submit the plan under subsection (e) for the tribe) and for the review of such plans.

(2) LOCALLY DRIVEN NATIONAL OBJECTIVES.—A local housing plan shall describe—

(A) the mission of the tribe with respect to affordable housing or, in the case of a recipient that is a tribally designated housing entity, the mission of the housing entity;

(B) the goals, objectives, and policies of the recipient to meet the housing needs of low-income families in the jurisdiction of the housing entity, which shall be designed to achieve the national objectives under section 621(a); and

(C) how the locally established mission and policies of the recipient are designed to achieve, and are consistent with, the national objectives under section 621(a).

(b) 5-YEAR PLAN.—Each local housing plan under this section for an Indian tribe shall contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted, the following information:

(1) LOCALLY DRIVEN NATIONAL OBJECTIVES.—The information described in subsection (a)(2).

(2) CAPITAL IMPROVEMENT OVERVIEW.—If the recipient will provide capital improvements for housing described in subsection (c)(3) during such period, an overview of such improvements, the rationale for such improvements, and an analysis of how such improvements will enable the recipient to meet its goals, objectives, and mission.

(c) 1-YEAR PLAN.—A local housing plan under this section for an Indian tribe shall contain the following information relating to the upcoming fiscal year for which the assistance under this title is to be made available:

(1) FINANCIAL RESOURCES.—An operating budget for the recipient for the tribe that includes—

(A) identification and a description of the financial resources reasonably available to the recipient to carry out the purposes of this title, including an explanation of how amounts made available will leverage such additional resources; and

(B) the uses to which such resources will be committed, including eligible and required affordable housing activities under subtitle B to be assisted and administrative expenses.

(2) AFFORDABLE HOUSING.—For the jurisdiction within which the recipient is authorized to use assistance under this title—

(A) a description of the estimated housing needs and the need for assistance for very low-income and moderate-income families;

(B) a description of the significant characteristics of the housing market, indicating how such characteristics will influence the use of amounts made available under this title for rental assistance, production of new units, rehabilitation of old units, or acquisition of existing units;

(C) an description of the structure, means of cooperation, and coordination between the recipient and any units of general local government in the development, submission, and implementation of their housing plans, including a description of the involvement of any private industries, nonprofit organizations, and public institutions;

(D) a description of how the plan will address the housing needs identified pursuant to subparagraph (A), describing the reasons for allocation priorities, and identify any obstacles to addressing underserved needs;

(E) a description of any homeownership programs of the recipient to be carried out with respect to affordable housing assisted under this title and the requirements and assistance available under such programs;

(F) a certification that the recipient will maintain written records of the standards and procedures under which the recipient will monitor activities assisted under this title and ensure long-term compliance with the provisions of this title;

(G) a certification that the recipient will comply with title II of the Civil Rights Act of 1968 in carrying out this title, to the extent that such title is applicable;

(H) a statement of the number of families for whom the recipient will provide affordable housing using grant amounts provided under this title;

(I) a statement of how the goals, programs, and policies for producing and preserving affordable housing will be coordinated with other programs and services for which the recipient is responsible and the extent to which they will reduce (or assist in reducing) the number of households with incomes below the poverty line; and

(J) a certification that the recipient has obtain insurance coverage for any housing units that are owned or operated by the tribe or the tribally designated housing entity for the tribe and assisted with amounts provided under this Act, in compliance with such requirements as the Secretary may establish.

(3) INDIAN HOUSING DEVELOPED UNDER UNITED STATES HOUSING ACT OF 1937.—A plan describing how the recipient for the tribe will comply with the requirements under section 623 relating to low-income housing owned or operated by the housing entity that was developed pursuant to a contract between the Secretary and an Indian housing authority pursuant to the United States Housing Act of 1937, which shall include—

(A) a certification that the recipient will maintain a written record of the policies of the recipient governing eligibility, admissions, and occupancy of families with respect to dwelling units in such housing;

(B) a certification that the recipient will maintain a written record of policies of the recipient governing rents charged for dwelling units in such housing, including—

(i) the methods by which such rents are determined; and

(ii) an analysis of how such methods affect—

(I) the ability of the recipient to provide affordable housing for low-income families having a broad range of incomes;

(II) the affordability of housing for families having incomes that do not exceed 30 percent of the median family income for the area; and

(III) the availability of other financial resources to the recipient for use for such housing;

(C) a certification that the recipient will maintain a written record of the standards and policies of the recipient governing maintenance and management of such housing, and management of the recipient with respect to administration of such housing, including—

(i) housing quality standards;

(ii) routine and preventative maintenance policies;

(iii) emergency and disaster plans;

(iv) rent collection and security policies;

(v) priorities and improvements for management of the housing; and

(vi) priorities and improvements for management of the recipient, including improvement of electronic information systems to facilitate managerial capacity and efficiency;

(D) a plan describing—

(i) the capital improvements necessary to ensure long-term physical and social viability of such housing; and

(ii) the priorities of the recipient for capital improvements of such housing based on analysis of available financial resources, consultation with residents, and health and safety considerations;

(E) a description of any such housing to be demolished or disposed of, a timetable for such demolition or disposition, and any information required under law with respect to such demolition or disposition;

(F) a description of how the recipient will coordinate with tribal and State welfare agencies to ensure that residents of such housing will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency; and

(G) a description of the requirements established by the recipient that promote the safety of residents of such housing, facilitate the housing entity undertaking crime prevention measures (such as community policing, where appropriate), allow resident input and involvement, and allow for creative methods to increase resident safety by coordinating crime prevention efforts between the recipient and tribal or local law enforcement officials.

(4) INDIAN HOUSING LOAN GUARANTEES AND OTHER HOUSING ASSISTANCE.—A description of how loan guarantees under section 184 of the Housing and Community Development Act of 1992, and other housing assistance provided by the Federal Government for Indian tribes (including grants, loans, and mortgage insurance) will be used to help in meeting the needs for affordable housing in the jurisdiction of the recipient.

(5) DISTRIBUTION OF ASSISTANCE.—A certification that the recipient for the tribe will maintain a written record of—

(A) the geographical distribution (within the jurisdiction of the recipient) of the use of grant amounts and how such geographical distribution is consistent with the geographical distribution of housing need (within such jurisdiction); and

(B) the distribution of the use of such assistance for various categories of housing and how use for such various categories is consistent with the priorities of housing need (within the jurisdiction of the recipient).

(d) PARTICIPATION OF TRIBALLY DESIGNATED HOUSING ENTITY.—A plan under this section for an Indian tribe may be prepared and submitted on behalf of the tribe by the tribally designated housing entity for the tribe, but only if such plan contains a certification by the recognized tribal government of the grant beneficiary that such tribe has had an opportunity to review the plan and has authorized the submission of the plan by the housing entity.

(e) COORDINATION OF PLANS.—A plan under this section may cover more than 1 Indian tribe, but only if the certification requirements under subsection (d) are complied with by each such grant beneficiary covered.

(f) PLANS FOR SMALL TRIBES.—

(1) SEPARATE REQUIREMENTS.—The Secretary shall establish requirements for submission of plans under this section and the

information to be included in such plans applicable to small Indian tribes and small tribally designated housing entities. Such requirements shall waive any requirements under this section that the Secretary determines are burdensome or unnecessary for such tribes and housing entities.

(2) SMALL TRIBES.—The Secretary shall define small Indian tribes and small tribally designated housing entities based on the number of dwelling units assisted under this subtitle by the tribe or housing entity or owned or operated pursuant to a contract under the United States Housing Act of 1937 between the Secretary and the Indian housing authority for the tribe.

(g) REGULATIONS.—The requirements relating to the contents of plans under this section shall be established by regulation, pursuant to section 616.

SEC. 613. REVIEW OF PLANS.

(a) REVIEW AND NOTICE.—

(1) REVIEW.—The Secretary shall conduct a limited review of each local housing plan submitted to the Secretary to ensure that the plan complies with the requirements of section 612. The Secretary shall have the discretion to review a plan only to the extent that the Secretary considers review is necessary.

(2) NOTICE.—The Secretary shall notify each Indian tribe for which a plan is submitted and any tribally designated housing entity for the tribe whether the plan complies with such requirements not later than 45 days after receiving the plan. If the Secretary does not notify the Indian tribe, as required under this subsection and subsection (b), the plan shall be considered, for purposes of this title, to have been determined to comply with the requirements under section 612 and the tribe shall be considered to have been notified of compliance upon the expiration of such 45-day period.

(b) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan, as submitted, does not comply with the requirements under section 612, the Secretary shall specify in the notice under subsection (a) the reasons for the noncompliance and any modifications necessary for the plan to meet the requirements under section 612.

(c) STANDARDS FOR DETERMINATION OF NONCOMPLIANCE.—The Secretary may determine that a plan does not comply with the requirements under section 612 only if—

(1) the plan is not consistent with the national objectives under section 621(a);

(2) the plan is incomplete in significant matters required under such section;

(3) there is evidence available to the Secretary that challenges, in a substantial manner, any information provided in the plan;

(4) the Secretary determines that the plan violates the purposes of this title because it fails to provide affordable housing that will be viable on a long-term basis at a reasonable cost; or

(5) the plan fails to adequately identify the capital improvement needs for low-income housing owned or operated by the Indian tribe that was developed pursuant to a contract between the Secretary and an Indian housing authority pursuant to the United States Housing Act of 1937.

(d) TREATMENT OF EXISTING PLANS.—Notwithstanding any other provision of this title, a plan shall be considered to have been submitted for an Indian tribe if the appropriate Indian housing authority has submitted to the Secretary a comprehensive plan under section 14(e) of the United States Housing Act of 1937 (as in effect immediately before the enactment of this title) or under the comprehensive improvement assistance program under such section 14, and the Secretary has approved such plan, before January 1, 1997. The Secretary shall provide specific procedures and requirements for such tribes to amend such plans by submitting only such additional information as is necessary to comply with the requirements of section 612.

(e) UPDATES TO PLAN.—After a plan under section 612 has been submitted for an Indian tribe for any fiscal year, the tribe may comply with the provisions of such section for any succeeding fiscal year (with respect to information included for the 5-year period under section 612(b) or the 1-year period under section 612(c)) by submitting only such information regarding such changes as may be necessary to update the plan previously submitted.

SEC. 614. TREATMENT OF PROGRAM INCOME AND LABOR STANDARDS.

(a) PROGRAM INCOME.—

(1) AUTHORITY TO RETAIN.—Notwithstanding any other provision of law, a recipient may retain any program income that is realized from any grant amounts under this title if—

(A) such income was realized after the initial disbursement of the grant amounts received by the recipient; and

(B) the recipient has agreed that it will utilize the program income for affordable housing activities in accordance with the provisions of this title.

(2) PROHIBITION OF REDUCTION OF GRANT.—The Secretary may not reduce the grant amount for any Indian tribe based solely on (1) whether the recipient for the tribe retains program income under paragraph (1), or (2) the amount of any such program income retained.

(3) EXCLUSION OF AMOUNTS.—The Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with the requirements of this subsection would create an unreasonable administrative burden on the recipient.

(b) TREATMENT OF LABOR STANDARDS.—The use of amounts provided under this title to finance (in whole or in part) a contract for construction or rehabilitation work shall not cause such contract to be subject to the requirements of the Act of March 3, 1931 (40 U.S.C. 276a–276a-5; commonly known as the Davis-Bacon Act) or to any other provision of law requiring payment of wages in accordance with such Act.

SEC. 615. ENVIRONMENTAL REVIEW.

(a) IN GENERAL.—In order to ensure that the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of grant amounts provided under this title, and to ensure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may under regulations provide for the release of amounts for particular projects to recipients of assistance under this title who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were the Secretary to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality. The regulations shall provide—

(1) for the monitoring of the environmental reviews performed under this section;

(2) in the discretion of the Secretary, to facilitate training for the performance of such reviews; and

(3) for the suspension or termination of the assumption of responsibilities under this section.

The Secretary's duty under the preceding sentence shall not be construed to limit or reduce any responsibility assumed by a recipient of grant amounts with respect to any particular release of funds.

(b) PROCEDURE.—The Secretary shall approve the release of funds subject to the procedures authorized by this section only if, at least 15 days prior to such approval and prior to any commitment of funds to such projects the recipient of grant amounts has submitted to the Secretary a request for such release accompanied by a certification which meets the requirements of subsection (c). The Secretary's approval of any such certification shall be deemed to satisfy the Secretary's responsibilities under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

(c) CERTIFICATION.—A certification under the procedures authorized by this section shall—

(1) be in a form acceptable to the Secretary,

(2) be executed by the chief executive officer or other officer of the recipient of assistance under this title qualified under regulations of the Secretary,

(3) specify that the recipient has fully carried out its responsibilities as described under subsection (a), and

(4) specify that the certifying officer (A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or such other provisions of law apply pursuant to subsection (a), and (B) is authorized and consents on behalf of the recipient of assistance and such officer to accept the jurisdiction of the Federal courts for the purpose of enforcement of the certifying officer's responsibilities as such an official.

SEC. 616. REGULATIONS.

(a) INTERIM REQUIREMENTS.—Not later than 90 days after the date of the enactment of this title, the Secretary shall, by notice issued in the Federal Register, establish any requirements necessary to carry out this title in the manner provided in section 617(b), which shall be effective only for fiscal year 1997. The notice shall invite public comments regarding such interim requirements and final regulations to carry out this title and shall include general notice of proposed rulemaking (for purposes of section 564(a) of title 5, United States Code) of the final regulations under paragraph (2).

(b) FINAL REGULATIONS.—

(1) TIMING.—The Secretary shall issue final regulations necessary to carry out this title not later than September 1, 1997, and such regulations shall take effect not later than the effective date under section 617(a).

(2) NEGOTIATED RULEMAKING.—Notwithstanding sections 563(a) and 565(a) of title 5,

United States Code, the final regulations required under paragraph (1) shall be issued according to a negotiated rulemaking procedure under subchapter III of chapter 5 of title 5, United States Code. The Secretary shall establish a negotiated rulemaking committee for development of any such proposed regulations, which shall include representatives of Indian tribes.

SEC. 617. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b) and as otherwise specifically provided in this title, this title shall take effect on October 1, 1997.

(b) INTERIM APPLICABILITY.—For fiscal year 1997, this title shall apply to any Indian tribe that requests the Secretary to apply this title to such tribe, subject to the provisions of this subsection, but only if the Secretary determines that the tribe has the capacity to carry out the responsibilities under this title during such fiscal year. For fiscal year 1997, this title shall apply to any such tribe subject to the following limitations:

(1) USE OF ASSISTANCE AMOUNTS AS BLOCK GRANT.—Amounts shall not be made available pursuant to this title for grants under this title for such fiscal year, but any amounts made available for the tribe under the United States Housing Act of 1937, title II or subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, title IV of the Stewart B. McKinney Homeless Assistance Act, or section 2 of the HUD Demonstration Act of 1993 shall be considered grant amounts under this title and shall be used subject to the provisions of this title relating to such grant amounts.

(2) LOCAL HOUSING PLAN.—Notwithstanding section 613 of this title, a local housing plan shall be considered to have been submitted for the tribe for fiscal year 1997 for purposes of this title only if—

(A) the appropriate Indian housing authority has submitted to the Secretary a comprehensive plan under section 14(e) of the United States Housing Act of 1937 or under the comprehensive improvement assistance program under such section 14;

(B) the Secretary has approved such plan before January 1, 1996; and

(C) the tribe complies with specific procedures and requirements for amending such plan as the Secretary may establish to carry out this subsection.

(c) ASSISTANCE UNDER EXISTING PROGRAM DURING FISCAL YEAR 1997.—Notwithstanding the repeal of any provision of law under section 501(a) and with respect only to Indian tribes not provided assistance pursuant to subsection (b), during fiscal year 1997—

(1) the Secretary shall carry out programs to provide low-income housing assistance on Indian reservations and other Indian areas in accordance with the provisions of title II of the United States Housing Act of 1937 and related provisions of law, as in effect immediately before the enactment of this Act;

(2) except to the extent otherwise provided in the provisions of such title II (as so in effect), the provisions of title I of such Act (as so in effect) and such related provisions of law shall apply to low-income housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority; and

(3) none of the provisions of title I, II, III, or IV, or of any other law specifically modifying the public housing program that is enacted after the date of the enactment of this Act, shall apply to public housing operated pursuant to a contract between the Secretary and an Indian housing authority, unless the provision explicitly provides for such applicability.

SEC. 618. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for grants under subtitle A $650,000,000, for each of fiscal years 1998, 1999, 2000, and 2001.

Subtitle B—Affordable Housing Activities

SEC. 621. NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.

(a) PRIMARY OBJECTIVE.—The national objectives of this title are—

(1) to assist and promote affordable housing activities to develop, maintain, and operate safe, clean, and healthy affordable housing on Indian reservations and in other Indian areas for occupancy by low-income Indian families;

(2) to ensure better access to private mortgage markets for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members;

(3) to coordinate activities to provide housing for Indian tribes and their members with Federal, State, and local activities to further economic and community development for Indian tribes and their members;

(4) to plan for and integrate infrastructure resources for Indian tribes with housing development for tribes; and

(5) to promote the development of private capital markets in Indian country and to allow such markets to operate and grow, thereby benefiting Indian communities.

(b) ELIGIBLE FAMILIES.—

(1) IN GENERAL.—Except as provided under paragraph (2), assistance under eligible housing activities under this title shall be limited to low-income Indian families on Indian reservations and other Indian areas.

(2) EXCEPTION TO LOW-INCOME REQUIREMENT.—A recipient may provide assistance for model activities under section 622(a)(6) to families who are not low-income families, if the Secretary approves the activities pursuant to such subsection because there is a need for housing for such families that cannot reasonably be met without such assistance. The Secretary shall establish limits on the amount of assistance that may be provided under this title for activities for families who are not low-income families.

(3) NON-INDIAN FAMILIES.—A recipient may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this title for a non-Indian family on an Indian reservation or other Indian area if the recipient determines that the presence of the family on the Indian reservation or other Indian area is essential to the well-being of Indian families and the need for housing for the family cannot reasonably be met without such assistance.

(4) PREFERENCE FOR INDIAN FAMILIES.—The local housing plan for an Indian tribe may require preference, for housing or housing assistance provided through affordable housing activities assisted with grant amounts provided under this title on behalf of such tribe, to be given (to the extent practicable) to Indian families who are members of such tribe, or to other Indian families. In any case in which the applicable local housing plan for an Indian tribe provides for preference under this subsection, the recipient for the tribe shall ensure that housing activities that are assisted with grant amounts under this title for such tribe are subject to such preference.

(5) EXEMPTION.—Title VI of the Civil Rights Act of 1964 and title VIII of the Civil Rights Act of 1968 shall not apply to actions by Indian tribes under this subsection.

SEC. 622. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.

Affordable housing activities under this subtitle are activities, in accordance with the requirements of this subtitle, to develop or to support affordable housing for rental or homeownership, or to provide housing services with respect to affordable housing, through the following activities:

(1) INDIAN HOUSING ASSISTANCE.—The provision of modernization or operating assistance for housing previously developed or operated pursuant to a contract between the Secretary and an Indian housing authority.

(2) DEVELOPMENT.—The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include real property acquisition, site improvement, development of utilities and utility services, conversion, demolition, financing, administration and planning, and other related activities.

(3) HOUSING SERVICES.—The provision of housing-related services for affordable housing, such as housing counseling in connection with rental or homeownership assistance, energy auditing, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in other housing activities assisted pursuant to this section.

(4) HOUSING MANAGEMENT SERVICES.—The provision of management services for affordable housing, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and management of affordable housing projects.

(5) CRIME PREVENTION AND SAFETY ACTIVITIES.—The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime.

(6) MODEL ACTIVITIES.—Housing activities under model programs that are designed to carry out the purposes of this title and are specifically approved by the Secretary as appropriate for such purpose.

SEC. 623. REQUIRED AFFORDABLE HOUSING ACTIVITIES.

(a) MAINTENANCE OF OPERATING ASSISTANCE FOR INDIAN HOUSING.—Any recipient who owns or operates (or is responsible for funding any entity that owns or operates) housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority pursuant to the United States Housing Act of 1937 shall, using amounts of any grants received under this title, reserve and use for operating assistance under section 622(1) such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing.

(b) DEMOLITION AND DISPOSITION.—This title may not be construed to prevent any recipient (or entity funded by a recipient) from demolishing or disposing of Indian housing referred to in such subsection. Notwithstanding section 114, section 261 shall apply to the demolition or disposition of Indian housing referred to in subsection (a).

SEC. 624. TYPES OF INVESTMENTS.

(a) IN GENERAL.—Subject to section 623 and the local housing plan for an Indian tribe, the recipient for such tribe shall have—

(1) the discretion to use grant amounts for affordable housing activities through equity investments, interest-bearing loans or advances, noninterest-bearing loans or advances, interest subsidies, leveraging of private investments under subsection (b), or any other form of assistance that the Secretary has determined to be consistent with the purposes of this title; and

(2) the right to establish the terms of assistance.

(b) LEVERAGING PRIVATE INVESTMENT.—A recipient may leverage private investments

in affordable housing activities by pledging existing or future grant amounts to assure the repayment of notes and other obligations of the recipient issued for purposes of carrying out affordable housing activities.

SEC. 625. LOW-INCOME REQUIREMENT AND INCOME TARGETING.

Housing shall qualify as affordable housing for purposes of this title only if—

(1) each dwelling unit in the housing—

(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of their initial occupancy of such unit; and

(B) in the case of housing for homeownership, is made available for purchase only by a family that is a low-income family at the time of purchase; and

(2) except for housing assisted under section 202 of the United States Housing Act of 1937 (as in effect before the enactment of this Act), each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership, or for such other period that the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this title, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if such action (A) recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid termination of low-income affordability in the case of foreclosure or transfer in lieu of foreclosure, and (B) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.

SEC. 626. CERTIFICATION OF COMPLIANCE WITH SUBSIDY LAYERING REQUIREMENTS.

With respect to housing assisted with grant amounts provided under this title, the requirements of section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 shall be considered to be satisfied upon certification by the recipient of the assistance to the Secretary that the combination of Federal assistance provided to any housing project is not any more than is necessary to provide affordable housing.

SEC. 627. LEASE REQUIREMENTS AND TENANT SELECTION.

(a) LEASES.—Except to the extent otherwise provided by or inconsistent with tribal law, in renting dwelling units in affordable housing assisted with grant amounts provided under this title, the owner or manager of the housing shall utilize leases that—

(1) do not contain unreasonable terms and conditions;

(2) require the owner or manager to maintain the housing in compliance with applicable housing codes and quality standards;

(3) require the owner or manager to give adequate written notice of termination of the lease, which shall not be less than—

(A) the period provided under the applicable law of the jurisdiction or 14 days, whichever is less, in the case of nonpayment of rent;

(B) a reasonable period of time, but not to exceed 14 days, when the health or safety of other residents or employees of the owner or manager is threatened; and

(C) the period of time provided under the applicable law of the jurisdiction, in any other case;

(4) require that the owner or manager may not terminate the tenancy except for violation of the terms or conditions of the lease, violation of applicable Federal, tribal, State, or local law, or for other good cause; and

(5) provide that the owner or manager may terminate the tenancy of a resident for any activity, engaged in by the resident, any member of the resident's household, or any guest or other person under the resident's control, that—

(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the owner or manager of the housing;

(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

(C) is criminal activity (including drug-related criminal activity).

(b) TENANT SELECTION.—The owner or manager of affordable rental housing assisted under with grant amounts provided under this title shall adopt and utilize written tenant selection policies and criteria that—

(1) are consistent with the purpose of providing housing for low-income families;

(2) are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease; and

(3) provide for (A) the selection of tenants from a written waiting list in accordance with the policies and goals set forth in the local housing plan for the tribe that is the grant beneficiary of such grant amounts, and (B) the prompt notification in writing of any rejected applicant of the grounds for any rejection.

SEC. 628. REPAYMENT.

If a recipient uses grant amounts to provide affordable housing under activities under this subtitle and, at any time during the useful life of the housing the housing does not comply with the requirement under section 625(a)(2), the Secretary shall reduce future grant payments on behalf of the grant beneficiary by an amount equal to the grant amounts used for such housing (under the authority under section 651(a)(2)) or require repayment to the Secretary of an amount equal to such grant amounts.

SEC. 629. CONTINUED USE OF AMOUNTS FOR AFFORDABLE HOUSING.

Any funds for programs for low-income housing under the United States Housing Act of 1937 that, on the date of the applicability of this title to an Indian tribe, are owned by, or in the possession or under the control of, the Indian housing authority for the tribe, including all reserves not otherwise obligated, shall be considered assistance under this title and subject to the provisions of this title relating to use of such assistance.

Subtitle C—Allocation of Grant Amounts

SEC. 641. ANNUAL ALLOCATION.

For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this title for the fiscal year, in accordance with the formula established pursuant to section 642, among Indian tribes that comply with the requirements under this title for a grant under this title.

SEC. 642. ALLOCATION FORMULA.

The Secretary shall, by regulations issued in the manner provided under section 616, establish a formula to provide for allocating amounts available for a fiscal year for block grants under this title among Indian tribes. The formula shall be based on factors that reflect the need of the Indian tribes and the Indian areas of the tribes for assistance for affordable housing activities, including the following factors:

(1) The number of low-income housing dwelling units owned or operated at the time pursuant to a contract between an Indian housing authority for the tribe and the Secretary.

(2) The extent of poverty and economic distress within Indian areas of the tribe.

(3) Other objectively measurable conditions as the Secretary may specify.

The regulations establishing the formula shall be issued not later than the expiration of the 12-month period beginning on the date of the enactment of this title.

Subtitle D—Compliance, Audits, and Reports

SEC. 651. REMEDIES FOR NONCOMPLIANCE.

(a) ACTIONS BY SECRETARY AFFECTING GRANT AMOUNTS.—Except as provided in subsection (b), if the Secretary finds after reasonable notice and opportunity for hearing that a recipient of assistance under this title has failed to comply substantially with any provision of this title, the Secretary shall—

(1) terminate payments under this title to the recipient;

(2) reduce payments under this title to the recipient by an amount equal to the amount of such payments which were not expended in accordance with this title;

(3) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply; or

(4) in the case of noncompliance described in section 652(b), provide a replacement tribally designated housing entity for the recipient, under section 652.

If the Secretary takes an action under paragraph (1), (2), or (3), the Secretary shall continue such action until the Secretary determines that the failure to comply has ceased.

(b) NONCOMPLIANCE BECAUSE OF TECHNICAL INCAPACITY.—If the Secretary makes a finding under subsection (a), but determines that the failure to comply substantially with the provisions of this title—

(1) is not a pattern or practice of activities constituting willful noncompliance, and

(2) is a result of the limited capability or capacity of the recipient,

the Secretary may provide technical assistance for the recipient (directly or indirectly) that is designed to increase the capability and capacity of the recipient to administer assistance provided under this title in compliance with the requirements under this title.

(c) REFERRAL FOR CIVIL ACTION.—

(1) AUTHORITY.—In lieu of, or in addition to, any action authorized by subsection (a), the Secretary may, if the Secretary has reason to believe that a recipient has failed to comply substantially with any provision of this title, refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

(2) CIVIL ACTION.—Upon such a referral, the Attorney General may bring a civil action in any United States district court having venue thereof for such relief as may be appropriate, including an action to recover the amount of the assistance furnished under this title which was not expended in accordance with it, or for mandatory or injunctive relief.

(d) REVIEW.—

(1) IN GENERAL.—Any recipient who receives notice under subsection (a) of the termination, reduction, or limitation of payments under this title may, within 60 days after receiving such notice, file with the United States Court of Appeals for the circuit in which such State is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the Secretary's action. The petitioner shall forthwith transmit copies of the petition to the Secretary and the Attorney General of

the United States, who shall represent the Secretary in the litigation.

(2) PROCEDURE.—The Secretary shall file in the court record of the proceeding on which the Secretary based the action, as provided in section 2112 of title 28, United States Code. No objection to the action of the Secretary shall be considered by the court unless such objection has been urged before the Secretary.

(3) DISPOSITION.—The court shall have jurisdiction to affirm or modify the action of the Secretary or to set it aside in whole or in part. The findings of fact by the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may order additional evidence to be taken by the Secretary, and to be made part of the record. The Secretary may modify the Secretary's findings of fact, or make new findings, by reason of the new evidence so taken and filed with the court, and the Secretary shall also file such modified or new findings, which findings with respect to questions of fact shall be conclusive if supported by substantial evidence on the record considered as a whole, and shall also file the Secretary's recommendation, if any, for the modification or setting aside of the Secretary's original action.

(4) FINALITY.—Upon the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that such judgment shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28, United State Code.

SEC. 652. REPLACEMENT OF RECIPIENT.

(a) AUTHORITY.—As a condition of the Secretary making a grant under this title on behalf of an Indian tribe, the tribe shall agree that, notwithstanding any other provision of law, the Secretary may, only in the circumstances set forth in subsection (b), require that a replacement tribally designated housing entity serve as the recipient for the tribe, in accordance with subsection (c).

(b) CONDITIONS OF REMOVAL.—The Secretary may require such replacement tribally designated housing entity for a tribe only upon a determination by the Secretary on the record after opportunity for a hearing that the recipient for the tribe has engaged in a pattern or practice of activities that constitutes substantial or willful noncompliance with the requirements under this title.

(c) CHOICE AND TERM OF REPLACEMENT.—If the Secretary requires that a replacement tribally designated housing entity serve as the recipient for a tribe (or tribes)—

(1) the replacement entity shall be an entity mutually agreed upon by the Secretary and the tribe (or tribes) for which the recipient was authorized to act, except that if no such entity is agreed upon before the expiration of the 60-day period beginning upon the date that the Secretary makes the determination under subsection (b), the Secretary shall act as the replacement entity until agreement is reached upon a replacement entity; and

(2) the replacement entity (or the Secretary, as provided in paragraph (1)) shall act as the tribally designated housing entity for the tribe (or tribes) for a period that expires upon—

(A) a date certain, which shall be specified by the Secretary upon making the determination under subsection (b); or

(B) the occurrence of specific conditions, which conditions shall be specified in written notice provided by the Secretary to the tribe upon making the determination under subsection (b).

SEC. 653. MONITORING OF COMPLIANCE.

(a) ENFORCEABLE AGREEMENTS.—Each recipient, through binding contractual agreements with owners and otherwise, shall ensure long-term compliance with the provisions of this title. Such measures shall provide for (1) enforcement of the provisions of this title by the grant beneficiary or by recipients and other intended beneficiaries, and (2) remedies for the breach of such provisions.

(b) PERIODIC MONITORING.—Not less frequently than annually, each recipient shall review the activities conducted and housing assisted under this title to assess compliance with the requirements of this title. Such review shall include on-site inspection of housing to determine compliance with applicable requirements. The results of each review shall be included in the performance report of the recipient submitted to the Secretary under section 654 and made available to the public.

SEC. 654. PERFORMANCE REPORTS.

(a) REQUIREMENT.—For each fiscal year, each recipient shall—

(1) review the progress it has made during such fiscal year in carrying out the local housing plan (or plans) for the Indian tribes for which it administers grant amounts; and

(2) submit a report to the Secretary (in a form acceptable to the Secretary) describing the conclusions of the review.

(b) CONTENT.—Each report under this section for a fiscal year shall—

(1) describe the use of grant amounts provided to the recipient for such fiscal year;

(2) assess the relationship of such use to the goals identified in the local housing plan of the grant beneficiary;

(3) indicate the recipient's programmatic accomplishments; and

(4) describe how the recipient would change its programs as a result of its experiences.

(c) SUBMISSION.—The Secretary shall establish dates for submission of reports under this section, and review such reports and make such recommendations as the Secretary considers appropriate to carry out the purposes of this title.

(d) PUBLIC AVAILABILITY.—A recipient preparing a report under this section shall make the report publicly available to the citizens in the recipient's jurisdiction in sufficient time to permit such citizens to comment on such report prior to its submission to the Secretary, and in such manner and at such times as the recipient may determine. The report shall include a summary of any comments received by the grant beneficiary or recipient from citizens in its jurisdiction regarding its program.

SEC. 655. REVIEW AND AUDIT BY SECRETARY.

(a) ANNUAL REVIEW.—The Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine—

(1) whether the recipient has carried out its eligible activities in a timely manner, has carried out its eligible activities and certifications in accordance with the requirements and the primary objectives of this title and with other applicable laws, and has a continuing capacity to carry out those activities in a timely manner;

(2) whether the recipient has complied with the local housing plan of the grant beneficiary; and

(3) whether the performance reports under section 654 of the recipient are accurate.

Reviews under this section shall include, insofar as practicable, on-site visits by employees of the Department of Housing and Urban Development.

(b) REPORT BY SECRETARY.—The Secretary shall submit a written report to the Congress regarding each review under subsection (a). The Secretary shall give a recipient not less than 30 days to review and comment on a report under this subsection. After taking into consideration the comments of the recipient, the Secretary may revise the report and shall make the recipient's comments and the report, with any revisions, readily available to the public not later than 30 days after receipt of the recipient's comments.

(c) EFFECT OF REVIEWS.—The Secretary may make appropriate adjustments in the amount of the annual grants under this title in accordance with the Secretary's findings pursuant to reviews and audits under this section. The Secretary may adjust, reduce, or withdraw grant amounts, or take other action as appropriate in accordance with the Secretary's reviews and audits under this section, except that grant amounts already expended on affordable housing activities may not be recaptured or deducted from future assistance provided on behalf of an Indian tribe.

SEC. 656. GAO AUDITS.

To the extent that the financial transactions of Indian tribes and recipients of grant amounts under this title relate to amounts provided under this title, such transactions may be audited by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such tribes and recipients pertaining to such financial transactions and necessary to facilitate the audit.

SEC. 657. REPORTS TO CONGRESS.

(a) IN GENERAL.—Not later than 90 days after the conclusion of each fiscal year in which assistance under this title is made available, the Secretary shall submit to the Congress a report that contains—

(1) a description of the progress made in accomplishing the objectives of this title; and

(2) a summary of the use of such funds during the preceding fiscal year.

(b) RELATED REPORTS.—The Secretary may require recipients of grant amounts under this title to submit to the Secretary such reports and other information as may be necessary in order for the Secretary to make the report required by subsection (a).

Subtitle E—Termination of Assistance for Indian Tribes under Incorporated Programs

SEC. 661. TERMINATION OF INDIAN PUBLIC HOUSING ASSISTANCE UNDER UNITED STATES HOUSING ACT OF 1937.

(a) IN GENERAL.—After September 30, 1997, financial assistance may not be provided under the United States Housing Act of 1937 or pursuant to any commitment entered into under such Act, for Indian housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority, unless such assistance is provided from amounts made available for fiscal year 1997 and pursuant to a commitment entered into before September 30, 1997.

(b) TERMINATION OF RESTRICTIONS ON USE OF INDIAN HOUSING.—Except as provided in section 623(b) of this title, any housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority pursuant to the United States Housing Act of 1937 shall not be subject to any provision of such Act or any annual contributions contract or other agreement pursuant to such Act, but shall be considered

and maintained as affordable housing for purposes of this title.

SEC. 662. TERMINATION OF NEW COMMITMENTS FOR RENTAL ASSISTANCE.

After September 30, 1997, financial assistance for rental housing assistance under the United States Housing Act of 1937 may not be provided to any Indian housing authority or tribally designated housing entity, unless such assistance is provided pursuant to a contract for such assistance entered into by the Secretary and the Indian housing authority before such date.

SEC. 663. TERMINATION OF YOUTHBUILD PROGRAM ASSISTANCE.

(a) IN GENERAL.—Subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899 et seq.) is amended—

(1) by redesignating section 460 as section 461; and

(2) by inserting after section 459 the following new section:

"SEC. 460. INELIGIBILITY OF INDIAN TRIBES.

"Indian tribes, Indian housing authorities, and other agencies primarily serving Indians or Indian areas shall not be eligible applicants for amounts made available for assistance under this subtitle for fiscal year 1997 and fiscal years thereafter.".

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendments under subsection (a) shall be made on October 1, 1997, and shall apply with respect to amounts made available for assistance under subtitle D of title II of the Cranston-Gonzalez National Affordable Housing Act for fiscal year 1998 and fiscal years thereafter.

SEC. 664. TERMINATION OF HOME PROGRAM ASSISTANCE.

(a) IN GENERAL.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended—

(1) in section 217(a)—

(A) in paragraph (1), by striking "reserving amounts under paragraph (2) for Indian tribes and after"; and

(B) by striking paragraph (2); and

(2) in section 288—

(A) in subsection (a), by striking ", Indian tribes,";

(B) in subsection (b), by striking ", Indian tribe,"; and

(C) in subsection (c)(4), by striking ", Indian tribe,".

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendments under subsection (a) shall be made on October 1, 1997, and shall apply with respect to amounts made available for assistance under title II of the Cranston-Gonzalez National Affordable Housing Act for fiscal year 1998 and fiscal years thereafter.

SEC. 665. TERMINATION OF HOUSING ASSISTANCE FOR THE HOMELESS.

(a) MCKINNEY ACT PROGRAMS.—Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361 et seq.) is amended—

(1) in section 411, by striking paragraph (10);

(2) in section 412, by striking ", and for Indian tribes,";

(3) in section 413—

(A) in subsection (a)—

(i) by striking ", and to Indian tribes,"; and

(ii) by striking ", or for Indian tribes" each place it appears;

(B) in subsection (c), by striking "or Indian tribe"; and

(C) in subsection (d)(3)—

(i) by striking ", or Indian tribe" each place it appears; and

(ii) by striking ", or other Indian tribes,";

(4) in section 414(a)—

(A) by striking 'or Indian tribe" each place it appears; and

(B) by striking ", local government," each place it appears and inserting "or local government";

(5) in section 415(c)(4), by striking "Indian tribes,";

(6) in section 416(b), by striking "Indian tribe,";

(7) in section 422—

(A) in by striking "Indian tribe,"; and

(B) by striking paragraph (3);

(8) in section 441—

(A) by striking subsection (g);

(B) in subsection (h), by striking "or Indian housing authority"; and

(C) in subsection (j)(1), by striking ", Indian housing authority";

(9) in section 462—

(A) in paragraph (2), by striking ", Indian tribe,"; and

(B) by striking paragraph (4); and

(10) in section 491(e), by striking ", Indian tribes (as such term is defined in section 102(a) of the Housing and Community Development Act of 1974),".

(b) INNOVATIVE HOMELESS DEMONSTRATION.—Section 2(b) of the HUD Demonstration Act of 1993 (42 U.S.C. 11301 note) is amended—

(1) in paragraph (3), by striking " 'unit of general local government', and 'Indian tribe' " and inserting "and 'unit of general local government' "; and

(2) in paragraph (4), by striking "unit of general local government (including units in rural areas), or Indian tribe" and inserting "or unit of general local government".

(c) EFFECTIVE DATE AND APPLICABILITY.—The amendments under subsections (a) and (b) shall be made on October 1, 1997, and shall apply with respect to amounts made available for assistance under title IV of the Stewart B. McKinney Homeless Assistance Act and section 2 of the HUD Demonstration Act of 1993, respectively, for fiscal year 1998 and fiscal years thereafter.

SEC. 666. SAVINGS PROVISION.

Except as provided in sections 661 and 662, this title may not be construed to affect the validity of any right, duty, or obligation of the United States or other person arising under or pursuant to any commitment or agreement lawfully entered into before October 1, 1997, under the United States Housing Act of 1937, subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, title II of the Cranston-Gonzalez National Affordable Housing Act, title IV of the Stewart B. McKinney Homeless Assistance Act, or section 2 of the HUD Demonstration Act of 1993.

SEC. 667. EFFECTIVE DATE.

Sections 661, 662, and 666 shall take effect on the date of the enactment of this title.

Subtitle F—Loan Guarantees for Affordable Housing Activities

SEC. 671. AUTHORITY AND REQUIREMENTS.

(a) AUTHORITY.—To such extent or in such amounts as provided in appropriation Acts, the Secretary may, subject to the limitations of this subtitle and upon such terms and conditions as the Secretary may prescribe, guarantee and make commitments to guarantee, the notes or other obligations issued by Indian tribes or tribally designated housing entities, for the purposes of financing affordable housing activities described in section 622.

(b) LACK OF FINANCING ELSEWHERE.—A guarantee under this subtitle may be used to assist an Indian tribe or housing entity in obtaining financing only if the Indian tribe or housing entity has made efforts to obtain such financing without the use of such guarantee and cannot complete such financing consistent with the timely execution of the program plans without such guarantee.

(c) TERMS OF LOANS.—Notes or other obligations guaranteed pursuant to this subtitle shall be in such form and denominations, have such maturities, and be subject to such conditions as may be prescribed by regulations issued by the Secretary. The Secretary may not deny a guarantee under this subtitle on the basis of the proposed repayment period for the note or other obligation, unless the period is more than 20 years or the Secretary determines that the period causes the guarantee to constitute an unacceptable financial risk.

(d) LIMITATION ON OUTSTANDING GUARANTEES.—No guarantee or commitment to guarantee shall be made with respect to any note or other obligation if the issuer's total outstanding notes or obligations guaranteed under this subtitle (excluding any amount defeased under the contract entered into under section 672(a)(1)) would thereby exceed an amount equal to 5 times the amount of the grant approval for the issuer pursuant to title III.

(e) PROHIBITION OF PURCHASE BY FFB.—Notes or other obligations guaranteed under this subtitle may not be purchased by the Federal Financing Bank.

(f) PROHIBITION OF GUARANTEE FEES.—No fee or charge may be imposed by the Secretary or any other Federal agency on or with respect to a guarantee made by the Secretary under this subtitle.

SEC. 672. SECURITY AND REPAYMENT.

(a) REQUIREMENTS ON ISSUER.—To assure the repayment of notes or other obligations and charges incurred under this subtitle and as a condition for receiving such guarantees, the Secretary shall require the Indian tribe or housing entity issuing such notes or obligations to—

(1) enter into a contract, in a form acceptable to the Secretary, for repayment of notes or other obligations guaranteed under this subtitle;

(2) pledge any grant for which the issuer may become eligible under this title;

(3) demonstrate that the extent of such issuance and guarantee under this title is within the financial capacity of the tribe and is not likely to impairment the ability to use of grant amounts under subtitle A, taking into consideration the requirements under section 623(a); and

(4) furnish, at the discretion of the Secretary, such other security as may be deemed appropriate by the Secretary in making such guarantees, including increments in local tax receipts generated by the activities assisted under this title or dispositions proceeds from the sale of land or rehabilitated property.

(b) REPAYMENT FROM GRANT AMOUNTS.—Notwithstanding any other provision of this title—

(1) the Secretary may apply grants pledged pursuant to subsection (a)(2) to any repayments due the United States as a result of such guarantees; and

(2) grants allocated under this title for an Indian tribe or housing entity (including program income derived therefrom) may be used to pay principal and interest due (including such servicing, underwriting, and other costs as may be specified in regulations issued by the Secretary) on notes or other obligations guaranteed pursuant to this subtitle.

(c) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this subtitle. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

SEC. 673. PAYMENT OF INTEREST.

The Secretary may make, and contract to make, grants, in such amounts as may be approved in appropriations Acts, to or on behalf of an Indian tribe or housing entity issuing notes or other obligations guaranteed under this subtitle, to cover not to exceed 30 percent of the net interest cost (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) to the borrowing entity or agency of such obligations. The Secretary may also, to the extent approved in appropriation Acts, assist the issuer of a note or other obligation guaranteed under this subtitle in the payment of all or a portion of the principal and interest amount due under the note or other obligation, if the Secretary determines that the issuer is unable to pay the amount because of circumstances of extreme hardship beyond the control of the issuer.

SEC. 674. TREASURY BORROWING.

The Secretary may issue obligations to the Secretary of the Treasury in an amount outstanding at any one time sufficient to enable the Secretary to carry out the obligations of the Secretary under guarantees authorized by this subtitle. The obligations issued under this section shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Secretary issued under this section, and for such purposes may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, and the purposes for which such securities may be issued under such chapter are extended to include the purchases of the Secretary's obligations hereunder.

SEC. 675. TRAINING AND INFORMATION.

The Secretary, in cooperation with eligible public entities, shall carry out training and information activities with respect to the guarantee program under this subtitle.

SEC. 676. LIMITATIONS ON AMOUNT OF GUARANTEES.

(a) AGGREGATE FISCAL YEAR LIMITATION.—Notwithstanding any other provision of law and subject only to the absence of qualified applicants or proposed activities and to the authority provided in this subtitle, to the extent approved or provided in appropriation Acts, the Secretary shall enter into commitments to guarantee notes and obligations under this subtitle with an aggregate principal amount of $400,000,000 for each of fiscal years 1997, 1998, 1999, 2000, and 2001.

(b) AUTHORIZATION OF APPROPRIATIONS FOR CREDIT SUBSIDY.—There is authorized to be appropriated to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guarantees under this subtitle, $40,000,000 for each of fiscal years 1997, 1998, 1999, 2000, and 2001.

(c) AGGREGATE OUTSTANDING LIMITATION.—The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary pursuant to this subtitle shall not at any time exceed $2,000,000,000 or such higher amount as may be authorized to be appropriated for this subtitle for any fiscal year.

(d) FISCAL YEAR LIMITATIONS ON TRIBES.—The Secretary shall monitor the use of guarantees under this subtitle by Indian tribes. If the Secretary finds that 50 percent of the aggregate guarantee authority under subsection (c) has been committed, the Secretary may—

(1) impose limitations on the amount of guarantees any one Indian tribe may receive in any fiscal year of $50,000,000; or

(2) request the enactment of legislation increasing the aggregate limitation on guarantees under this subtitle.

SEC. 677. EFFECTIVE DATE.

This subtitle shall take effect upon the enactment of this title.

Subtitle G—Other Housing Assistance for Native Americans

SEC. 681. LOAN GUARANTEES FOR INDIAN HOUSING.

(a) DEFINITION OF ELIGIBLE BORROWERS TO INCLUDE INDIAN TRIBES.—Section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1515z-13a) is amended—

(1) in subsection (a)—

(A) by striking "and Indian housing authorities" and inserting ", Indian housing authorities, and Indian tribes,"; and

(B) by striking "or Indian housing authority" and inserting ", Indian housing authority, or Indian tribe"; and

(2) in subsection (b)(1), by striking "or Indian housing authorities" and inserting ", Indian housing authorities, or Indian tribes".

(b) NEED FOR LOAN GUARANTEE.—Section 184(a) of the Housing and Community Development Act of 1992 is amended by striking "trust land" and inserting "lands or as a result of a lack of access to private financial markets".

(c) LHP REQUIREMENT.—Section 184(b)(2) of the Housing and Community Development Act of 1992 is amended by inserting before the period at the end the following: "that is under the jurisdiction of an Indian tribe for which a local housing plan has been submitted and approved pursuant to sections 612 and 613 of the Native American Housing Assistance and Self-Determination Act of 1996 that provides for the use of loan guarantees under this section to provide affordable homeownership housing in such areas".

(d) LENDER OPTION TO OBTAIN PAYMENT UPON DEFAULT WITHOUT FORECLOSURE.—Section 184(h) of the Housing and Community Development Act of 1992 is amended—

(1) in paragraph (1)(A)—

(A) in the first sentence of clause (i), by striking "in a court of competent jurisdiction"; and

(B) by striking clause (ii) and inserting the following new clause:

"(ii) NO FORECLOSURE.—Without seeking foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a request to assign the obligation and security interest to the Secretary in return for payment of the claim under the guarantee. The Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interests of the United States. Upon assignment, the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (e)). The Secretary shall be subrogated to the rights of the holder of the guarantee and the holder shall assign the obligation and security to the Secretary.";

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(e) LIMITATION OF MORTGAGEE AUTHORITY.—Section 184(h)(2) of the Housing and Community Development Act of 1992, as so redesignated by subsection (e)(3) of this section, is amended—

(1) in the first sentence, by striking "tribal allotted or trust land," and inserting "restricted Indian land, the mortgagee or"; and

(B) in the second sentence, by striking "Secretary" each place it appears, and inserting "mortgagee or the Secretary".

(f) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Section 184(i)(5)(C) of the Housing and Community Development Act of 1992 is amended by striking "1993" and all that follows through "such year" and inserting "1997, 1998, 1999, 2000, and 2001 with an aggregate outstanding principal amount note exceeding $400,000,000 for each such fiscal year".

(g) AUTHORIZATION OF APPROPRIATIONS FOR GUARANTEE FUND.—Section 184(i)(7) of the Housing and Community Development Act of 1992 is amended by striking "such sums" and all that follows through "1994" and inserting "$30,000,000 for each of fiscal years 1997, 1998, 1999, 2000, and 2001".

(h) DEFINITIONS.—Section 184(k) of the Housing and Community Development Act of 1992 is amended—

(1) in paragraph (4), by inserting after "authority" the following: "or Indian tribe";

(2) in paragraph (5)—

(A) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) is authorized to engage in or assist in the development or operation of—

"(i) low-income housing for Indians; or

"(ii) housing subject to the provisions of this section; and"; and

(B) by adding at the end the following:

"The term includes tribally designated housing entities under the Native American Housing Assistance and Self-Determination Act of 1996."; and

(3) by striking paragraph (8) and inserting the following new paragraph:

"(8) The term 'tribe' or 'Indian tribe' means any Indian tribe, band, notation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975.

SEC. 682. 50-YEAR LEASEHOLD INTEREST IN TRUST OR RESTRICTED LANDS FOR HOUSING PURPOSES.

(a) AUTHORITY TO LEASE.—Notwithstanding any other provision of law, any restricted Indian lands, whether tribally or individually owned, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for residential purposes.

(b) TERM.—Each lease pursuant to subsection (a) shall be for a term not exceeding 50 years.

(c) OTHER CONDITIONS.—Each lease pursuant to subsection (a) and each renewal of such a lease shall be made under such terms and regulations as may be prescribed by the Secretary of the Interior.

(d) RULE OF CONSTRUCTION.—This section may not be construed to repeal, limit, or affect any authority to lease any restricted Indian lands that—

(1) is conferred by or pursuant to any other provision of law; or

(2) provides for leases for any period exceeding 50 years.

SEC. 683. TRAINING AND TECHNICAL ASSISTANCE.

There is authorized to be appropriated for assistance for the a national organization representing Native American housing interests for providing training and technical assistance to Indian housing authorities and tribally designated housing entities $2,000,000, for each of fiscal years 1997, 1998, 1999, 2000, and 2001.

SEC. 684. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall take effect upon the enactment of this title.

The CHAIRMAN. Pursuant to the order of the committee of Wednesday, May 8, 1996, the gentleman from Arizona [Mr. HAYWORTH] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

PARLIAMENTARY INQUIRY

Mr. YOUNG of Alaska. Mr. Chairman, I have a parliamentary inquiry.

The gentleman will state it.

Mr. YOUNG of Alaska. Mr. Chairman, I have a perfecting amendment to the amendment of the gentleman from Arizona. When would be the appropriate time to offer that amendment?

The CHAIRMAN. The Chair would like to recognize the gentleman from Arizona for his amendment, and at that point, under the unanimous-consent agreement of yesterday, the gentleman from Arizona has 10 minutes in support of his amendment that will be allocated in support and 10 minutes will be allocated in opposition.

At any time while the amendment of the gentleman from Arizona is pending, the gentleman from Alaska may offer a perfecting amendment.

Mr. YOUNG of Alaska. I thank the Chair.

Mr. VENTO. Mr. Chairman, I claim that time in opposition.

The CHAIRMAN. The gentleman from Minnesota [Mr. VENTO] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I yield myself 3 minutes and 45 seconds.

Mr. Chairman, I rise today to offer an amendment to H.R. 2406 which will provide the tools for native American tribes to meet their unique housing needs.

My amendment consists of the text of H.R. 3219, the Native American Housing Assistance and Self-Determination Act of 1996. This legislation was introduced by my colleague from New York, the chairman of the Housing Subcommittee. I cosponsor it along with Mr. BEREUTER of Nebraska, and Mr. JOHNSON of South Dakota. Months of consultation with tribes from across the country produced the legislation before us today.

The need for better housing on Indian reservations is clear. As Albert Hale, president of the Navajo Nation, testified before the Housing Subcommittee, over 56 percent of the Navajo people live in poverty. It is not uncommon to have Navajo families of as many as 12 people living in a two-room house. The Navajo tribal government has estimated that over 13,000 new homes are needed to alleviate severe overcrowding. But tribes, such as the Navajo Nation, need not just the resources, but the flexibility, to address the housing problems they face.

A more effective system of Indian housing should be based on several important principles. First, public housing programs modeled for urban America often do not work in Indian country. Second the Federal role in providing housing to native Americans should recognize the special trust relationship between the Federal Government and tribal governments. Finally, tribes and Indian housing authorities should have the flexibility and responsibility to address the housing needs in their communities.

The amendment I am offering reflects these principles. H.R. 3219 separates Indian housing from public housing, a move which tribes have been advocating for years. It creates a block grant which will go directly to tribes, not through the States. I believe this is an important part of recognizing the government-to-government relationship between tribes and the Federal Government. This block grant will also increase local control and allow much greater flexibility for each tribe to address its own housing needs, including building new homes, renovating existing homes, or increasing community development. Finally, H.R. 3219 takes steps to promote and facilitate homeownership and lending on reservations.

The National Congress of America Indians, which has 206 member tribes, supports these principles as articulate in H.R. 3219. The National American Indian Housing Council, which represents 187 Indian housing authorities, also supports the principles in this bill.

I know that there are still issues that various parties want to see addressed in this legislation, and I hope that the process will continue to be as open and inclusive a process as Chairman LAZIO has promoted so far. For instance, one of the tribes in my congressional district, the Salt River Pima-Maricopa Indian community, is a self-governance tribe. Although they believe that this bill provides an important opportunity to move toward self-sufficiency in housing, they would like to see an option for self-governance tribes to deliver housing services through a self-governance contract. I know that, as we move forward to conference, Chairman LAZIO will continue to make every effort to accommodate the needs and concerns of tribes. Likewise, we have reached a compromise on the Davis-Bacon issue, which will be addressed in an amendment offered momentarily by my colleagues from Alaska and Minnesota.

If this amendment is approved and H.R. 3219 is attached to H.R. 2406, none of the provisions of H.R. 2406 will apply to tribes and Indian housing will be established as separate from public housing, as I have said. However, it is extremely important to move the two bills concurrently. As my colleagues know, H.R. 2406 repeals the 1937 Housing Act. Without passage of H.R. 3219, native Americans could be left without a Federal housing program which would be devastating to tribes across the country.

I urge my colleagues to support this amendment, which will improve housing conditions for native Americans across the country.

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

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

Mr. Chairman, I rise in opposition to the amendment in its present form. Mr. Chairman, I have concerns about certainly the rush to act on this amendment. It makes sweeping changes to the native American housing policy. There has only been one hearing on this and five witnesses. In fact, the administration, who favors this amendment, did not testify on it, nor have they submitted testimony.

Mr. Chairman, I, myself, have long been an advocate of assisted housing in Indian country and have worked with many Members. Very often, Mr. Chairman, it is a very far limited market. It requires infrastructure changes. The pattern of ownership is complicated, as my colleagues on the Committee on Resources with whom I work are knowledgeable of the problem and challenge.

We did not have a markup on this bill. It does not have some of the needed policy changes that I think are necessary, such as the issue of State Housing Finance Agency role in terms of native American housing. Well crafted proposals and recommendations exist in that vein. Also this measure could include urban Indian housing as one of the outcomes, which is not in this amendment. Most native Americans in fact live in urban settings today.

So, Mr. Chairman, I am concerned about these shortcomings about some of the labor provisions within this amendment. I also am concerned that there are other amendments that may be offered without any warning to most the membership on this issue.

Mr. Chairman, I yield 2 minutes to the gentleman from Alaska [Mr. YOUNG], who is planning on offering an amendment at this time.

AMENDMENT OFFERED BY MR. YOUNG OF ALASKA TO AMENDMENT NO. 9 OFFERED BY MR. HAYWORTH

Mr. YOUNG of Alaska. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Alaska to Amendment No. 9 offered by Mr.

HAYWORTH: Page 29 of the amendment, strike line 22, and all that follows through page 30, line 4, and insert the following new subsection:

(b)(1) IN GENERAL.—Any contract for the construction of affordable housing with 12 or more units assisted with grant amounts made available under this Act shall contain a provision requiring that no less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a–276a–5), shall be paid to all laborers and mechanics employed in the development of affordable housing involved, and recipients shall require certification as to the compliance with the provisions of this section prior to making any payment under such contract.

(2) EXCEPTIONS.—Subsection (a) shall not apply if the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and such persons are not otherwise employed at any time in the construction work.

(3) WAIVER.—The Secretary may waive the provisions of this subsection.

Mr. YOUNG of Alaska (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. YOUNG of Alaska. Mr. Chairman, first let me say I do support the amendment of the gentleman from Arizona [Mr. HAYWORTH]. The Indian housing problems in this Nation are severe. This is a good amendment and I will be supporting it.

Mr. Chairman, I'm offering an amendment to the amendment by Mr. HAYWORTH, to correct a problem relating to the application of the Davis-Bacon Act to construction of Indian housing.

As written, the amendment offered by the gentleman from Arizona contains language that would effectively prohibit application of the Davis-Bacon Act to construction of Indian housing. I think this is wrong. My amendment changes the language to ensure that the Davis-Bacon Act applies to the construction of 12 or more units of Indian housing.

My amendment will make the gentleman's amendment more consistent with current law, in which the Davis-Bacon Act applies to certain federally subsidized construction contracts. I realize there is a larger debate concerning Davis-Bacon at issue. However, this is not the place to debate our views on Davis-Bacon, which I happen to support strongly.

Consideration of Davis-Bacon reform or repeal should be considered separately and on its own merits. It should not be modified or repealed in a piecemeal fashion through legislation like this.

I strongly support our effort to give more control and flexibility in operating affordable housing projects to Indians. However, this is not the place to address Davis-Bacon.

Mr. Chairman, I strongly support this amendment, and I stress again, the amendment offered by the gentleman from Arizona, if my amendment is adopted, is a good piece of legislation and I urge its passage.

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

Mr. Chairman, I appreciate the gentleman from Alaska offering this amendment. This is a major concern that I have had with this amendment in its present form. But with the amendment of the gentleman from Alaska on prevailing wage, it is one of the major outstanding questions concerning the Hayworth legislation as it exists. I appreciate the gentleman from Alaska offering this amendment, and I urge Members to support it.

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

Mr. VENTO. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I would ask the gentleman from Alaska if this will continue to apply to publicly financed housing and not apply to private?

Mr. YOUNG of Alaska. Mr. Chairman, if the gentleman would yield, only to publicly financed housing.

Mr. BEREUTER. Mr. Chairman, I urge the passage of this legislation.

Mr. VENTO. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, as I said, I support the amendment that the gentleman from Alaska [Mr. YOUNG] is offering, which basically exempts funds provided under 12 units. The current Hayworth amendment did not do that. I think it may have been a technical problem, but its consequence is a major concern.

As I said, the Young amendment would provide prevailing wage, would not apply for 12 units or less, and would provide the opportunity for the Secretary to waive the provisions as provided by the Secretary under similar authority existing in the CDBG program policy allocated to Indian tribes.

Mr. Chairman, I have worked with those concerned with the request of the gentleman from Alaska, and I appreciate his initiative in bringing this amendment to the floor this afternoon.

It is my understanding that the gentleman from Arizona [Mr. HAYWORTH] is going to accept this amendment, and some of my concerns are addressed with it. So, I urge my colleagues' support for the Young amendment.

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

Mr. HAYWORTH. Mr. Chairman, inquiry. Do we address this amendment at this juncture?

The CHAIRMAN. The Chair would point out that we can address the amendment offered by the gentleman from Alaska at this point in the process, and we can reserve the balance of debate time on both sides once this amendment has been resolved. Or, we can wait until all the time has been utilized.

The question is on the amendment offered by the gentleman from Alaska [Mr. YOUNG] to the amendment offered by the gentleman from Arizona [Mr. HAYWORTH].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now before the House is the amendment offered by the gentleman from Arizona [Mr. HAYWORTH], as amended.

Mr. VENTO. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

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

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding me time. I rise in strong support of the Hayworth amendment. It actually does incorporate the provisions of H.R. 3219. Secretary Cisneros was reported to have been told by the Navajo, the best thing he could do for housing was to support the Republican bill, H.R. 3219. Actually, it is a bipartisan bill and has been from the beginning.

AMENDMENT OFFERED BY MR. BEREUTER TO THE AMENDMENT OFFERED BY MR. HAYWORTH, AS AMENDED

Mr. BEREUTER. Mr. Chairman, I offer an amendment to the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. BEREUTER to the amendment offered by Mr. HAYWORTH, as amended: Page 77 of the amendment, after line 19, insert the following new subsections:

(i) PRINCIPAL OBLIGATION AMOUNTS.—Section 184(b)(5)(C) of the Housing and Community Development Act of 1992 is amended by striking clause (i) and inserting the following new clause:

"(i) 97.75 percent of the appraised value of the property as of the date the loan is accepted for guarantee (or 98.75 percent if the value of the property is $50,000 or less); and".

(j) AVAILABILITY OF AMOUNTS.—

(1) REQUIREMENT OF APPROPRIATIONS.—Section 184(i)(5) of the Housing and Community Development Act of 1992 is amended by striking subparagraph (A) and inserting the following new subparagraph:

"(A) REQUIREMENT OF APPROPRIATIONS.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year to the extent or in such amounts as are or have been provided in appropriations Acts, without regard to the fiscal year for which such amounts were appropriated.".

(2) COSTS.—Section 184(i)(5)(B) of the Housing and Community Development Act of 1992 is amended by adding at the end the following new sentence: "Any amounts appropriated pursuant to this subparagraph shall remain available until expended.".

(k) GNMA AUTHORITY.—The first sentence of section 306(g)(1) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1721(g)(1)) is amended by inserting before the period at the end the following: "; or guaranteed under section 184 of the Housing and Community Development Act of 1992".

Mr. BEREUTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment, as amended, be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Chairman, this amendment has three rather simple but important provisions which make improvements in the section 184 Indian Housing Loan Guarantee Program, first enacted in 1992. The amendment authorizes funds appropriate to remain available until the next fiscal year or until expended, raises the maximum loan level to the same as FHA single-family loans, and provided that Ginnie Mae may purchase loans under the program.

Mr. Chairman, I move for its adoption.

Mr. Chairman, this Member's amendment, which has been drafted in cooperation with the administration, makes three very simple but important improvements to the Section 184 Indian Housing Loan Guarantee Program, first authorized through the Housing and Community Development Act of 1992. This loan program, administered by the Department of Housing and Urban Developments Office of Native American Programs, has proven to be a highly popular and effective way to bring private market participation to meet the housing needs in Indian country.

The current loan guarantee program allows Indians and Indian Housing Authorities [IHAs] access to private financing that otherwise would not be available to them because of the unique legal status of Indian trust land. The Indian Housing Loan Guarantee Fund is used to guarantee loans made to Indian families and IHAs for the construction, acquisition, and rehabilitation of 1–4 family dwellings. This must be standard housing and must be located on trust land or land located in an Indian or Alaskan native area.

HUD works with tribes, lenders, and the Bureau of Indian Affairs to administer the loan program. HUD issues prequalification commitments based on information received from the lender. The lender completes property underwriting, and then submits the loan to HUD for firm commitment. After the commitment is issued, the loan is closed and serviced by the lender.

This Member's amendment makes three simple changes to the current program. And this Member should note at this point that these changes were suggested and are supported by HUD. First, the maximum loan amount is raised to bring it in line with the widely-used FHA single-family loan program. Specifically, for loans with appraised values of $50,000 or less, the maximum loan amount will be 98.75 percent of the appraised value. For loan on properties valued above $50,000, the loan may be 97.75 percent of the appraised value.

The second change made by this amendment is simple yet very important. Because the construction process often does not conform to the congressional budget cycle, this amendment authorizes funds appropriated to remain available until expended.

The final change made by this Member's amendment is an expansion of the authority of the Government National Mortgage Association, also known as Ginnie Mae, to purchase loans guaranteed under this program. Without this expansion, Ginnie Mae is not authorized to participate in Indian country. I would like to note that the Nations largest housing secondary market, Fannie Mae, has been instrumental in the programs early successes. However, now is not the time to limit the sources of capital for participating lenders. Rather, by adding Ginnie Mae as an additional source of funds, this amendment would expand the capital available in Indian country.

Mr. Chairman, this Member urges his colleagues to vote for this amendment, and for H.R. 2406.

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

Mr. Chairman, I appreciate the amendment of the gentleman from Nebraska. It is a good amendment in terms of providing the Ginnie Mae authority and the increased loans authority and availability. I think this is exactly the type of help in terms of real financing improvement and innovation that is necessary. I commend the gentleman from Nebraska [Mr. BEREUTER], an advocate throughout his career in Congress regarding Indian housing, and native American policy, and I support this measure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BEREUTER] to the amendment offered by the gentleman from Arizona [Mr. HAYWORTH], as amended.

The amendment to the amendment, as amended, was agreed to.

Mr. VENTO. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, under this procedure it is rather awkward that one must be in opposition. Obviously, I did not mean to surprise my colleague from Arizona, but it was necessary in fact to use the time, and in the present form, when the amendment was initially offered, I did not support it.

Mr. Chairman, I appropriately recognize the amendments and changes made have improved this amendment. I suggest to my colleagues who are interested in Native American housing the severe problems we have in this area. I hope this block grant approach accomplishes the noble objectives that are expressed. I have my doubts considering the infrastructure and other threshold issues that we face, but look forward to working to see the positive goals become a reality.

We have a significant Native American population in the State that I represent. I would like nothing better than to see them get better housing. Some of the worst housing we have in this Nation is occupied by Native Americans, and the commensurate problems that occur with it greatly concern me as it relates to our direct and joint responsibilities, the Secretary of HUD, the Bureau of Indian Affairs and, of course, this Congress.

With that said, Mr. Chairman, I will now support the amendment.

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

□ 1615

Mr. HAYWORTH. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, I rise in support of the Bereuter amendment to the Hayworth amendment.

Mr. Chairman, this Member rises in strong support of the Hayworth amendment. This amendment incorporates the text of H.R. 3219, the Native American Housing Assistance Self-Determination Act of 1996. This Member, along with his colleagues from Arizona, Mr. HAYWORTH, the chairman of the subcommittee, Mr. LAZIO, and his colleague from the other side of the aisle, Mr. JOHNSON of South Dakota, introduced H.R. 3219. I say, perhaps immediately, but eventually, I believe that this bill and Mr. HAYWORTH's amendment is the most important and beneficial Indian housing initiative ever offered.

The concepts contained in this amendment are widely supported by Indian groups, including the National American Indian Housing Council. This revolutionary measure for the first time decouples predominantly rural Indian housing from the laws which were designed to govern urban public housing.

Additionally, the Hayworth amendment creates flexible block grants to tribes or their tribally designated housing entity, recognizes and supports the unique government-to-government relationship between Indian tribes and the U.S. Government and restates the value of having local control by giving the tribes greater flexibility in providing housing, creates a consolidated native American housing grant—HUD's Office of Native American Programs will be dedicated to helping Indian communities meet their housing needs, with a common goal of achieving economic self-sufficiency. HUD will enforce strict accountability standards, and involves private capital markets and private lenders in improving economic conditions by removing the legal barriers which have kept private investors from participating in Indian country. Specifically, the amendment replaces the 20-year leaseholds under current law with a 40-year lease.

Unfortunately, this Member understands this important amendment has been placed in jeopardy by the dubious opposition of big labor. The measure strives to keep the costs, including labor costs, of providing housing at its lowest possible level in order to provide maximum impact for very limited funds. In a lobbying effort as late as last night, big labor has equated a vote for housing Americas most underserved citizens as a vote against big labor. Not concerned with what is good for America, big labor has threatened to kill a measure which prohibits inflated contract costs associated with the prevailing wages required by the Davis-Bacon Act. With homelessness in Indian country at embarrassingly high rates,

we can ill-afford to waste a penny on such questionable mandates as Davis-Bacon.

Although this Member strongly believes the prohibition against applying Davis-Bacon to Indian housing should stay in the amendment, this Member will not block a move to strike the language because the urgent need to provide safe and adequate housing to Indians outweighs this Member's opposition to Davis-Bacon.

Mr. Chairman, this Member again strongly urges his colleagues to support Native Americans and vote in favor of the Hayworth amendment.

Mr. HAYWORTH. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. COBURN].

Mr. COBURN. Mr. Chairman, as a representative of 14 tribes from the Second District of Oklahoma, I rise in support of the Hayworth amendment.

I would first like to thank Chairman LAZIO and Congressman HAYWORTH for their tremendous effort and dedication in putting together the Native American Housing Assistance and Self-Determination Act of 1996. I rise in support of this legislation in large part because the second largest Native American tribe in the United States, the Cherokee, reside in my district respectively. The 14 tribes which I represent in Congress strongly support this landmark Indian housing reform bill.

The Cherokee Nation of Oklahoma has a tribal membership which currently numbers 170,000. Despite the large tribal size, the number of Indian housing units is ridiculously low. The Housing authority of the Cherokee Nation manages some 4,300 housing units under the Low Rent, Section 8 and Mutual Help Homeownership Opportunity Program administered by the U.S. Department of Housing and Development. But the tribe's need for housing is much, much greater.

The Cherokee Nations Housing Authority budget has grown from $8 million to $30 million and its work force has increased from 65 to 250 employees. This growth is due, in part, to the Housing Authority's ability to leverage Federal dollars, to the extent HUD's program constraints allow. Still, most Cherokee tribal members live in crowded Indian housing units in conditions considerably more severe than those of the non-Indian populations.

Mr. Chairman, Tribes and Indian Housing Authorities like those of the Cherokee Nation are prime examples of what is achievable in Indian management working with scarce resources. They have successfully leveraged Federal programs available for housing and other assistance to Native Americans with whatever other outside financing they can identify.

Mr. HAYWORTH'S amendment will advance this progress substantially by separating from public housing programs the Indian housing programs and moving toward deregulation of those Indian housing programs. Tribes and their housing authorities will be better able to leverage Federal dollars with private financing to construct new housing and renovate existing units in Indian country.

The most important feature of this bill is the procedure of block granting the federal funds for Indian housing programs. The block grant approach is fully consistent with the concept of Indian self-determination and self-governance.

Mr. Chairman, I urge my colleagues to join me in supporting Mr. HAYWORTH'S amendment, and adopting it as part of H.R. 2406.

Mr. HAYWORTH. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATTS], a gentleman I would have loved to block for on the gridiron.

(Mr. WATTS of Oklahoma asked and was given permission to revise and extend his remarks.)

Mr. WATTS of Oklahoma. Mr. Chairman, I rise to urge my colleagues to vote for the amendment offered by the gentleman from Arizona [Mr. HAYWORTH] to add a new title called the Native American Housing Assistance and Self-Determination Act of 1996. The amendment helps to leverage private sector capital to the Indian housing market where it is much needed. The amendment provides loan guarantees for affordable housing activities, thus providing for greater involvement of the financial community.

Substantially similar to the popular section 108 loan guarantee program for community development block grants, this bill allows Indian housing authorities to borrow or issue debt equal to up to 5 years worth of allocation under the housing grants formula to be paid back over not more than 20 years with the full faith and credit of the United States. The Hayworth amendment helps the tribes move to a place where they are able to better self-govern.

Block grants to tribal governments and tribal housing authorities is a step in the right direction. It allows tribes to determine what their local tribal housing needs are and how they should be met.

In closing, I would like to commend and thank the gentleman from New York [Mr. LAZIO], the chairman, and the gentleman from Arizona [Mr. HAYWORTH], and their fine staff for the hard work on the Native American Housing Assistance and Self-Determination Act of 1996. I urge my colleagues to join me in voting to adopt this innovative proposal.

Mr. HAYWORTH. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. LAZIO], distinguished chairman of our Subcommittee on Housing and Community Development.

Mr. LAZIO of New York. Mr. Chairman, this is an important, it is not just important substantively but it is important in terms of process. For the first time, native Americans had input, had the ability to influence the process to reflect the values and the concerns that they had back in Indian country.

When we had a hearing, and we have had several different meetings with leaders, including housing specialists from the Indian country, we invited people from Indian country and we invited native Americans in to hear their story, to understand what the concerns are, to understand how further progress was being blocked by a structure that was now clearly obsolete and out of date. This is an effort to move us forward.

Mr. Chairman, it gives native Americans many of the same tools that have been so dramatic in terms of helping our Nation's communities. Most importantly the loan guarantee program that will allow, in some of the most rural areas of our Nation, where some of the worst housing conditions in our entire Nation are, the ability to leverage money and to have larger developments that are cost-effective and bring more hope and more opportunity to native Americans. I am very proud of this effort, and I ask for its support.

Mr. HAYWORTH. Mr. Chairman, I yield myself 30 seconds, simply to say that I echo the comments of the chairman of the subcommittee. I thank him for his efforts.

I thank my colleague from Minnesota for pointing out some legitimate policy differences. But make no mistake, this is historic legislation which empowers the first Americans with what should be the right of first Americans. That is the right to find the dwelling of their choice and to empower them to be meaningful members not only of their own communities but of this Nation at large.

I urge adoption of this amendment as it has been amended.

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

The CHAIRMAN. The question is the amendment offered by the gentleman from Arizona [Mr. HAYWORTH], as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there other amendments to the bill?

AMENDMENT NO. 22 OFFERED BY MR. ROEMER

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 22 offered by Mr. ROEMER:

H.R. 2406

At the end of the bill, insert the following new title:

TITLE VI—NATIONAL MANUFACTURED HOUSING CONSTRUCTION AND SAFETY STANDARDS CONSENSUS COMMITTEE

SEC. 601. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This title may be cited as the "National Manufactured Housing Construction and Safety Standards Act of 1996".

(b) REFERENCE.—Whenever in this title an amendment 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 that section or other provision of the Housing and Community Development Act of 1974.

SEC. 602. STATEMENT OF PURPOSE.

Section 602 (42 U.S.C. 5401) is amended by striking the first sentence and inserting the following: "The Congress declares that the purposes of this title are to reduce the number of personal injuries and deaths and property damage resulting from manufactured

home accidents and to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes.".

SEC. 603. DEFINITIONS.

(a) IN GENERAL.—Section 603 (42 U.S.C. 5402) is amended—

(1) in paragraph (2), by striking "dealer" and inserting "retailer";

(2) in paragraph (12), by striking "and" at the end;

(3) in paragraph (13), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following new paragraphs:

"(14) 'consensus committee' means the committee established under section 604(a)(7); and

"(15) 'consensus standards development process' means the process by which additions and revisions to the Federal manufactured home construction and safety standards shall be developed and recommended to the Secretary by the consensus committee.".

(b) CONFORMING AMENDMENTS.—

(1) OCCURRENCES OF "DEALER".—The Act (42 U.S.C. 5401 et seq.) is amended by striking "dealer" and inserting "retailer" in each of the following provisions:

(A) In section 613, each place such term appears.

(B) In section 614(f), each place such term appears.

(C) In section 615(b)(1).

(D) In section 616.

(2) OTHER AMENDMENTS.—The Act (42 U.S.C. 5401 et seq.) is amended—

(A) in section 615(b)(3), by striking "dealer or dealers" and inserting "retailer or retailers"; and

(B) by striking "dealers" and inserting "retailers" each place such term appears—

(i) in section 615(d);

(ii) in section 615(f); and

(iii) in section 623(c)(9).

SEC. 604. FEDERAL MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS.

Section 604 (42 U.S.C. 5403) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

"(a) ESTABLISHMENT.—

"(1) AUTHORITY.—The Secretary shall establish, by order, appropriate Federal manufactured home construction and safety standards. Each such Federal manufactured home standard shall be reasonable and shall meet the highest standards of protection, taking into account existing State and local laws relating to manufactured home safety and construction. The Secretary shall issue all such orders pursuant to the consensus standards development process under this subsection. The Secretary may issue orders which are not part of the consensus standards development process only in accordance with subsection (b).

"(2) CONSENSUS STANDARDS DEVELOPMENT PROCESS.—Not later than 180 days after the date of enactment of the National Manufactured Housing Construction and Safety Standards Act of 1996, the Secretary shall enter into a cooperative agreement or establish a relationship with a qualified technical or building code organization to administer the consensus standards development process and establish a consensus committee under paragraph (7). Periodically, the Secretary shall review such organization's performance and may replace the organization upon a finding of need.

"(3) REVISIONS.—The consensus committee established under paragraph (7) shall consider revisions to the Federal manufactured home construction and safety standards and shall submit revised standards to the Secretary at least once during every 2-year period, the first such 2-year period beginning upon the appointment of the consensus committee under paragraph (7). Before submitting proposed revised standards to the Secretary, the consensus committee shall cause the proposed revised standards to be published in the Federal Register, together with a description of the consensus committee's considerations and decisions under subsection (e), and shall provide an opportunity for public comment. Public views and objections shall be presented to the consensus committee in accordance with American National Standards Institute procedures. After such notice and opportunity public comment, the consensus committee shall cause the recommended revisions to the standards and notice of its submission to the Secretary to be published in the Federal Register. Such notice shall describe the circumstances under which the proposed revised standards could become effective.

"(4) REVIEW BY SECRETARY.—The Secretary shall either adopt, modify, or reject the standards submitted by the consensus committee. A final order adopting the standards shall be issued by the Secretary not later than 12 months after the date the standards are submitted to the Secretary by the consensus committee, and shall be published in the Federal Register and become effective pursuant to subsection (c). If the Secretary—

"(A) adopts the standards recommended by the consensus committee, the Secretary may issue a final order directly without further rulemaking;

"(B) determines that any portion of the standards should be rejected because it would jeopardize health or safety or is inconsistent with the purposes of this title, a notice to that effect, together with this reason for rejecting the proposed standard, shall be published in the Federal Register no later than 12 months after the date the standards are submitted to the Secretary by the consensus committee;

"(C) determines that any portion of the standard should be modified because it would jeopardize health or safety or is inconsistent with the purposes of this title—

"(i) such determination shall be made no later that 12 months after the date the standards are submitted to the Secretary by the consensus committee;

"(ii) within such 12-month period, the Secretary shall cause the proposed modified standard to be published in the Federal Register, together with an explanation of the reason for the Secretary's determination that the consensus committee recommendation needs to be modified, and shall provide an opportunity for public comment in accordance with the provisions of section 553 of title 5, United States Code; and

"(iii) the final standard shall become effective pursuant to subsection (c).

"(5) FAILURE TO ACT.—If the Secretary fails to take final action under paragraph (4) and publish notice of the action in the Federal Register within the 12-month period under such paragraph, the recommendations of the consensus committee shall be considered to have been adopted by the Secretary and shall take effect upon the expiration of the 180-day period that begins upon the conclusion of the 12-month period. Within 10 days after the expiration of the 12-month period, the Secretary shall cause to be published in the Federal Register notice of the Secretary's failure to act, the revised standards, and the effective date of the revised standards. Such notice shall be deemed an order of the Secretary approving the revised standards proposed by the consensus committee.

"(6) INTERPRETIVE BULLETINS.—The Secretary may issue interpretive bulletins to clarify the meaning of any Federal manufactured home construction and safety standards, subject to the following requirements:

"(A) REVIEW BY CONSENSUS COMMITTEE.—Before issuing an interpretive bulletin, the Secretary shall submit the proposed bulletin to the consensus committee and the consensus committee shall have 90 days to provide written comments thereon to the Secretary. If the consensus committee fails to act or if the Secretary rejects any significant views recommended by the consensus committee, the Secretary shall explain in writing to the consensus committee, before the bulletin becomes effective, the reasons for such rejection.

"(B) PROPOSALS.—The consensus committee may, from time to time, submit to the Secretary proposals for interpretive bulletins under this subsection. If the Secretary fails to issue or rejects a proposed bulletin within 90 days of its receipt, the Secretary shall be considered to have approved the proposed bulletin and shall immediately issue the bulletin.

"(C) EFFECT.—Interpretative bulletins issued under this paragraph shall become binding without rulemaking.

"(7) CONSENSUS COMMITTEE.—

"(A) PURPOSE.—The consensus committee referred to in paragraph (2) shall have as its purpose providing periodic recommendations to the Secretary to revise and interpret the Federal manufactured home construction and safety standards and carrying out such other functions assigned to the committee under this title. The committee shall be organized and carry out its business in a manner that guarantees a fair opportunity for the expression and consideration of various positions.

"(B) MEMBERSHIP.—The consensus committee shall be composed of 25 members who shall be appointed as follows:

"(i) APPOINTMENT BY PROCESS ADMINISTRATOR.—Members shall be appointed by the qualified technical or building code organization that administers the consensus standards development process pursuant to paragraph (2), subject to the approval of the Secretary.

"(ii) BALANCED MEMBERSHIP.—Members shall be appointed in a manner designed to include all interested parties without domination by any single interest category.

"(iii) SELECTION PROCEDURES AND REQUIREMENTS.—Members shall be appointed in accordance with selection procedures for consensus committees promulgated by the American National Standards Institute, except that the American National Standards Institute interest categories shall be modified to ensure representation on the committee by individuals representing the following fields, in equal numbers under each of the following subclauses:

"(I) Manufacturers.

"(II) Retailers, insurers, suppliers, lenders, community owners and private inspection agencies which have a financial interest in the industry.

"(III) Homeowners and consumer representatives.

"(IV) Public officials, such as those from State or local building code enforcement and inspection agencies.

"(V) General interest, including academicians, researchers, architects, engineers, private inspection agencies, and others.

Members of the consensus committee shall be qualified by background and experience to participate in the work of the committee, but members by reason of subclauses (III), (IV), and (V), except the private inspection agencies, may not have a financial interest in the manufactured home industry, unless such bar to participation is waived by the Secretary. The number of members by reason of subclause (V) who represent private inspection agencies may not constitute more than 20 percent of the total number of members by reason of subclause (V). Notwithstanding any other provision of this paragraph, the Secretary shall appoint a member of the consensus committee, who shall not have voting privileges.

"(C) MEETINGS.—The consensus committee shall cause advance notice of all meetings to be published in the Federal Register and all meetings of the committee shall be open to the public.

"(D) AUTHORITY.—Sections 203, 205, 207, and 208 of title 18, United States Code, shall not apply to the members of the consensus committee. Members shall not be considered to be special government employees for purposes of part 2634 of title 5, Code of Federal Regulations. The consensus committee shall not be considered an advisory committee for purposes of the Federal Advisory Committee Act.

"(E) ADMINISTRATION.—The consensus committee and the administering organization shall operate in conformance with American National Standards Institute procedures for the development and coordination of American National Standards and shall apply to such Institute to obtain accreditation.

"(F) STAFF.—The consensus committee shall be provided reasonable staff resources by the administering organization. Upon a showing of need and subject to the approval of the Secretary, the administering organization shall furnish technical support to any of the various interest categories on the consensus committee.

"(b) OTHER ORDERS.—The Secretary may issue orders that are not developed under the procedures set forth in subsection (a) in order to respond to an emergency health or safety issue, or to address issues on which the Secretary determines the consensus committee will not make timely recommendations, but only if the proposed order is first submitted by the Secretary to the consensus committee for review and the committee is afforded 90 days to provide its views on the proposed order to the Secretary. If the consensus committee fails to act within such period or if the Secretary rejects any significant change recommended by the consensus committee, the public notice of the order shall include an explanation of the reasons for the Secretary's action. The Secretary may issue such orders only in accordance with the provisions of section 553 of title 5, United States Code.";

(2) by striking subsection (e);

(3) in subsection (f), by striking the matter preceding paragraph (1) and inserting the following:

"(e) CONSIDERATIONS IN ESTABLISHING AND INTERPRETING STANDARDS.—The consensus committee, in recommending standards and interpretations, and the Secretary, in establishing standards or issuing interpretations under this section, shall—";

(4) by striking subsection (g);

(5) in the first sentence of subsection (j), by striking "subsection (f)" and inserting "subsection (e)"; and

(6) by redesignating subsections (h), (i), and (j) as subsections (f), (g), and (h), respectively.

SEC. 605. ABOLISHMENT OF NATIONAL MANUFACTURED HOME ADVISORY COUNCIL.

Section 605 (42 U.S.C. 5404) is hereby repealed.

SEC. 606. PUBLIC INFORMATION.

Section 607 (42 U.S.C. 5406) is amended—

(1) in subsection (a)—

(A) by inserting "to the Secretary" after "submit"; and

(B) by adding at the end the following new sentence: "Such cost and other information shall be submitted to the consensus committee by the Secretary for its evaluation.";

(2) in subsection (d), by inserting ", the consensus committee," after "public,"; and

(3) by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 607. INSPECTION FEES.

Section 620 (42 U.S.C. 5419) is amended to read as follows:

"SEC. 620. (a) AUTHORITY TO ESTABLISH FEES.—In carrying out the inspections required under this title and in developing standards pursuant to section 604, the Secretary may establish and impose on manufactured home manufacturers, distributors, and retailers such reasonable fees as may be necessary to offset the expenses incurred by the Secretary in conducting such inspections and administering the consensus standards development process and for developing standards pursuant to section 604(b), and the Secretary may use any fees so collected to pay expenses incurred in connection therewith. Such fees shall only be modified pursuant to rulemaking in accordance with the provisions of section 553 of title 5, United States Code.

"(b) DEPOSIT OF FEES.—Fees collected pursuant to this title shall be deposited in a fund, which is hereby established in the Treasury for deposit of such fees. Amounts in the fund are hereby available for use by the Secretary pursuant to subsection (a). The use of these fees by the Secretary shall not be subject to general or specific limitations on appropriated funds unless use of these fees is specifically addressed in any future appropriations legislation. The Secretary shall provide an annual report to Congress indicating expenditures under this section. The Secretary shall also make available to the public, in accordance with all applicable disclosure laws, regulations, orders, and directives, information pertaining to such funds, including information pertaining to amounts collected, amounts disbursed, and the fund balance.".

SEC. 608. ELIMINATION OF ANNUAL REPORT REQUIREMENT.

Section 626 (42 U.S.C. 5425) is hereby repealed.

SEC. 609. EFFECTIVE DATE.

The amendments made by this title shall take effect on the date of enactment of this Act, except that the amendments shall have no effect on any order or interpretative bulletin that is published as a proposed rule pursuant to the provisions of section 553 of title 5, United States Code, on or before that date.

The CHAIRMAN. Pursuant to the agreement of May 8, the gentleman from Indiana [Mr. ROEMER] will be recognized for 10 minutes in support of his amendment, and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from Indiana [Mr. ROEMER].

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

I offer this bipartisan amendment on behalf of myself, the gentleman from California [Mr. ROYCE], the gentleman from Texas [Mr. GONZALEZ], the gentleman from California [Mr. CALVERT], the gentleman from Minnesota [Mr. VENTO], and the gentleman from Florida [Mr. MCCOLLUM].

Mr. Chairman, nothing is more important to our American society, to our citizens, our consumers and our businesses than addressing the excessive cost of regulation. Nowhere is it more true and more accurate than its impact and its negative impact on the manufactured housing industry. Along those lines, 4½ months ago we sat down with Secretary Cisneros, with consumer groups, with Democrats and Republicans, and we started working out a way by which we can cut back on the cost to the manufactured housing industry of promulgating even simple new changes to regulatory laws and standards.

We came up with a very delicate balance here, this bipartisan bill. This bill will make it much easier to promulgate these regulations and standards because the consumers are at the table, the businesses are at the table, and it is not just Federal mandates coming out of HUD.

This is commonsense legislation whereby some people have always said regulations are the answer. Now, more and more in the last year we have heard no regulations should be out there. We are saying, let us come up with a third alternative, a new idea and bring Democrats and Republicans together.

Here is what AARP is saying, because so many senior citizens live in this affordable, quality housing and manufactured homes: I am writing to express the strong support of the American Association of Retired Persons for the Royce-Roemer amendment, which would establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes.

We have reached this balance with Secretary Cisneros and HUD and Democrats and Republicans, consumer groups, AARP, we have this delicate balance now. We would hope that this amendment would be passed, that we could get this onto this bill. We have indications that this will be supported in the Senate and by the President.

If, however, amendments are attached to this bill where we have not had hearings, where there is currently litigation and there are currently different issues before the courts, where there has been no input, no input into the very delicate and technical dialog that we have had with these groups over the last 4½ months, then we probably get nothing. We probably do not get this consensus committee. We probably do not get the ability to save the

consumer and the businesses the money. We probably do not get this new idea.

I would urge my colleagues to vote for the Roemer amendment, the Royce amendment, the Calvert amendment, the Gonzalez and Vento amendment and in the bipartisan fashion that we should be working together around here and to strongly reject any kinds of attempts to write legislation at the last minute on the floor without hearings and to support this in the sense of this is not going to cost the taxpayer one nickel. All of the money that puts forward this consensus committee comes from the industry.

I am very happy to propose this amendment on behalf of the gentleman from California [Mr. ROYCE] and myself.

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

The CHAIRMAN. Does any Member seek to control the time in opposition to the amendment?

Mr. LAZIO of New York. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from New York [Mr. LAZIO] is recognized for 10 minutes.

Mr. LAZIO of New York. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Indiana [Mr. MCINTOSH], and I ask unanimous consent that he be permitted to control the time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MCINTOSH. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this body recognized many years ago that manufactured homes fulfill a vital need in the American housing market. Manufactured homes always have been unique. They offer Americans an option to buy affordable housing. Manufactured homes make homeowners of hundreds of thousands of Americans who might otherwise be forced to rely on public assistance and forgo one of the basic elements of the American dream, a home of their own.

Now, in order to ensure both the safety and affordability of manufactured homes, Congress, in 1974, adopted the National Manufactured Home Construction Safety Standards Act. HUD has issued many standards but delivered very little in terms of consumer benefit under this act. It has imposed costs that in many ways have made manufactured housing unaffordable for those who could most benefit from this industry.

So today I rise in opposition to my colleague from Indiana's amendment.

AMENDMENT OFFERED BY MR. MCINTOSH AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ROEMER

Mr. MCINTOSH. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MCINTOSH as a substitute for the amendment offered by Mr. ROEMER:

At the end of the bill, insert the following new title:

TITLE VI—MANUFACTURED HOUSING CONSTRUCTION AND SAFETY STANDARDS CONSENSUS COMMITTEE

SEC. 601. REFERENCE.

Whenever in this title an amendment 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 that section or other provision of the Housing and Community Development Act of 1974.

SEC. 602. DEFINITIONS.

Section 603 (42 U.S.C. 5402) is amended—

(1) by striking paragraph (7) and inserting the following new paragraph:

"(7) 'Federal manufactured home construction and safety standard' means a reasonable performance standard for the construction, design, and transportation of a manufactured home which meets the needs of the public including the need for affordability, quality, durability, and safety;";

(2) in paragraph (12), by striking "and" at the end;

(3) in paragraph (13), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end thereof the following new paragraphs:

"(14) 'consensus committee' means the body established to provide periodic recommendations to the Secretary pursuant to the provisions of section 604;

"(15) 'consensus process' means the process by which the consensus committee, established pursuant to section 604, recommends to the Secretary any additions, revocations, and/or amendments to the Federal manufactured home construction and safety standards and any related interpretations;

"(16) 'transportation' means the movement of a manufactured home or manufactured home components from the manufacturing facility to a retailer's place of business or a location selected by the purchaser, and the movement of a manufactured home or manufactured home components from the retailers's place of business to a site selected by the home purchaser, where applicable; and

"(17) 'Secretariat' means the qualified technical or building code maintenance organization selected by the Secretary to administer the consensus process, and to appoint the members of the consensus committee established under section 604.".

SEC. 603. FEDERAL MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS.

(a) IN GENERAL.—Section 604 (42 U.S.C. 5403) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

"(a) ESTABLISHMENT.—

"(1) AUTHORITY OF SECRETARY.—The Secretary shall establish, by order, appropriate Federal manufactured home design, construction, transportation, and safety performance standards that shall be reasonable, practicable, objectively stated, and reflective of current developments in building standards and technology. The Secretary shall issue such orders pursuant to the consensus process described in this section.

"(2) ESTABLISHMENT OF CONSENSUS COMMITTEE AND PROCEDURES.—Not later than 180 days after the date of the enactment of the United States Housing Act of 1996, the Secretary, in accordance with all relevant statutes, regulations, orders, and directives pertaining to competitively bid procurement, shall enter into a contract with a qualified technical or building code organization to administer a consensus process as its secretariat and to establish a manufactured housing consensus committee and appoint the members of that committee. The performance of such secretariat shall be reviewed by the Secretary on a periodic basis. The consensus committee shall be exempt from the requirements of the Federal Advisory Committee Act. All meetings shall be open to the public, and advance notice of such meetings shall be provided in the Federal Register. Any final action by the consensus committee shall be taken only after notice to the public and opportunity for public comment in accordance with the provisions of section 553 and subchapter II of chapter 5 of title 5, United States Code.

"(3) SELECTION AND QUALIFICATIONS.—The consensus committee shall function, and its members shall be selected, in accordance with the procedures for consensus committees promulgated by the American National Standards Institute. Members of the consensus committee shall be qualified to participate in the work of the committee. The consensus committee and the secretariat organization shall be certified by the American National Standards Institute and shall be provided reasonable staff resources by the administering organization.

"(4) RESPONSIBILITIES.—The consensus committee established under this subsection shall be responsible for the maintenance and revision of the Federal manufactured home construction and safety standards, including the interpretation of such standards.

"(5) REVISIONS TO STANDARDS.—The consensus committee shall consider additions, deletion, and amendments to the Federal manufactured home construction and safety standards, as needed, over a 2-year cycle. The consensus committee, after notice and an opportunity for public comment, shall publish any proposed standards or revisions and notice of their submission to the Secretary, in the Federal Register. This notice shall describe the circumstances under which the proposed standards could become effective.

"(6) SECRETARY'S RESPONSE.—The Secretary may either adopt or reject the standards submitted by the consensus committee. A final order adopting such a standard, or rejecting such a standard, shall be issued by the Secretary no later than 180 days after the date the proposed standard or regulation is submitted to the Secretary by the consensus committee, and shall be published in the Federal Register. In the event that the Secretary rejects, in whole or in part, such a standard, such publication shall be preceded by publication of the proposed standard and the Secretary's proposed final order for public comment in accordance with section 553 and subchapter II of chapter 5 of title 5, United States Code.

"(7) FAILURE TO TAKE ACTION.—If the Secretary fails to take final action under paragraph (6) and publish notice of the action in the Federal Register within the required 180-day period, the recommendations of the consensus committee shall take effect 60 days after the 180-day period. Within 10 days after the expiration of the 180-day period, the consensus committee shall publish in the Federal Register notice of the Secretary's failure to act, the revised standards, and the effective date of the revised standards.

"(8) INTERIM EMERGENCY STANDARDS.—The Secretary shall have the authority at any

time to request that the consensus committee develop interim emergency performance standards or amendments to the standards, when necessary to respond to a health or safety emergency, as determined by the Secretary in writing. The consensus committee shall have 60 days to submit such proposed interim standards or amendments following a request by the Secretary.

"(9) WRITTEN INTERPRETATIONS.—Upon request from an interested party and after a finding that such an interpretation is reasonably necessary, the consensus committee shall submit to the Secretary written interpretations of the Federal manufactured home construction and safety standards. These interpretations shall become binding upon the completion of notice and comment rulemaking procedures by the Secretary in accordance with section 553 and subchapter II of chapter 5 of title 5, United States Code, which shall be instituted within 180 days of the Secretary's receipt of such an interpretation. The Secretary may reject, in whole or in part, an interpretation only upon a written finding that the interpretation is inconsistent with the purposes of this title.";

(2) in subsection (b)—

(A) by striking "All" and inserting "Except as expressly provided herein, all"; and

(B) by inserting "and subchapter II of chapter 5" after "section 553";

(3) in subsection (c), by striking "Each" and all that follows through "effect," and inserting the following: "Each order establishing, amending, deleting, or interpreting a Federal manufactured home construction and safety standard shall specify the date such standard, amendment, or interpretation is to take effect,";

(4) by striking subsections (d), (e), (f), and (g) and inserting the following new subsections:

"(d) PREEMPTION.—Except as may otherwise be expressly authorized by the provisions of this title, a State or local unit of government shall not establish, continue in effect, or enforce any standard pertaining to the design, construction, transportation, or safety of manufactured homes after the effective date of the United States Housing Act of 1996. The standards mandated by this title are deemed complete and exhaustive and shall supersede and preempt State and local law and regulations.

"(e) CONSIDERATIONS.—The consensus committee, in recommending performance standards and issuing interpretations, and the Secretary, in establishing such standards and standards interpretations under this title, shall—

"(1) consider relevant, reliable manufactured home construction and safety data, including the results of the research, development, testing, and evaluation activities conducted pursuant to this title, and those activities conducted by private organizations and other governmental agencies to determine how best to promote the purposes of this title;

"(2) consult with such State or interstate agencies (including legislative committees) as they deem appropriate;

"(3) consider whether any such proposed performance standard or standard interpretation is reasonable for the particular type of manufactured home or for the geographic region for which it is adopted;

"(4) consider the probable effect of such standard or standard interpretation on the cost of the manufactured homes to purchasers and potential purchasers; and

"(5) consider the extent to which any such standard or standard interpretation will contribute to carrying out the purposes of this title.";

(5) by redesignating subsections (h), (i), and (j) as subsections (f), (h), and (i), respectively;

(6) by inserting after subsection (f) (as so redesignated by paragraph (5) of this subsection) the following new subsection:

"(g) EVALUATION METHODOLOGIES.—Based on a finding of need, as determined in writing by the Secretary, the consensus committee may, in accordance with the provisions of this section, establish reasonable, cost-effective, uniform evaluation methodologies in order to determine compliance with existing standards, or may evaluate proposed methodologies."; and

(7) by adding at the end the following new subsection:

"(j) REQUIRED USE OF CONSENSUS PROCESS.—After the date of the enactment of the United States Housing Act of 1996, the Secretary shall not adopt or amend any standards or standards interpretations other than through the consensus process set forth in this section.".

(b) CONFORMING AMENDMENT.—Section 610 (42 U.S.C. 5409(a)(6)) is amended by striking "subsection (h)" and inserting "subsection (f)".

SEC. 604. INSPECTION FEES.

Section 620 (42 U.S.C. 5419) is amended to read as follows:

"INSPECTION AND COLLECTION AND UTILIZATION OF FEES

"SEC. 620. (a) ESTABLISHMENT.—The Secretary may establish and impose, on manufactured home manufacturers, distributors, and dealers, a reasonable fee to offset the necessary expenses incurred in conducting the inspections required by this title and the expenses incurred by the consensus committee in performing its duties under this title. Such fees shall be established and/or modified pursuant to notice and comment rulemaking in accordance with section 553 and subchapter II of chapter 5 of title 5, United States Code.

"(b) USE.—Fees collected pursuant to this title shall be deposited in a dedicated fund and shall be expended only for the functions specified in subsection (a), and shall be subject for expenditure only to the extent approved in an appropriations Act. The Secretary shall provide an annual report to the Congress specifying expenditures of these funds. The Secretary shall also make available to the public, in accordance with all applicable disclosure statutes, regulations, orders, or directives, information pertaining to such funds, including but not limited to, information pertaining to amounts collected, amounts disbursed, and the fund balance.".

Mr. McINTOSH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. McINTOSH. Mr. Chairman, I think it is important that the substitute amendment be added to this bill for three reasons.

First, HUD has simply failed to write commonsense building standards and my colleague's amendment, as well intended as it is, does not do anything to remove the discretion from HUD in setting forth those standards. HUD has consistently failed to consider the technological changes in the industry and building materials, often specifies very bureaucratic specific standards rather than a more common sense performance-based approach that would allow the engineers in the industry to develop the most affordable ways of providing for safe and effective housing.

I would like to share with my colleagues two examples of this. I was conducting a field hearing in Florida and heard testimony about wind regulations there that were developed in such a way that they increased the cost of affordable housing of a $30,000 home by $3,000. That is a 10-percent increase. Many people are no longer able to afford those houses because of those regulations that were not necessary because they go beyond the local requirements for site built housing.

Another example was HUD regulations on insulation. When the insulation industry came to them and asked them to increase the standards beyond what was necessary for energy efficiency, the average cost of a $28,000 rose to $2,100, again nearly a 10-percent increase passed on to the consumer who could no longer afford to buy the houses.

The second reason is that my amendment would give us a very real consensus committee. The consumer groups, the environmental groups, the industry groups would all be included in the new consensus committee. Unfortunately, my colleague's amendment does not require HUD to use the advice of this consensus committee in developing regulations where my substitute would require that the agency do that.

The third reason and the final point is that my substitute would require that all of HUD's spending in this area go through the regular appropriations process. Currently, HUD is able to accumulate funds from the industry and disburse them in ways that are not supervised by this Congress. My amendment would take care of that by requiring that these funds go through an appropriations bill.

The amendment is fair. It is a genuine effort to get to commonsense regulations. It is supported by the Manufacturing Housing Institute in Louisiana, Alabama, and Texas. It is supported by many of the manufacturers in our home State. I would urge my colleagues today to vote for my substitute so that we can have a real consensus committee at work and have an opportunity to get to commonsense regulations.

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

Mr. McINTOSH. I yield to the gentleman from Indiana.

□ 1630

Mr. ROEMER. The gentleman mentioned that he is trying to be inclusive

of these consumer groups. Has he worked with any of those consumer groups, and why are they opposed to his legislation?

Mr. McINTOSH. I am not exactly sure why they are opposed to these groups. The provisions that we would have in our substitute would require HUD to include them in making the regulatory recommendations. The difference is that the consumer groups would not be able to do an end run around the consensus committee and ask the Secretary to ignore its recommendation.

Mr. ROEMER. Mr. Chairman, if the gentleman would yield further, I would just say to the gentleman that, in relation to wind standards, that he very articulately discussed on his time that the gentleman from California [Mr. CALVERT] and I were in Congress before the gentleman from Indiana, and we worked very closely with the industry and very closely with HUD to address that problem, and I think my colleague would find that the manufactured housing industry was very pleased, after going through very rough treatment from HUD, what we were able to accomplish in terms of getting commonsense solutions to that wind standard that they initially promulgated.

This consensus committee that we have developed in our bipartisan legislation with HUD will prevent that kind of fiasco from happening again.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CALVERT], an original cosponsor of the legislation.

Mr. CALVERT. Mr. Chairman, I rise today in opposition to the McIntosh amendment and certainly in favor of the Roemer-Royce amendment to the United States Housing Act. The McIntosh amendment is a poison pill meant to kill this commonsense reform that we are working on.

The McIntosh amendment is certainly opposed by HUD. But more importantly, the great majority, the great majority of the industry, the manufactured industry here in the United States, is also in opposition, along with many, many consumer groups. It is an unworkable proposal that flies in the face of this Congress's efforts to return authority to State and local governments.

It is of particular concern to California as the McIntosh language would more than likely prevent local governments from allowing fire sprinklers in manufactured housing, a great concern in my area, and as the gentleman from Indiana [Mr. ROEMER] mentioned, the problem we have had with wind and sheer in the Florida area, we could have had that resolved if this committee was in effect earlier.

On the other hand, the Roemer-Royce amendment has broad bipartisan support and the backing, as I mentioned earlier, of industry, HUD and consumers. It creates a committee consisting of manufacturers, consumers, public officials and other interest groups. This committee will develop standards for manufactured housing in partnership with the HUD secretary.

Let us not lose an opportunity to enact commonense reform. Reject the poison-pill McIntosh amendment and support the bipartisan Roemer-Royce-Calvert proposal.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MCCOLLUM].

Mr. MCCOLLUM. Mr. Chairman, I rise in reluctant opposition to the McIntosh amendment, but in strong support of the Roemer underlying proposal. I think what we have here is an opportunity today to be able to do something for manufactured housing that has been needed for a long time.

It is absolutely necessary that we have a consensus committee. It has to be established. I do not think any of us disagree with that fact. HUD, the consumer groups, everybody understands that.

The manufactured housing, affordable housing for everybody, is very, very important in the State of Florida as it is in California and in much of the country today. Many low- and middle-income Americans are very dependent on it, and it is time that we have the benefit and the knowledge and the input of the building codes and standards for the most knowledgeable people possible in the industry. This amendment, the underlying amendment, would guarantee a balance among the various interests that are involved.

We must reform the current process that HUD uses to develop the construction and safety standards for manufactured homes because, simply put, it does not work right now. The consensus committee that the Royce-Roemer amendment establishes will streamline the regulatory process and accept input from members of the industry, consumer groups, and HUD, but it will not go as far as the McIntosh amendment does.

I question whether the McIntosh amendment is constitutional. Specifically, his proposal would require the Secretary to either adopt without modification or reject the consensus committee's proposal, and that action must be further to notice and comment rulemaking even though a full administrative record has already been produced.

It also precludes the Secretary from acting on his own, even when the consensus committee fails to act in a timely manner. It creates roadblocks to timely implementation of code interpretations needed to resolve uncertainties that arise in planned inspections, and the Secretary, under the McIntosh amendment, would have no ability to insure that membership of the private consensus committee to whom the Federal authority is being delegated represents all the interests.

It is defective in a number of ways is what I am saying, and as much as I respect the gentleman from Indiana who has offered it, Mr. MCINTOSH, I respect this gentleman's amendment as the one that the industry groups support. The AARP supports it. I support it. I think that most of our colleagues should reject Mr. MCINTOSH's stronger, tougher, if he wants to call it, version in light on the fact we have something with the Roemer proposal that really will work.

Mr. Chairman, we need to get on with it, and as the gentleman from California said, unfortunately probably the McIntosh amendment is a killer amendment to what we are trying to do.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from the great State of Florida [Mr. STEARNS], where so many New Yorkers reside.

Mr. STEARNS. I thank my colleague for yielding this time to me.

Mr. Chairman, this is a tough call, and I want to say frankly I am one of the original cosponsors of the Roemer amendment, and I support what he was doing until I had a better understanding what the gentleman from Indiana [Mr. MCINTOSH] is doing.

So I say to my colleagues, let me just say how I view it: That the gentleman from Indiana [Mr. MCINTOSH] has done something here which to the manufacturing home industry in itself is perhaps something they want more than the Roemer amendment, but the Roemer amendment has a chance in the sense there is a lot of consensus, a lot of people that favor it up here in Washington. In the beltway a lot of people think this is the best thing to do.

But if my colleagues go back to my home congressional district, in fact if they go back to Nobility Home and they talk to Terry Trexler, who is the president of this company who has struggled in the trenches with this regulation and has dealt with this for years, he says he would rather have the McIntosh amendment than the Roemer amendment.

So what we have here basically is we have an amendment which will affect the people who are working in the industry better than the Romer amendment, so I say to my colleagues reluctantly I would like them to support the McIntosh amendment. I think it is a better thing to do, and I think overall that this will bring a little bit more sense to the industry, and in fact this is something on the Senate side, as I understand, and I might have a colloquy with the gentleman from Indiana [Mr. MCINTOSH] if I could get his attention.

I would ask the gentleman from Indiana, if I can take a moment, can he tell me on the Senate side what kind of bill

they have? Does it closely parallel the gentleman's or the gentleman from Indiana, Mr. ROEMER's?

Mr. McINTOSH. Mr. Chairman, if the gentleman will yield, it is my understanding that the lead sponsors of this bill in the Senate have one that is much closer to my legislation, actually a little bit stronger in its terms, and therefore the likelihood of this in conference coming out closer to the terms of my amendment is much greater, and it is my opinion that HUD would not recommend a veto of this legislation simply because of this provision. So that politically ours has the greatest chance of surviving and, in fact, does much more for the employees and the manufactured housing industry.

Mr. STEARNS. Let me conclude, Mr. Chairman, by just reading a final sentence from this letter that Nobility Homes sent to me. It says, "The employees of our subsidiary, in addition, endorse this bill as much better for the industry and for the consumer."

Mr. ROEMER. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from California [Mr. LEWIS], a member of the Committee on Appropriations.

Mr. LEWIS of California. Mr. Chairman, I appreciate the gentleman yielding me the time.

I want to especially express my appreciation to my friend, the gentleman from California [Mr. CALVERT], who brought this amendment to my attention in the first place. In our region in southern California, manufactured housing is a very important employer and a great supplier. A very, very significant percentage of the industry is from our region.

There is no question that the industry is going to thrive and survive better if there is a consensus agreement. There is no doubt it is a major employer in our region that provides first-time home opportunity for many, many a family in southern California.

There is absolutely no doubt in my mind's eye that the Mcintosh amendment in its current form could be a killer amendment. On the other hand, the gentleman from Indiana [Mr. McINTOSH] has indicated that the Senate has a bill that is closer to him. So it is logical to have the Calvert-Roemer amendment go forward so we have a reasonable discussion in conference.

I urge the Members to vote against the McIntosh amendment and for the Roemer amendment.

Mr. ROEMER. Mr. Chairman, I yield 30 seconds to the gentleman from Minnesota [Mr. VENTO], a very distinguished member of the committee and a very, very hard-working Member of Congress.

Mr. VENTO. I thank the gentleman for yielding this time to me, and I rise in opposition to the McIntosh amendment and in favor of the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The fact is that I think Mr. ROEMER'S amendment strikes policy of consensus. The issue with McIntosh is that it cuts off the authority at the local level to control manufactured housing and it cuts off the ability of HUD to control manufactured housing at the other end, and so obviously some manufacturing housing advocates or manufacturers think that is the way to go. No big surprise. But that means it is not controlled from the Federal side, it is not controlled locally, but who does control it? We do have some responsibility.

I mean this is the dilemma we have had. We have got to leave some balance in this policy, and I think that the amendment offered by the gentleman from Indiana [Mr. ROEMER] strikes that balance. There is no question about it, but there has been discrimination against this manufactured housing based on regulatory and zoning policies. The way to right that is to follow and pass the Roemer-Calvert amendment. That's the best and positive proposal that has been hammered out and deserves the support of the House.

Mr. LAZIO of New York. Mr. Chairman, I reserve the balance of my time.

Mr. ROEMER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I would conclude by saying that people across America are asking us here in Congress to not say that regulations and 9-story buildings with bureacrats are the answers to our problems. We do not do that with this amendment. It is a consensus committee of consumers, supported by the Secretary of HUD. It is supported by the manufactured housing institute that comprises about 70, 75 percent of the industry. It is strongly supported by the consumer groups and the American Association of Retired People.

Now, the gentleman from Florida [Mr. McCOLLUM] and the gentleman from California [Mr. LEWIS] and others, very distinguished members of the Republican Party, have said that the McIntosh amendment will kill any ability for this Roemer-Royce bipartisan bill to be signed into law.

We need to accomplish commonsense reform for our industry, for our consumers, and for the sake of this country to compete in a global environment. I urge my colleagues to support the bipartisan Roemer-Royce-Calvert-Vento amendment and defeat Mr. McINTOSH'S amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield the remaining 3 minutes of my time to the distinguished gentleman from Indiana [Mr. McINTOSH].

Mr. McINTOSH. Mr. Chairman, first let me commend my colleague from New York for bringing this entire bill forward and the incredibly good work that he and his committee have done, and let me assure him that when my amendment is added to this bill, it will in no means make it less likely that it is to be signed by the President.

The last time I checked, the consumer groups were not the ones controlling the Senate or the conference and that in fact this amendment is most likely to come through the Senate and the House conference intact and survive in order to provide real relief for the owners and purchasers of these manufactured housing.

Bottom line is, my amendment would put real teeth into regulatory relief, would require common sense to be used by HUD in developing standards for safe manufactured housing, would avoid the disastrous regulations in the past that have increased the cost of this housing by 10, 20 percent at a leap, and would finally do something for working men and women in this country who want a chance to have the American dream, to afford their own home, many of them for the first time.

□ 1645

We need to pass this amendment for their sake. Mr. Chairman, I include for the RECORD a letter from Mr. Jim Shea, who lives in the district of the gentleman from Indiana [Mr. ROEMER]. He indicated that it is his belief that the proposed consensus committee in my colleague's amendment would not improve the process, and might in fact seriously set back the effort to have reasonable regulation.

I also include for the RECORD the letter referred to by the gentleman from Florida [Mr. STEARNS] from Nobility Homes in Ocala, Florida.

The letters referred to are as follows:

FAIRMONT HOMES, INC.,
Nappanee, IN, May 3, 1996.

Hon. TIMOTHY ROEMER,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN ROEMER, I appreciated the time that your legislative staff person, Ms. Katherine Graham, spent on the phone with me this week regarding the proposed legislative changes to the National Manufactured Home Construction and Safety Standards Act that you may sponsor. I thought that because of the length of our discussion, I should provide a written summarization of the grave concerns that we, as well as numerous other manufacturers, have with the proposed legislative language.

CONSENSUS COMMITTEE

As we recently discussed, the Industry has sought for some time to gain the benefits of a good consensus committee process to update the regulations on a reasonable basis. Unfortunately, it is my belief that the proposed consensus committee structure will result in no improvement in the process, and may result in a serious setback to reasonable regulation.

(1) I understand that consensus committee proposals would be subject to rejection or modification if the Secretary deems them to be "inconsistent with the purposes of Title VI." Ms. Graham stated that if the Secretary wanted to modify a committee approved regulation, the modification would have to go through rulemaking. While this is true as far as it goes, upon further consideration of the proposed legislation it is apparent that the Secretary, under section 604(6), could selectively reject portions of a proposed regulation without ever engaging in notice and

comment rulemaking. Through such selective rejection of only portions of a proposed standard, the Secretary could unilaterally change the substance of an entire standard. In addition, under section 604(8)(b), the Secretary is authorized to circumvent the consensus process altogether, and issue his own standards upon a finding of an emergency, or a finding that "the consensus committee will not make timely recommendations." It is important to note that this exception to consensus standards-development is phrased in the disjunctive. Thus, the secretary could totally bypass the consensus committee, even in the absence of an emergency, and could preempt committee deliberations and debate over the most controversial issues by the simple expedient of declaring the committee incapable of rending a "timely" recommendation and forcing through a standard of his own design.

(2) The new legislative language appears to totally remove the current notice and comment requirements for interpretative Bulletins. Ms. Graham said that the committee would have full review of the Interpretative Bulletins before issuance, but she was unsure if the Secretary would have to go through rulemaking on the interpretative Bulletins. If the Secretary chose to modify Interpretative Bulletin language as it came out of the committee. I noted that the overreaching use by HUD of Interpretative Bulletins in the past had created great consternation in the industry and any system that made it easier to make de facto changes in the regulations through Interpetative Bulletins would be totally unacceptable. In fact any change that is undertaken should effectively eliminate the confusion and extra costs caused by Interpretative Bulletins.

I have other general concerns over language relating to consensus committee formation. One of the most important is my understanding that the Secretary is not required to enter into a contract with the administrative organization and would therefore not be subject to administrative rules regarding full and fair competition and that the Secretary could replace the consensus committee administrative organization upon a mere finding "of need." Our research on the contractor selection process revealed apparent unfairness of monitoring contractor selection by HUD over the years. Considering the problems we have seen in monitoring contractor selection where HUD is supposedly constrained by administrative rules regarding full and fair competition, it is obvious there would be no fair process of administrator selection and evaluation with the inadequate provisions of the proposed legislation.

ACCOUNTABILITY

As I mentioned to Ms. Graham, any change in the Act must increase the accountability of HUD for expenditures of fees, and ensure that the formation of the consensus committee is not used as a means for HUD to unreasonably raise fees or use them for expanded purposes. A lack of accounting by HUD for industry fee use has been a problem since the program's inception. As you know, HUD has a historically poor record of providing the annual reports to Congress on expenditures and other aspects of the Federal program that are currently required by the Act.

I asked Ms. Graham why the new language did not require the application of the appropriation process to section 620 to require HUD to properly account for expenditures both in the consensus committee areas and in all areas. She said that subjecting HUD to the appropriation process would result in negatives for the industry, especially during budgetary battles such as those experienced this past year. My sense is that many other crucial areas of the government were impacted by the budgetary impasse, yet continued to function adequately. I don't see how it would be different for our program.

Ms. Graham stated that it was her understanding that any changes in fees would be subject to rulemaking, but I did not find any language in the proposal that supports this requirement.

PREEMPTION

As you know, HUD has, over recent years, reduced the strength of its application of the preemptive language in the Act. The preemptive language is very important for two reasons:

(1) The language enables the cost effectiveness of manufactured housing by permitting manufacturing standardization. The efficiency of standardization is the basis for our industry as the sole provider of affordable, non-subsidized housing.

(2) Without preemption, the status of the Third District as one of the top loci for the manufactured housing industry would likely to come to an end, causing a severe impact on employment in the district.

Ms. Graham responded that while she recognized the importance of the preemption issue, there would likely be great political difficulties with strengthening the preemptive language in the Act this year. However, it is our position that strengthening the language would only result in a return to the level of federal preemption originally envisioned by the sponsors of the 1974 Act.

Summarizing, we listened to your advice that we reduce the scope of any reform to the Act this year due to the limited legislative agenda this year. Hence, our expectations were scaled back. However, we cannot endorse proposed legislation that would effectively give HUD veto power over the membership of the consensus committee; allow HUD to replace the administering organization at will; allow HUD to selectively veto discrete portions of proposed standards without rulemaking; and, ultimately bypass the consensus process itself. We believe any changes to the Act that do not result in 1) a more effective regulatory process through a properly structured consensus committee, 2) more accountability by HUD for expenditures of fees in the program, and 3) strengthening of preemptive language to ensure the protection of jobs in the Third District are not worthy of your efforts.

Sincerely,

JAMES F. SHEA,
Executive Committee Chairman.

NOBILITY HOMES, INC,
Ocala, FL, May 9, 1996.

DEAR REPRESENTATIVES STEARNS: It is my understanding that Representative McIntosh of Indiana will be introducing a substitute amendment to the "Roemer-Ryce" Amendment on manufactured housing.

All the employees of Nobility Homes, Inc. urge you to support this amendment. Also, all the employees of our subsidiary, Prestige Home Centers, Inc., the largest retailer of manufactured home in Florida, with a sales center in your district, urge you to support this amendment. It is much better for the industry and the consumer.

Sincerely,

TERRY TREXLER,
President.

Mr. Chairman, this amendment is good for all concerned. It brings consumers and environmentalists to the table, it helps protect consumers for the cost of unnecessary regulation. It allows us to go forward in a commonsense way in developing safety regulations for manufactured housing, America's best hope for affordable housing in this country.

Mrs. SMITH of Washington. Mr. Chairman, I rise in support of the Roemer-Royce amendment to the U.S. Housing Act of 1996 (H.R. 2406). This amendment establishes a consensus committee which will be responsible for the revision and interpretation of Federal manufactured housing construction and safety performance standards. This committee will be made up of all interested parties including industry, consumers, and government. This is an excellent opportunity to bring common sense back to the regulatory process.

Manufactured housing is an important industry and a large employer in my district in places like Woodland and Chehalis. This industry fulfills a vital need for people who want to live the American dream of home ownership. Unfortunately, onerous regulatory requirements have precluded some from achieving this dream. I support the amendment because it takes a significant step toward providing regulatory relief for the Federal manufactured housing program. Moreover, by removing these regulatory burdens we will increase the availability of affordable housing.

I urge my colleagues to support manufactured housing and to support the amendment.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Indiana [Mr. MCINTOSH] as a substitute for the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to the bill?

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to the rule, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendments offered by the gentlewoman from New York [Ms. VELÁZQUEZ], and an amendment offered by the gentleman from Illinois [Mr. DURBIN].

AMENDMENTS OFFERED BY MS. VELÁZQUEZ

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendments offered by the gentlewoman from New York [Ms. VELÁZQUEZ] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendments.

The Clerk redesignated the amendments.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. The Chair points out pursuant to House Resolution 426 the next vote in this series will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 126, noes 297, not voting 10, as follows:

[Roll No. 157]

AYES—126

Abercrombie
Ackerman
Barrett (WI)
Becerra
Beilenson
Berman
Bishop
Bonior
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coyne
Cummings
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Durbin
Engel
Evans
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Furse
Gibbons
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hilliard
Hinchey
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kildee
Kleczka
LaFalce
Lewis (GA)
Lofgren
Lowey
Maloney
Manton
Markey
Matsui
McCarthy
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Mink
Moakley
Nadler
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Rahall
Rangel
Richardson
Rivers
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schumer
Scott
Serrano
Skaggs
Slaughter
Stark
Stokes
Studds
Tejeda
Thompson
Thornton
Torres
Towns
Velazquez
Vento
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates

NOES—297

Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Brewster
Browder
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLay
Dickey
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Johnston
Jones
Kaptur
Kasich
Kelly
Kennelly
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Luther
Manzullo
Martinez
Martini
Mascara
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Packard
Parker
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thurman
Tiahrt
Torkildsen
Traficant
Upton
Visclosky
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—10

Bevill
English
Houghton
Laughlin
Molinari
Paxon
Schroeder
Smith (TX)
Torricelli
Weldon (PA)

□ 1707

Mr. KASICH and Ms. ESHOO changed their vote from "aye" to "no."

Mr. MARKEY and Mr. MATSUI changed their vote from "no" to "aye."

So the amendments were rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DURBIN

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Illinois [Mr. DURBIN] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 106, noes 318, not voting 9, as follows:

[Roll No. 158]

AYES—106

Abercrombie
Ackerman
Andrews
Baldacci
Barrett (WI)
Beilenson
Berman
Boehlert
Bonior
Borski
Brown (OH)
Bryant (TX)
Cardin
Coleman
Conyers
Coyne
Cummings
Davis
DeLauro
Dellums
Dicks
Doggett
Dunn
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fawell
Fields (LA)
Filner
Flake
Foglietta
Ford
Furse
Gejdenson
Gibbons
Gutierrez
Hall (OH)
Harman
Hinchey
Horn
Jackson-Lee (TX)
Johnson, E. B.
Johnston
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
LaFalce
Lantos
LaTourette
Leach
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martini
Matsui
McCarthy
McDermott
McKinney
McNulty
Meehan
Menendez
Millender-McDonald
Miller (CA)
Moakley
Moran
Morella
Nadler
Neal
Neumann
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Porter
Quinn
Reed
Regula
Rivers
Rose
Sawyer
Schumer
Shays
Skaggs
Slaughter
Stark
Stokes
Studds
Torres
Towns
Ward
Waxman
Woolsey
Wynn
Yates
Zimmer

NOES—318

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
de la Garza
Deal
DeFazio
DeLay
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fazio
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood

Gunderson	McCollum	Scarborough
Gutknecht	McCrery	Schaefer
Hall (TX)	McDade	Schiff
Hamilton	McHale	Scott
Hancock	McHugh	Seastrand
Hansen	McInnis	Sensenbrenner
Hastert	McIntosh	Serrano
Hastings (FL)	McKeon	Shadegg
Hastings (WA)	Meek	Shaw
Hayes	Metcalf	Shuster
Hayworth	Meyers	Sisisky
Hefley	Mica	Skeen
Hefner	Miller (FL)	Skelton
Heineman	Minge	Smith (MI)
Herger	Mink	Smith (NJ)
Hilleary	Mollohan	Smith (WA)
Hilliard	Montgomery	Solomon
Hobson	Moorhead	Souder
Hoekstra	Murtha	Spence
Hoke	Myers	Spratt
Holden	Myrick	Stearns
Hostettler	Nethercutt	Stenholm
Hoyer	Ney	Stockman
Hunter	Norwood	Stump
Hutchinson	Nussle	Stupak
Hyde	Oberstar	Talent
Inglis	Obey	Tanner
Istook	Ortiz	Tate
Jackson (IL)	Orton	Tauzin
Jacobs	Oxley	Taylor (MS)
Jefferson	Packard	Taylor (NC)
Johnson (CT)	Parker	Tejeda
Johnson (SD)	Payne (VA)	Thomas
Johnson, Sam	Peterson (FL)	Thompson
Jones	Peterson (MN)	Thornberry
Kanjorski	Petri	Thornton
Kasich	Pickett	Thurman
Kelly	Pombo	Tiahrt
Kildee	Pomeroy	Torkildsen
Kim	Portman	Traficant
King	Poshard	Upton
Kingston	Pryce	Velazquez
Kleczka	Quillen	Vento
Klink	Radanovich	Visclosky
Klug	Rahall	Volkmer
Knollenberg	Ramstad	Vucanovich
Kolbe	Rangel	Walker
LaHood	Richardson	Walsh
Largent	Riggs	Wamp
Latham	Roberts	Waters
Lazio	Roemer	Watt (NC)
Lewis (CA)	Rogers	Watts (OK)
Lewis (KY)	Rohrabacher	Weldon (FL)
Lightfoot	Ros-Lehtinen	Weller
Lincoln	Roth	White
Linder	Roukema	Whitfield
Lipinski	Roybal-Allard	Wicker
Livingston	Royce	Williams
LoBiondo	Rush	Wilson
Longley	Sabo	Wise
Lucas	Salmon	Wolf
Manzullo	Sanders	Young (AK)
Martinez	Sanford	Young (FL)
Mascara	Saxton	Zeliff

NOT VOTING—9

Bevill	Molinari	Smith (TX)
Houghton	Paxon	Torricelli
Laughlin	Schroeder	Weldon (PA)

□ 1718

Messrs. RANGEL, UPTON, HASTINGS of Florida, Ms. VELÁZQUEZ, and Mrs. COLLINS of Illinois changed their vote from "aye" to "no."

Mr. BALDACCI changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today because I have some real concerns about how the Republican majority of this body treat those of our citizens who are most vulnerable.

H.R. 2406 the United States Housing Act of 1995 in its final form will repeal the Brooke amendment which established a flat rent of 30 percent of income for residents of all public housing and assisted housing. This provision protected the most vulnerable residents of public housing and later those with Section 8 assistance from paying too high a percentage of their income in rent.

This bill will establish minimum rents of $25 to $50 a month without any consideration of a family's income. In my State of Texas, the impact would be felt by 33,949 poor families who will have to pay more for a place to call home.

H.R. 2406 will also give housing authorities the power to demolish apartments without any consideration for the residents or their rights. In my district, the residents of the Allen Parkway Village have been completely removed from the decision making process by local public housing authority which may have been too emersed in its day-to-day operation to remember that their policy affects real people.

I have consistently argued that the residents of public housing must be involved in any plan to rehabilitate or demolish their homes. Residents must also be given the opportunity to contest the actions of a housing authority through due process with an adequate appeals procedure.

Having a place to call home, no matter how modest, is a cornerstone of the American Dream, it is the goal of every family.

Do we suspend the right to life, liberty and property because an individual earns the minimum wage or less? The Federal Government created and supports an affordable public housing program because there is a need. The current supply of housing is clearly deficient when we consider the thousands of homeless families that inhabit shelters in our Nation.

Today, we should be codifying the American Dream, making it a right for all of our country's families to have access to an affordable place to call home. It would be the right thing to do and it is what the American people deserve.

Does this body consider an individual's opinion of no value or their voice silent if they are poor and reside in public housing. A home is not just a place to live it is also a place where people should and must have a voice. For residents of Allen Parkway Village in Houston, TX, what we do here today is very relevant and very real to their democratic rights as residents of public housing.

Citizens of this country no matter what their economic standing must have a right to be heard and to have due process. It is a shame that the Republican majority brought this piece of legislation before the House for consideration without insuring that these rights were guaranteed to the residents of public housing.

Do we not want to maintain a reliable supply of affordable housing for our Nation's poor? I believe we do, the Houston Housing Authority has several fine examples of providing good housing for Houstonians. More can be done including the providing of affordable housing for low-income citizens; however total abdication of Federal responsibility in public housing is clearly unwise.

The Congress should not in its shortsightedness or insensitivity toward the poor, in public housing policy making, create one additional homeless family.

When you are the poor of the poor, then you have a perspective that few of us in this chamber have ever known or will know. That should not, however, stop us from having common sense or compassion about what is fair or what is right.

I would caution us before this vote with a metaphor using words from Langston's Hughe's poem, "As I Grew Older".

It was a long time ago. I have almost forgotten my dream. But it was there then, In front of me, Bright like a sun—My dream. And then the wall rose, Rose slowly, Slowly, Between me and my dream. Rose slowly, slowly, Dimming, Hiding, The light of my dream. Rose until it touched the sky—

The wall is the legislation we pass that affect the poor and the dream is affordable housing.

Mr. KLECZKA. Mr. Speaker, I would like to express my serious reservations about the elimination of the service coordinators authorization under H.R. 2406, the U.S. Housing Act.

The service coordinators program was established in 1992 in response to a desperate need in our Nation's public housing. At that time, elderly and disabled residents were being placed into public housing together. The differences between the needs and lifestyles of these two populations were leading to fear and distrust. In a few cases, violence even broke out.

To help ease these tensions and ensure that all residents were receiving the medical, psychological, social and other services they needed, we developed the service coordinators program. When the grant was first announced, competition for these funds was intense. Cities all across the Nation recognized that this program would allow them to address resident issues in a coordinated, comprehensive manner.

This program has accomplished a tremendous amount at a very low cost. In my hometown of Milwaukee, there has been a sea change in the atmosphere at public housing complexes where service coordinators were sent. Our local paper, the Milwaukee Journal-Sentinel, reported that originally, "the only older people living in Milwaukee's public housing towers were those who had no other options." However, after service coordinators were established, "Within months, the social workers and nurses * * * had made major inroads in easing tensions, helping residents get to know one another and linking those who were sick or abusing alcohol or drugs to the help they needed."

I am deeply concerned that the block grant established under H.R. 2406 will force housing authorities to make difficult funding choices that will result in the elimination of service coordinators. Too often, social services cannot compete against needs like housing repairs and operating costs. It would be truly tragic if the programs we have made is erased simply because the funding stream is eliminated. We know what the problem has been, and we have designed a solution that works. It troubles me deeply that this bill may effectively destroy that solution, and all the hard-won advancements in mixed population housing.

Mr. Speaker, if service coordinators are eliminated, I will be watching closely to determine whether the sort of backsliding I have described occurs in the future. It if does, you may be certain that I will propose reinstating this critical program.

Mrs. MINK of Hawaii. Mr. Chairman, I rise in opposition to H.R. 2406, the "United States Housing Act of 1996."

How many times have you heard visitors from foreign counties express their astonishment at the wealth gap between individuals in this country living within the same communities. They see slums a quarter of a mile away from mansions. They see the homeless panhandling in front of luxury hotels. They see a husband and wife with their two children standing at a freeway entrance holding a sigh that says "Homeless-will work for food," as a $50,000 sports car goes by.

It it one thing to want all the riches of the world, but for many it is a struggle just to provide a home for their family. Is that too much to ask? What happened to the American dream? Everyone in Congress claims to be sympathetic to those in need of housing assistance, still, H.R. 2406 makes changes contrary to what I believe to be our public housing assistance goals. Low-income individuals should not be forced to decide between rent for housing and other primary needs.

H.R. 2406 establishes a minimum rent requirement eliminating current standards which cap tenant rents to 30 percent of adjusted gross income. All public housing assistance recipients would be required to pay at least $25 per month. The result would be that vulnerable, very low-income tenants will be required to contribute a large percentage of their incomes to rents.

Proponents of this bill argue that the minimum rent level is meager, however, for someone who makes minimum wage and earns less than $9,000 per year, $300 is a big chunk of income. It is even more frightening for someone dependent on Social Security. What does this new charge mean to them? What does it mean to the disabled? What does this mean to their children?

I believe this proposal could send vulnerable low-income tenants into the street. I urge that the minimum rent level be removed and that the current 30 percent of adjusted income cap for rents be maintained.

Additionally, this bill eliminates regulations that directs public housing assistance to the most vulnerable. H.R. 2406 does not reserve any Section 8 assistance for very low-income families. Moreover, it only requires 25 percent of public housing units to be reserved for the very low-income families as compared to current standards requiring 85 percent. I believe the very low-income should be a principal concern and we should be cautious to allocate scarce resources to those with minimal need.

I sincerely believe that all of us in Congress have compassion for those who lack adequate housing. I believe we all care about low-income families and the homeless.

I do not, however, believe dumping responsibility on States in the form of Block Grants is the solution; nor is removing regulations that direct assistance to very low-income families; nor is requiring very low-income tenants to pay minimum rents, forcing many to choose between health, food or rent.

Reform of the Department of Housing and Urban Development is necessary, but H.R. 2406 misses the mark, ignoring our obligation to the most vulnerable populations while unloading the Federal burden by dumping it on the States. This is not the policy that we should be pursuing.

Visitors from other countries are astonished to see the contrast in housing conditions between the rich and the poor in the United States. Why aren't we? I know the Federal Government doesn't have all the answers, but neither do the States. Therefore, the Federal Government must continue to play a significant role in insuring that housing needs of our country are met. We must work together to make the most efficient use of our resources and I sincerely do not believe this bill does that.

Unless drastic changes are made to H.R. 2406, I urge a "no" vote on this bill.

Mr. TOWNS. Mr. Chairman, every day my constituents remind me of the difficulty they have with making ends meet. And while $50 may not be much to you, but it is a lot for many of my constituents living in public housing.

It has been estimated that 5.3 million low-income households are either spending more than half their incomes on rent or living in extremely substandard housing. This figure is expected to dramatically increase if the Velázquez amendment is not accepted.

I understand that the rent increase is intended to encourage personal responsibility. But I wish someone would tell me how a 70-year-old senior citizen or a 73-year-old Air Force veteran is going to be taught personal responsibility. I believe they know what responsibility is and many of them have lived and survived in situations that many of us could not imagine living through.

This bill presupposes that the average public housing resident has extra money for rent. We are talking about people who have been displaced from their jobs, who have been homeless, who are single parents with young children and cannot afford child care and therefore cannot work a minimum wage job. People who are disabled, perhaps on dialysis, or who have suffered a stroke, simply cannot afford to pay higher rent. We are talking about truly needy families who do not want to be in the situation in which they find themselves in.

While I understand compassion is something this Congress is often not able to express. We want all Americans to pick themselves up by their own bootstraps when they don't even have boots. We must not forget that welfare, Medicaid and several other programs to help the needy are already on the chopping block. We cannot throw people out on the streets because they happen to be poor.

I urge my colleagues to protect the housing for seniors with limited incomes, former homeless families with no income and large families receiving AFDC benefits. I urge the adoption of the Velázquez amendment.

The CHAIRMAN. Are there any other amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. GUNDERSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 2406), to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, pursuant to House Resolution 426, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole?

Mrs. MALONEY. Mr. Speaker, I demand a separate vote on the Maloney amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment?

The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: page 37, line 19, strike "A" and insert "(a) IN GENERAL.—Except as provided in subsections (b) and (c), a".

Page 37, line 25, strike "Notwithstanding the preceding sentence, pet" and insert the following:

(b) FEDERALLY ASSISTED RENTAL HOUSING FOR THE ELDERLY OR DISABLED.—Pet

Page 38, after line 5, insert the following new subsection:

(c) ELDERLY FAMILIES IN PUBLIC AND ASSISTED HOUSING.—Responsible ownership of common household pets shall not be denied any elderly or disabled family who resides in a dwelling unit in public housing or an assisted dwelling unit (as such term is defined in section 371), subject to the reasonable requirements of the local housing and management authority or the owner of the assisted dwelling unit, as applicable. This subsection shall not apply to units in public housing or assisted dwelling units that are located in federally assisted rental housing for the elderly or handicapped referred to in subsection (b).

The SPEAKER pro tempore. The question is on the amendment.

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

RECORDED VOTE

Mrs. MALONEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 375, noes, 48, not voting 10, as follows:

[Roll No. 159]

AYES—375

Abercrombie	Bachus	Barrett (NE)
Ackerman	Baesler	Barrett (WI)
Allard	Baldacci	Bartlett
Andrews	Barcia	Barton

Bass
Becerra
Bellenson
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoke
Holden
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sawyer
Saxton
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shaw
Shays
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Wamp
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
Weller
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—48

Archer
Armey
Baker (CA)
Baker (LA)
Ballenger
Barr
Bateman
Bonilla
Callahan
Campbell
Collins (GA)
Cox
DeLay
Doolittle
Ehlers
Gilchrest
Hancock
Hansen
Hoekstra
Hostettler
Inglis
Istook
Johnson, Sam
King
Largent
Lazio
Livingston
Lucas
McCrery
Moran
Neumann
Orton
Pombo
Rohrabacher
Roth
Sanford
Scarborough
Shadegg
Shuster
Smith (MI)
Souder
Stump
Thomas
Thornberry
Tiahrt
Walker
Watts (OK)
White

NOT VOTING—10

Bevill
Dickey
Hastert
Laughlin
Molinari
Paxon
Schroeder
Tanner
Torricelli
Weldon (PA)

□ 1740

Mr. WHITE changed his vote from "aye" to "no."

Mr. WAMP and Mr. FUNDERBURK changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. KENNEDY of Massachusetts. Mr. Speaker, I am in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KENNEDY of Massachusetts moves to recommit the bill, H.R. 2406, to the Committee on Banking and Financial Services, with instructions to report the same back to the House forthwith with the following amendments:

In Section 225(a) of the bill (as amended by the manager's amendment), after paragraph (2) insert the following new paragraph:

(3) EXCEPTIONS.—Notwithstanding any other provision of this section, the amount paid for monthly rent for a dwelling unit in public housing may not exceed 30 percent of the family's adjusted monthly income for any family who has an annual income which is principally derived from earned income.

In Section 322(a) of the bill (as amended by the manager's amendment), after paragraph (2) insert the following new paragraph:

(3) EXCEPTIONS.—Notwithstanding paragraph (1), the amount paid by an assisted family for monthly rent for an assisted dwelling unit, may not exceed 30 percent of the family's adjusted monthly income for any family who has an annual income which is principally derived from earned income.

Any amount payable under paragraph (4) shall be in addition to the amount payable under this paragraph.

In section 352(a)(2) of the bill (as amended by the manager's amendment), after "paragraph (2)" insert "or (3)".

Mr. KENNEDY of Massachusetts (during the reading).

Mr. Chairman, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. KENNEDY] is recognized for 5 minutes.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I want to compliment the gentleman from New York [Mr. LAZIO], my friend for the efforts that he has made on this bill. I want to thank the gentleman in particular for the extensions that he has made to the Brooke amendment.

Under the bill the way we are about to vote on it, we will have protected our senior citizens and elderly.

□ 1745

Mr. Speaker, under the way this bill is about to be voted on, with the amendments that the gentleman from New York [Mr. LAZIO] has accepted, we will be protecting our elderly, our senior citizens, that live in public housing and that gain access to tenant based vouchers with the Brooke amendment. We have extended that to disabled people. We have extended that to our Nation's veterans.

The one group of people that we have not extended the Brooke protections to are the very people that the chairman of the Subcommittee on Housing and Community Opportunity suggests that the Brooke amendment is going to most hurt. That is the working poor of this country. They are the individuals that under the arguments that we have heard over the course of the last 24 hours have a disincentive, that is to go

to work, that is put into place by the Brooke amendment.

However, because of all of the protections that we have placed into the Brooke amendment, the only people that we can now raise rents on are, in fact, the working poor. So we have this perverse situation where we have created an enormous disincentive, an even larger disincentive to work under the notions put forward by the Republicans in this bill.

We have a perverse situation where the very individuals that all of us in this Chamber have voiced the greatest concern about in terms of their ability to go out and work and the disincentives that we sometimes inadvertently put into law that creates these weird circumstances where they are no longer incentivized to work but are incentivized to stay on the Government dole are in fact created by virtue of the exemptions that we have placed in this bill. So what has occurred is, in fact, an enormous rent increase.

It will not be linked to a percentage of income, but I do not know anyone that worries about whether or not their rent increase occurs because it is a percentage of income or just because the landlord jacked up the rent. But nevertheless, what we got here is a rent increase of substantial proportions on the very individuals that everyone in this House is looking to protect and to create incentives to have them go out and work for a living.

This motion to recommit would extend the Brooke protections to the working poor that work for a living, that live in public housing, that use tenant based couchers and say that they cannot inadvertently have their rents jacked up because of the maneuvers that end up being created perversely by this legislation that will inadvertently jack up their rents.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, this very carefully drawn recommit says, if a majority of your income comes from work, you will get the same cap that welfare recipients get. We will be creating, if we reject this, precisely the disincentive my colleagues said they did not want.

Remember, under this recommit there is no floor. If a housing authority does not want to go up to 30 percent, it does not have to. So the gentleman from New York's argument comes down to this: If you tell a housing authority it cannot charge a working person more than 30 percent of income, they will wind up paying more rent than if you tell the housing authority they can charge an unlimited amount of income. That is the difference.

We are saying, if you are working, 30 percent is the maximum. There is no minimum. It is whatever the housing authority wants to set.

The gentleman from New York says, no, we must protect these working people. Let us let the housing authority charge them whatever they want. What we will get is the people on welfare will be protected by a 30-percent cap, and people who are working will not be protected.

Steve Forbes, where are you when we need you to make rational housing policy? Why do my colleagues want to say that working people will be treated not only in dollar amounts more but qualitatively more? This amendment does what the gentleman may have set out to do. And it is true, housing authorities will tell you, no, we need the money. If you vote no, you are voting to let the local bureaucratic people who run the housing authorities get more money out of working people without limit. If they get a shortfall, they will have one place to go. They will be able to raise the rents not on the disabled people, not on the welfare recipients, they will be able to raise the rents on the working people. If they do not want to raise the rents, they will not have to. Nothing in here forces them.

The gentleman from New York says trust the local authorities, but apparently he does not trust them because he says, if you put a 30 percent, they are too stupid to know that 30 percent up here does not mean you cannot be below 30 percent. If you really think they cannot tell the difference, then protect these people.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. Mr. Speaker, I include for the RECORD the following article on the Brooke amendment:

[From the Boston Globe, May 8, 1996]

SAVE THE BROOKE AMENDMENT

(By Edward W. Brooke)

(27 years ago, we passed a law to keep rents affordable in public housing—we still need it today.)

As a young man starting out on my own, my father taught me that if I was paying more than 25 percent of my income on rent, I was paying more than I could afford and should find another place to live. It was sound advice then, and it is sound advice today.

Too much spent on housing leaves a person juggling to pay for other essentials, robbing Peter to pay Paul, with no ability to save for the future.

Twenty-seven years ago as a Republican US senator from Massachusetts, I introduced the "Brooke Amendment" to keep rents affordable for low-income families, elders, veterans and disabled people living in public housing. Then, as now, public housing authorities faced increasing operating expenses and, in order to cover costs, were charging tenants higher and higher rents—in some cases upwards of 50 percent of their meager incomes.

Congress had two choices: fill the operating-cost gap or turn people out of their homes. We voted to fill the gap and passed legislation, signed into law by President Nixon in 1969, to cap rent at 25 percent of income. In 1981, this cap was raised to 30 percent.

Now, US Rep. Rick Lazio, a Republican from New York and chairman of the housing subcommittee, is expected to bring to the full House a bill that calls for the elimination of the Brooke Amendment. It will put 2.7 million households in danger of losing the rent-cap safeguard in their federally subsidized housing. The rationale for repealing the Brooke Amendment is that, to fill the current revenue gap, housing authorities need to attract working people who can pay higher rents into public housing. The 30-percent cap is seen as a disincentive for residents to obtain work.

The purpose of public housing is to provide decent, affordable housing for low-income families, and the Brooke Amendment has ensured that for almost 30 years.

However, a specious argument has caught hold in Congress that people who have jobs and more choices will choose to move into public housing developments where apartments are cramped, safety is often a problem and one is branded with the stigma of living in a poor development. Do members of Congress really believe that people who have the means to live elsewhere will move into public housing projects? The reality is that people live in public housing because they have no other choice; they are poor and have no other place to go.

If Congress truly wants to remove barriers that discourage public housing residents from obtaining employment, the solution is to give housing authorities the flexibility to set rents below 30 percent in certain instances and allow people to save and get back on their feet. Congress should not withhold operating subsidies from public housing authorities and try to balance the budget by reaching deeper into the pockets of our poorest people. We must keep rents in public housing at a fair and reasonable percentage of income, a percentage that recognizes that people need money to pay for other basic expenses as well.

Some advocates of the repeal cite the rate of crime in public housing. The fact is that less than 15 percent of public housing tenants are involved in crime. More than 85 percent are decent, law-abiding citizens who live in fear of crime. The way to address the crime problem is not repeal of the cap on rents, but through eviction and prosecution of criminal tenants.

I fear that the real intention in repealing the Brooke Amendment is to abandon federal public housing. This misguided and hard-edged legislative action will destroy the foundation of our federal housing policy.

Abandoning public housing is unwise for the country. It ignores the investment that this country has already made to build millions of units of housing—housing that, if we had to rebuild today, would be prohibitive in cost.

The Brooke Amendment is not a budget buster. Last year, the federal government provided $2.9 billion to agencies that run public housing. This figure was dwarfed by the $56.3 billion in mortgage interest deductions that reduce housing costs for middle- and upper-income people. There is clearly no fairness or equity in the allocations between the haves and the have-nots.

There comes a point in making policy decisions when compassion and common sense must dictate. I respectfully urge my Republican successors in Congress to preserve the Brooke Amendment.

Mr. LAZIO of New York. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. Speaker, I want to begin by thanking the full chairman of the Committee on Banking and Financial Services, the gentleman from Iowa [Mr. LEACH], for his support and friendship. I want to thank the members of my subcommittee, especially the people who have been at my side in handling the debate, the gentleman from Louisiana [Mr. BAKER], the gentleman from Nebraska [Mr. BEREUTER], the vice chairman of the Subcommittee on Housing and Community Development. I want to thank the gentleman from Delaware [Mr. CASTLE], the gentleman from Arizona [Mr. HAYWORTH], the gentleman from Illinois [Mr. WELLER], on and on.

I want to thank the gentleman from Massachusetts [Mr. KENNEDY] for his cooperation, the ability to work together on a number of different items.

Mr. Speaker, this moment culminates 2 days of debate about two different visions of America. The first vision is the vision at my left. It is the state of public housing in America.

Mr. Speaker, 200,000 Americans live in public housing that is run by corrupt, dysfunctional, mismanaged housing authorities. And the other side defends this. They think that this is acceptable, that it is OK in America to have communities where 200,000 Americans live in this despair, without hope or opportunity.

We do not accept that. These housing authorities, let me just talk about some of these housing authorities. Think about if your children went to school and they came back with test scores, not for 1 year or 2 years or 3 years or 5 years but for 17 years out of 100. New Orleans is scoring 27. Can you imagine if your children came back with a score of 27 year after year? Condemning the population, the people that we are supposed to serve, to poverty. District of Columbia, 33; Philadelphia, 35; Detroit, 37; Pittsburgh, 47; Atlanta, 49.

And let me tell my colleagues something, this is what HUD is bragging about. They gave me this piece of paper because they think this is good. I think it stinks. I think we should not accept it. I think we should say that the people deserve more, that we should fire these housing authorities that continue to do a poor job year-after-year while billions of taxpayer dollars pour into them.

This is the future of America. We have two different visions. Claim the past, which is this vision, or give the children who live in public housing hope. Give them a chance. Give them a chance to live in a place where they can have a fireman or a policeman living next door. Give them a chance where somebody can come over for a cup of coffee, talk about a job that might be available in the place that they work, instead of a place like State Street, where you have 10,000 people warehoused because of the policies of the last few Congresses, an unemployment rate of 99 percent.

Talk about despair. Talk about disgrace. Talk about lack of compassion. That is a lack of compassion. To defend the status quo, to say that that is acceptable. It is not acceptable in America. It is acceptable nowhere in America.

Now what they are talking about is maintaining one of the most important disincentives to work, the Brooke amendment, which has punished people who want to get out of poverty, want to take the opportunity to walk down that path toward employment. It says the minute you go to work, you pay a 30-percent tax. it says that you cannot live under the same rules, if you live in public housing, all of us live under.

Let us consider ourselves here. How would we all like to pay a 30-percent rent on our income? What kind of an artificial bizarre world sets rent based on how much income you make so that the minute you go to work, if you are to take overtime or get a better job or help yourself up the ladder or it you want your other spouse to go to work, the minute that happens, you get penalized, your rent goes up?

What we are saying is, set flat rents that help incentivize work. Mr. Speaker, what we are talking about is fundamental local control, about reclaiming our communities and getting Washington bureaucrats and their one-size-fits-all-20-page-pet regulatory model out of our community so they can do their own job.

Let me tell you about the people who have hands-on experience, Mr. Speaker, the people from the housing authorities themselves and what they say.

The Public Housing Authorities Directors Association says, this legislation would permit badly needed flexibility that PHAs need to move residents up the ladder of self-sufficiency. We strongly support the provisions that would allow for working families flexible ceiling rents that would allow working residents to remain in public housing.

I urge a "no" vote for the future of the children in public housing.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion to recommit.

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

RECORDED VOTE

Mr. KENNEDY of Massachusetts. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage of the bill.

The vote was taken by electronic device, and there were—ayes 196, noes 226, not voting 11, as follows:

[Roll No. 160]

AYES—196

Abercrombie	Gephardt	Neal
Ackerman	Gibbons	Oberstar
Andrews	Gonzalez	Obey
Baldacci	Gordon	Olver
Barcia	Green (TX)	Ortiz
Barrett (WI)	Gutierrez	Orton
Becerra	Hall (OH)	Owens
Beilenson	Hamilton	Pallone
Bentsen	Harman	Pastor
Berman	Hastings (FL)	Payne (NJ)
Bishop	Hefner	Payne (VA)
Blute	Hilliard	Pelosi
Boehlert	Hinchey	Peterson (FL)
Bonior	Holden	Peterson (MN)
Borski	Horn	Pickett
Boucher	Hoyer	Pomeroy
Browder	Jackson (IL)	Poshard
Brown (CA)	Jackson-Lee (TX)	Quinn
Brown (FL)	Jacobs	Rahall
Brown (OH)	Jefferson	Rangel
Bryant (TX)	Johnson (SD)	Reed
Bunn	Johnson, E. B.	Richardson
Chapman	Johnston	Rivers
Clay	Kanjorski	Roemer
Clayton	Kaptur	Ros-Lehtinen
Clement	Kennedy (MA)	Roybal-Allard
Clyburn	Kennedy (RI)	Rush
Coleman	Kennelly	Sabo
Collins (IL)	Kildee	Sanders
Collins (MI)	Kleczka	Sawyer
Conyers	Klink	Schumer
Costello	LaFalce	Scott
Coyne	Lantos	Serrano
Cramer	LaTourette	Skaggs
Cummings	Levin	Skelton
Danner	Lewis (GA)	Slaughter
de la Garza	Lincoln	Spratt
DeFazio	Lowey	Stark
DeLauro	Luther	Stenholm
Dellums	Maloney	Stokes
Deutsch	Manton	Studds
Diaz-Balart	Markey	Stupak
Dingell	Martini	Taylor (MS)
Dixon	Mascara	Tejeda
Doggett	Matsui	Thompson
Doyle	McCarthy	Thornton
Durbin	McDermott	Thurman
Edwards	McHale	Torkildsen
Engel	McHugh	Torres
Eshoo	McKinney	Towns
Evans	McNulty	Traficant
Farr	Meehan	Velazquez
Fattah	Meek	Vento
Fazio	Menendez	Visclosky
Fields (LA)	Millender-McDonald	Volkmer
Filner	Miller (CA)	Walsh
Flake	Minge	Ward
Flanagan	Mink	Waters
Foglietta	Moakley	Watt (NC)
Ford	Mollohan	Waxman
Fox	Montgomery	Williams
Frank (MA)	Moran	Wilson
Frisa	Murtha	Wise
Frost	Nadler	Woolsey
Furse		Wynn
Gejdenson		Yates

NOES—226

Allard	Bilbray	Camp
Archer	Bilirakis	Campbell
Armey	Bliley	Canady
Bachus	Boehner	Cardin
Baesler	Bonilla	Castle
Baker (CA)	Bono	Chabot
Baker (LA)	Brewster	Chambliss
Ballenger	Brownback	Chenoweth
Barr	Bryant (TN)	Christensen
Barrett (NE)	Bunning	Chrysler
Bartlett	Burr	Clinger
Barton	Burton	Coble
Bass	Buyer	Coburn
Bateman	Callahan	Collins (GA)
Bereuter	Calvert	Combest

Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Fawell
Fields (TX)
Foley
Forbes
Fowler
Franks (CT)
Franks (NJ)
Frelinghuysen
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lucas
Manzullo
Martinez
McCollum
McCrery
McDade
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Petri
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Rose
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Upton
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—11

Bevill
Dickey
Dicks
Ewing
Laughlin
Molinari
Paxon
Schroeder
Tanner
Torricelli
Weldon (PA)

□ 1814

The Clerk announced the following pair:

On this vote:

Mr. Tanner for, with Mr. Paxon against.

Mr. FOX of Pennsylvania and Mr. BLUTE changed their vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. EWING. Mr. Speaker, on Rollcall No. 160, my card failed to register my vote. I intended to be recorded "No."

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the passage of the bill.

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

RECORDED VOTE

Mr. LAZIO of New York. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 315, noes 107, not voting 11, as follows:

[Roll No. 161]

AYES—315

Ackerman
Allard
Andrews
Archer
Armey
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brown (CA)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dingell
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennelly
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Luther
Manzullo
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Ortiz
Orton
Oxley
Packard
Parker
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Radanovich
Ramstad
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Salmon
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Traficant
Upton
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—107

Abercrombie
Barrett (WI)
Becerra
Beilenson
Blute
Bonior
Borski
Boucher
Brown (FL)
Bryant (TX)
Clay
Clement
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Engel
Evans
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Gejdenson
Gephardt
Gibbons
Gonzalez
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson, E. B.
Johnston
Kennedy (MA)
Kennedy (RI)
Kildee
Kleczka
LaFalce
Levin
Lewis (GA)
Lofgren
Maloney
Manton
Markey
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Mink
Moakley
Mollohan
Nadler
Neal
Oberstar
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Quinn
Rahall
Rangel
Reed
Roybal-Allard
Rush
Sabo
Sanders
Scarborough
Serrano
Slaughter
Stark
Stokes
Studds
Thompson
Thurman
Torkildsen
Torres
Towns
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Waxman
Williams
Woolsey
Yates

NOT VOTING—11

Bachus
Bevill
Dickey
Laughlin
Molinari
Paxon
Royce
Schroeder
Tanner
Torricelli
Weldon (PA)

□ 1823

Messrs. DEUTSCH, DICKS, and COSTELLO changed their vote from "aye" to "no."

Mr. CLYBURN changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. LAZIO of New York. Mr. Speaker, pursuant to section 2 of House Resolution 426, I call up from the Speaker's table the Senate bill (S. 1260) to reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The text of S. 1260 is as follows:

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Public Housing Reform and Empowerment Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions.
Sec. 4. Effective date.
Sec. 5. Proposed regulations; technical recommendations.
Sec. 6. Elimination of obsolete documents.
Sec. 7. Annual reports.

TITLE I—PUBLIC AND INDIAN HOUSING

Sec. 101. Declaration of policy.
Sec. 102. Membership on board of directors.
Sec. 103. Authority of public housing agencies.
Sec. 104. Definitions.
Sec. 105. Contributions for lower income housing projects.
Sec. 106. Public housing agency plan.
Sec. 107. Contract provisions and requirements.
Sec. 108. Expansion of powers.
Sec. 109. Public housing designated for the elderly and the disabled.
Sec. 110. Public housing capital and operating funds.
Sec. 111. Labor standards.
Sec. 112. Repeal of energy conservation; consortia and joint ventures.
Sec. 113. Repeal of modernization fund.
Sec. 114. Eligibility for public and assisted housing.
Sec. 115. Demolition and disposition of public housing.
Sec. 116. Repeal of family investment centers; voucher system for public housing.
Sec. 117. Repeal of family self-sufficiency; homeownership opportunities.
Sec. 118. Revitalizing severely distressed public housing.
Sec. 119. Mixed-income and mixed-ownership projects.
Sec. 120. Conversion of distressed public housing to tenant-based assistance.
Sec. 121. Public housing mortgages and security interests.
Sec. 122. Linking services to public housing residents.
Sec. 123. Applicability to Indian housing.

TITLE II—SECTION 8 RENTAL ASSISTANCE

Sec. 201. Merger of the certificate and voucher programs.
Sec. 202. Repeal of Federal preferences.
Sec. 203. Portability.
Sec. 204. Leasing to voucher holders.
Sec. 205. Homeownership option.
Sec. 206. Technical and conforming amendments.
Sec. 207. Implementation.
Sec. 208. Definition.
Sec. 209. Effective date.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Public housing flexibility in the CHAS.
Sec. 302. Repeal of certain provisions.
Sec. 303. Determination of income limits.
Sec. 304. Demolition of public housing.
Sec. 305. Coordination of tax credits and section 8.
Sec. 306. Eligibility for public and assisted housing.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) there exists throughout the Nation a need for decent, safe, and affordable housing;

(2) the inventory of public housing units owned and operated by public housing agencies, an asset in which the Federal Government has invested approximately $90,000,000,000, has traditionally provided rental housing that is affordable to low-income persons;

(3) despite serving this critical function, the public housing system is plagued by a series of problems, including the concentration of very poor people in very poor neighborhoods and disincentives for economic self-sufficiency;

(4) the Federal method of overseeing every aspect of public housing by detailed and complex statutes and regulations aggravates the problem and places excessive administrative burdens on public housing agencies;

(5) the interests of low-income persons, and the public interest, will best be served by a reformed public housing program that—

(A) consolidates many public housing programs into programs for the operation and capital needs of public housing;

(B) streamlines program requirements;

(C) vests in public housing agencies that perform well the maximum feasible authority, discretion, and control with appropriate accountability to both public housing tenants and localities; and

(D) rewards employment and economic self-sufficiency of public housing tenants;

(6) voucher and certificate programs under section 8 of the United States Housing Act of 1937 are successful for approximately 80 percent of applicants, and a consolidation of the voucher and certificate programs into a single, market-driven program will assist in making section 8 tenant-based assistance more successful in assisting low-income families in obtaining affordable housing and will increase housing choice for low-income families; and

(7) the needs of Indian families residing on Indian reservations and other Indian areas will best be served by providing programs specifically designed to meet the needs of Indian communities while promoting tribal self-governance and self-determination.

(b) PURPOSES.—The purposes of this Act are—

(1) to consolidate the various programs and activities under the public housing programs administered by the Secretary in a manner designed to reduce Federal overregulation;

(2) to redirect the responsibility for a consolidated program to States, Indian tribes, localities, public housing agencies, and public housing tenants;

(3) to require Federal action to overcome problems of public housing agencies with severe management deficiencies; and

(4) to consolidate and streamline tenant-based assistance programs.

SEC. 3. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) PUBLIC HOUSING AGENCY.—The term "public housing agency" has the same meaning as in section 3 of the United States Housing Act of 1937.

(2) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 4. EFFECTIVE DATE.

Except as otherwise specifically provided in this Act or the amendments made by this Act, this Act and the amendments made by this Act shall become effective on the date of enactment of this Act.

SEC. 5. PROPOSED REGULATIONS; TECHNICAL RECOMMENDATIONS.

(a) PROPOSED REGULATIONS.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit to the Congress proposed regulations that the Secretary determines are necessary to carry out the United States Housing Act of 1937, as amended by this Act.

(b) TECHNICAL RECOMMENDATIONS.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives, recommended technical and conforming legislative changes necessary to carry out this Act and the amendments made by this Act.

SEC. 6. ELIMINATION OF OBSOLETE DOCUMENTS.

Effective 1 year after the date of enactment of this Act, no rule, regulation, or order (including all handbooks, notices, and related requirements) pertaining to public housing or section 8 tenant-based programs issued or promulgated under the United States Housing Act of 1937 before the date of enactment of this Act may be enforced by the Secretary.

SEC. 7. ANNUAL REPORTS.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary shall submit a report to the Congress on the impact of the amendments made by this Act on—

(1) the demographics of public housing tenants and families receiving tenant-based assistance under the United States Housing Act of 1937; and

(2) the economic viability of public housing agencies.

TITLE I—PUBLIC AND INDIAN HOUSING

SEC. 101. DECLARATION OF POLICY.

Section 2 of the United States Housing Act of 1937 (42 U.S.C. 1437) is amended to read as follows:

"SEC. 2. DECLARATION OF POLICY.

"It is the policy of the United States to promote the general welfare of the Nation by employing the funds and credit of the Nation, as provided in this title—

"(1) to assist States, Indian tribes, and political subdivisions of States to remedy the unsafe housing conditions and the acute shortage of decent and safe dwellings for low-income families;

"(2) to assist States, Indian tribes, and political subdivisions of States to address the shortage of housing affordable to low-income families; and

"(3) consistent with the objectives of this title, to vest in public housing agencies that perform well, the maximum amount of responsibility and flexibility in program administration, with appropriate accountability to both public housing tenants and localities.".

SEC. 102. MEMBERSHIP ON BOARD OF DIRECTORS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. MEMBERSHIP ON BOARD OF DIRECTORS.

"(a) REQUIRED MEMBERSHIP.—Except as provided in subsection (b), the membership of the board of directors of each public housing agency shall contain not less than 1 member who is a resident of a public housing project operated by the public housing agency.

"(b) EXCEPTION.—Subsection (a) shall not apply to any public housing agency in any State that requires the members of the board of directors of a public housing agency to be salaried and to serve on a full-time basis.

"(c) NONDISCRIMINATION.—No person shall be prohibited from serving on the board of directors or similar governing body of a public housing agency because of the residence of that person in a public housing project.".

SEC. 103. AUTHORITY OF PUBLIC HOUSING AGENCIES.

(a) AUTHORITY OF PUBLIC HOUSING AGENCIES.—

(1) IN GENERAL.—Section 3(a)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)) is amended to read as follows:

"(2) AUTHORITY OF PUBLIC HOUSING AGENCIES.—Notwithstanding paragraph (1), a public housing agency may adopt ceiling rents that reflect the reasonable market value of the housing, but that are not less than the actual monthly costs—

"(i) to operate the housing of the public housing agency; and

"(ii) to make a deposit to a replacement reserve (in the sole discretion of the public housing agency).

"(B) MINIMUM RENT.—Notwithstanding paragraph (1), a public housing agency may provide that each family residing in a public housing project or receiving tenant-based or project-based assistance under section 8 shall pay a minimum monthly rent in an amount not to exceed $25 per month.

"(C) POLICE OFFICERS.—

"(i) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may, in accordance with the public housing agency plan, allow a police officer who is not otherwise eligible for residence in public housing to reside in a public housing unit. The number and location of units occupied by police officers under this clause, and the terms and conditions of their tenancies, shall be determined by the public housing agency.

"(ii) DEFINITION.—As used in this subparagraph, the term 'police officer' means any person determined by a public housing agency to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a Federal, State, tribal, or local government or by any agency thereof (including a public housing agency having an accredited police force).

"(D) ENCOURAGEMENT OF SELF-SUFFICIENCY.—Each public housing agency shall develop a rental policy that encourages and rewards employment and economic self-sufficiency.".

(2) REGULATIONS.—

(A) IN GENERAL.—The Secretary shall, by regulation, after notice and an opportunity for public comment, establish such requirements as may be necessary to carry out section 3(a)(2)(A) of the United States Housing Act of 1937, as amended by paragraph (1).

(B) TRANSITION RULE.—Prior to the issuance of final regulations under paragraph (1), a public housing agency may implement ceiling rents, which shall be—

(i) determined in accordance with section 3(a)(2)(A) of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act;

(ii) equal to the 95th percentile of the rent paid for a unit of comparable size by tenants in the same public housing project or a group of comparable projects totaling 50 units or more; or

(iii) equal to the fair market rent for the area in which the unit is located.

(b) NONTROUBLED PUBLIC HOUSING AGENCIES.—Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437(a)) is amended by adding at the end the following new paragraph:

"(3) NONTROUBLED PUBLIC HOUSING AGENCIES.—

"(A) IN GENERAL.—Notwithstanding the rent calculation formula in paragraph (1), and subject to subparagraph (B), the Secretary shall permit a public housing agency, other than a public housing agency determined to be troubled pursuant to 6(j), to determine the amount that a family residing in public housing shall pay as rent.

"(B) LIMITATION.—With respect to a family whose income is equal to or less than 50 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, a public housing agency may not require a family to pay as rent under subparagraph (A) an amount that exceeds the greatest of—

"(i) 30 percent of the monthly adjusted income of the family;

"(ii) 10 percent of the monthly income of the family;

"(iii) if the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that public agency to meet the housing costs of the family, the portion of those payments that is so designated; and

"(iv) $25.".

SEC. 104. DEFINITIONS.

(a) DEFINITIONS.—

(1) SINGLE PERSONS.—Section 3(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)) is amended—

(A) in subparagraph (A), in the third sentence, by striking "the Secretary shall" and all that follows before the period at the end and inserting the following: "the public housing agency may give preference to single persons who are elderly or disabled persons before single persons who are otherwise eligible"; and

(B) in subparagraph (B), in the second sentence, by striking "regulations of the Secretary" and inserting "public housing agency plan".

(2) ADJUSTED INCOME.—Section 3(b)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended to read as follows:

"(5) ADJUSTED INCOME.—The term 'adjusted income' means the income that remains after excluding—

"(A) $480 for each member of the family residing in the household (other than the head of the household or the spouse of the head of the household)—

"(i) who is under 18 years of age; or

"(ii) who is—

"(I) 18 years of age or older; and

"(II) a person with disabilities or a full-time student;

"(B) $400 for an elderly or disabled family;

"(C) the amount by which the aggregate of—

"(i) medical expenses for an elderly or disabled family; and

"(ii) reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed;

exceeds 3 percent of the annual income of the family;

"(D) child care expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education;

"(E) with respect to a family assisted by an Indian housing authority only, excessive travel expenses, not to exceed $25 per family per week, for employment- or education-related travel; and

"(F) any other income that the public housing agency determines to be appropriate, as provided in the public housing agency plan.".

(3) INDIAN HOUSING AUTHORITY; INDIAN TRIBE.—

(A) IN GENERAL.—Section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) is amended by striking paragraphs (11) and (12) and inserting the following:

"(11) INDIAN HOUSING AUTHORITY.—The term 'Indian housing authority' means any entity that—

"(A) is authorized to engage or assist in the development or operation of low-income housing for Indians; and

"(B) is established—

"(i) by exercise of the power of self-government of an Indian tribe, independent of State law; or

"(ii) by operation of State law authorizing or enabling an Indian tribe to create housing authorities for Indians, including regional housing authorities in the State of Alaska.

"(12) INDIAN TRIBE.—The term 'Indian tribe' means the governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, or community that the Secretary of the Interior acknowledges to exist as an Indian Tribe, pursuant to the Federally Recognized Indian Tribe List Act of 1994.".

(B) APPLICABILITY.—The amendment made by subparagraph (A) does not affect the existence, or the ability to operate, of any Indian housing authority established before the date of enactment of this Act by any State recognized tribe, band, pueblo, group, community, or nation of Indians or Alaska Natives that does not qualify as an Indian tribe under section 3(b) of the United States Housing Act of 1937, as amended by this paragraph.

(b) DISALLOWANCE OF EARNED INCOME FROM PUBLIC HOUSING RENT DETERMINATIONS.—

(1) IN GENERAL.—Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a) is amended—

(A) by striking the undesignated paragraph at the end of subsection (c)(3) (as added by section 515(b) of Public Law 101-625); and

(B) by adding at the end the following new subsection:

"(d) DISALLOWANCE OF EARNED INCOME FROM PUBLIC HOUSING RENT DETERMINATIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the rent payable under subsection (a) by a family—

"(A) that—

"(i) occupies a unit in a public housing project; or

"(ii) receives assistance under section 8; and

"(B) whose income increases as a result of employment of a member of the family who was previously unemployed for 1 or more years (including a family whose income increases as a result of the participation of a family member in any family self-sufficiency or other job training program);

may not be increased as a result of the increased income due to such employment during the 18-month period beginning on the date on which the employment is commenced.

"(2) PHASE-IN OF RATE INCREASES.—After the expiration of the 18-month period referred to in paragraph (1), rent increases due

to the continued employment of the family member described in paragraph (1)(B) shall be phased in over a subsequent 3-year period.

"(3) OVERALL LIMITATION.—Rent payable under subsection (a) shall not exceed the amount determined under subsection (a).".

(2) APPLICABILITY OF AMENDMENT.—

(A) PUBLIC HOUSING.—Notwithstanding the amendment made by paragraph (1), any tenant of public housing participating in the program under the authority contained in the undesignated paragraph at the end of section 3(c)(3) of the United States Housing Act of 1937, as that paragraph existed on the day before the date of enactment this Act, shall be governed by that authority after that date.

(B) SECTION 8.—The amendment made by paragraph (1) shall apply to tenant-based assistance provided under section 8 of the United States Housing Act of 1937, with funds appropriated on or after October 1, 1996.

(c) DEFINITIONS OF TERMS USED IN REFERENCE TO PUBLIC HOUSING.—

(1) IN GENERAL.—Section 3(c) of the United States Housing Act of 1937 (42 U.S.C. 1437a(c)) is amended—

(A) in paragraph (1), by inserting "and of the fees and related costs normally involved in obtaining non-Federal financing and tax credits with or without private and nonprofit partners" after "carrying charges"; and

(B) in paragraph (2), in the first sentence, by striking "security personnel)," and all that follows through the period and inserting the following: "security personnel), service coordinators, drug elimination activities, or financing in connection with a public housing project, including projects developed with non-Federal financing and tax credits, with or without private and nonprofit partners.".

(2) TECHNICAL CORRECTION.—Section 622(c) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3817) is amended by striking "'project.'" and inserting "paragraph (3)".

(3) NEW DEFINITIONS.—Section 3(c) of the United States Housing Act of 1937 (42 U.S.C. 1437a(c)) is amended by adding at the end the following new paragraphs:

"(6) PUBLIC HOUSING AGENCY PLAN.—The term 'public housing agency plan' means the plan of the public housing agency prepared in accordance with section 5A.

"(7) DISABLED HOUSING.—The term 'disabled housing' means any public housing project, building, or portion of a project or building, that is designated by a public housing agency for occupancy exclusively by disabled persons or families.

"(8) ELDERLY HOUSING.—The term 'elderly housing' means any public housing project, building, or portion of a project or building, that is designated by a public housing agency exclusively for occupancy exclusively by elderly persons or families, including elderly disabled persons or families.

"(9) MIXED-INCOME PROJECT.—The term 'mixed-income project' means a public housing project that meets the requirements of section 28.

"(10) CAPITAL FUND.—The term 'Capital Fund' means the fund established under section 9(c).

"(11) OPERATING FUND.—The term 'Operating Fund' means the fund established under section 9(d).".

SEC. 105. CONTRIBUTIONS FOR LOWER INCOME HOUSING PROJECTS.

(a) IN GENERAL.—Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c) is amended by striking subsections (h) through (l).

(b) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 21(d), by striking "section 5(h) or";

(2) in section 25(l)(1), by striking "and for sale under section 5(h)"; and

(3) in section 307, by striking "section 5(h) and".

SEC. 106. PUBLIC HOUSING AGENCY PLAN.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by inserting after section 5 the following new section:

"SEC. 5A. PUBLIC HOUSING AGENCY PLAN.

"(a) IN GENERAL.—

"(1) SUBMISSION.—Each public housing agency shall submit to the Secretary a written public housing agency plan developed in accordance with this section.

"(2) CONSISTENCY REQUIREMENT.—Each public housing agency plan submitted to the Secretary under paragraph (1) shall be—

"(A) made in consultation with the local advisory board established under subsection (c);

"(B) consistent with the comprehensive housing affordability strategy for the jurisdiction in which the public housing agency is located, as provided under title I of the Cranston-Gonzalez National Affordable Housing Act, or, with respect to any Indian tribe, a comprehensive plan developed by the Indian tribe, if applicable; and

"(C) accompanied by a certification by an appropriate State, tribal, or local public official that the plan meets the requirements of subparagraph (B).

"(b) CONTENTS.—Each public housing agency plan shall contain, at a minimum, the following:

"(1) CERTIFICATION.—

"(A) IN GENERAL.—With respect to a public housing agency that has not received assistance under this title as of the date on which the public housing agency plan of that public housing agency is submitted, or a public housing agency that is subject to amended authority, a written certification that the public housing agency is a governmental entity or public body (or an agency or instrumentality thereof) that is authorized to engage or assist in the development or operation of low-income housing under this title.

"(B) IDENTIFICATION OF CERTAIN REFERENCES.—Subject to subparagraph (A), any reference in any provision of law of the jurisdiction authorizing the creation of the public housing agency shall be identified and any legislative declaration of purpose in regard thereto shall be set forth in the certification with full text.

"(2) STATEMENT OF POLICY.—An annual statement of policy identifying the primary goals and objectives of the public housing agency for the year for which the statement is submitted, together with any major developments, projects, or programs, including all proposed costs and activities carried out with the use of Capital Fund and Operating Fund distributions made available to the public housing agency under section 9.

"(3) STATEMENT OF NEEDS.—An annual statement of the housing needs of low-income families residing in the community, and of other low-income families on the waiting list of the public housing agency (including the housing needs of elderly families and disabled families), and the means by which the public housing agency intends, to the maximum extent practicable, to address those needs.

"(4) GENERAL POLICIES, RULES, AND REGULATIONS.—The policies, rules, and regulations of the public housing agency regarding—

"(A) the requirements for the selection and admission of eligible families into the program or programs of the public housing agency, including—

"(i) tenant screening policies;

"(ii) any preferences or priorities for selection and admission;

"(iii) annual income verification procedures; and

"(iv) requirements relating to the administration of any waiting lists of the public housing agency;

"(B) the procedure for assignment of families admitted into the program to dwelling units owned, leased, managed, or assisted by the public housing agency;

"(C) the requirements for occupancy of dwelling units, including all standard lease provisions, and conditions for continued occupancy, termination, and eviction;

"(D) procedures for establishing rents, including ceiling rents and adjustments to income; and

"(E) procedures for designating certain public housing projects, or portions of projects, for occupancy by elderly families, disabled families, or by elderly and disabled families.

"(5) OPERATION AND MANAGEMENT.—The policies, rules, and regulations relating to the management of the public housing agency, and the public housing projects and programs of the public housing agency, including—

"(A) a description of the manner in which the public housing agency is organized (including any consortia or joint ventures) and staffed to perform the duties and functions of the public housing agency and to administer the Operating Fund distributions of the public housing agency;

"(B) policies relating to the rental of dwelling units owned or operated by the public housing agency, including policies designed to reduce vacancies;

"(C) policies relating to providing a safe and secure environment in public housing units, including anticrime and antidrug activities;

"(D) policies relating to the management and operation, or participation in mixed-income projects, if applicable;

"(E) policies relating to services and amenities provided or offered to assisted families, including the provision of service coordinators and services designed for certain populations, such as the elderly and disabled;

"(F) procedures for implementing the work requirements of section 12(c);

"(G) procedures for identifying management weaknesses;

"(H) objectives for improving management practices;

"(I) a description of management initiatives to control the costs of operating the public housing agency;

"(J) a plan for preventative maintenance and a plan for routine maintenance;

"(K) policies relating to any plans for converting public housing to a system of tenant-based assistance; and

"(L) policies relating to the operation of any homeownership programs.

"(6) CAPITAL FUND REQUIREMENTS.—The policies, rules, and regulations relating to the management and administration of the Capital Fund distributions of the public housing agency, including—

"(A) the capital needs of the public housing agency;

"(B) plans for capital expenditures related to providing a safe and secure environment in public housing units, including anticrime and antidrug activities;

"(C) policies relating to providing a safe and secure environment in public housing units, including anticrime and antidrug activities;

"(D) policies relating to the capital requirements of mixed-income projects, if applicable;

"(E) an annual plan and, if appropriate, a 5-year plan of the public housing agency for the capital needs of the existing dwelling units of the public housing agency, each of which shall include a general statement identifying the long-term viability and physical condition of each of the public housing projects and other property of the public housing agency, including cost estimates;

"(F) a plan to handle emergencies and other disasters;

"(G) the use of funds for new or additional units, including capital contributions to mixed-income projects, if applicable;

"(H) any plans for the sale of existing dwelling units to low-income residents or organizations acting as conduits for sales to such residents under a homeownership plan;

"(I) any plans for converting public housing units to a system of tenant-based assistance; and

"(J) any plans for demolition and disposition of public housing units, including any plans for replacement units and any plans providing for the relocation of residents who will be displaced by a demolition or disposition of units.

"(7) ECONOMIC AND SOCIAL SELF-SUFFICIENCY PROGRAMS.—A description of any policies, programs, plans, and activities of the public housing agency for the enhancement of the economic and social self-sufficiency of residents assisted by the programs of the public housing agency.

"(8) ANNUAL AUDIT.—The results of an annual audit (including any audit of management practices, as required by the Secretary) of the public housing agency, which shall be conducted by an independent certified public accounting firm pursuant to generally accepted accounting principles.

"(c) LOCAL ADVISORY BOARD.—

"(1) IN GENERAL.—Except as provided in paragraph (5), each public housing agency shall establish one or more local advisory boards in accordance with this subsection, the membership of which shall adequately reflect and represent all of the residents of the dwelling units owned, operated, or assisted by the public housing agency.

"(2) MEMBERSHIP.—Each local advisory board established under this subsection shall be composed of the following members:

"(A) TENANTS.—Not less than 60 percent of the members of the board shall be tenants of dwelling units owned, operated, or assisted by the public housing agency, including representatives of any resident organizations.

"(B) OTHER MEMBERS.—The members of the board, other than the members described in subparagraph (A), shall include—

"(i) representatives of the community in which the public housing agency is located; and

"(ii) local government officials of the community in which the public housing agency is located.

"(3) PURPOSE.—Each local advisory board established under this subsection shall assist and make recommendations regarding the development of the public housing agency plan. The public housing agency shall consider the recommendations of the local advisory board in preparing the final public housing agency plan, and shall include a copy of those recommendations in the public housing agency plan submitted to the Secretary under this section.

"(4) INAPPLICABILITY TO INDIAN HOUSING.—This subsection does not apply to an Indian housing authority.

"(5) WAIVER.—The Secretary may waive the requirements of this subsection with respect to tenant representation on the local advisory board of a public housing agency, if the public housing agency demonstrates to the satisfaction of the Secretary that a resident council or other tenant organization of the public housing agency adequately represents the interests of the tenants of the public housing agency.

"(d) PUBLICATION OF NOTICE.—

"(1) IN GENERAL.—Not later than 45 days before the date of a hearing conducted under paragraph (2) by the governing body of a public housing agency, the public housing agency shall publish a notice informing the public that—

"(A) the proposed public housing agency plan is available for inspection at the principal office of the public housing agency during normal business hours; and

"(B) a public hearing will be conducted to discuss the public housing agency plan and to invite public comment regarding that plan.

"(2) PUBLIC HEARING.—Each public housing agency shall, at a location that is convenient to residents, conduct a public hearing, as provided in the notice published under paragraph (1).

"(3) ADOPTION OF PLAN.—After conducting the public hearing under paragraph (2), and after considering all public comments received and, in consultation with the local advisory board, making any appropriate changes in the public housing agency plan, the public housing agency shall—

"(A) adopt the public housing agency plan; and

"(B) submit the plan to the Secretary in accordance with this section.

"(e) COORDINATED PROCEDURES.—Each public housing agency (other than an Indian housing authority) shall, in conjunction with the State or relevant unit of general local government, establish procedures to ensure that the public housing agency plan required by this section is consistent with the applicable comprehensive housing affordability strategy for the jurisdiction in which the public housing agency is located, in accordance with title I of the Cranston-Gonzalez National Affordable Housing Act.

"(f) AMENDMENTS AND MODIFICATIONS TO PLANS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall preclude a public housing agency, after submitting a plan to the Secretary in accordance with this section, from amending or modifying any policy, rule, regulation, or plan of the public housing agency, except that no such significant amendment or modification may be adopted or implemented—

"(A) other than at a duly called meeting of commissioners (or other comparable governing body) of the public housing agency that is open to the public; and

"(B) until notification of the amendment or modification is provided to the Secretary and approved in accordance with subsection (g)(2).

"(2) CONSISTENCY.—Each significant amendment or modification to a public housing agency plan submitted to the Secretary under this section shall—

"(A) meet the consistency requirement of subsection (a)(2);

"(B) be subject to the notice and public hearing requirements of subsection (d); and

"(C) be subject to approval by the Secretary in accordance with subsection (g)(2).

"(g) TIMING OF PLANS.—

"(1) IN GENERAL.—

"(A) INITIAL SUBMISSION.—Each public housing agency shall submit the initial plan required by this section, and any amendment or modification to the initial plan, to the Secretary at such time and in such form as the Secretary shall require.

"(B) ANNUAL SUBMISSION.—Not later than 60 days prior to the start of the fiscal year of the public housing agency, after initial submission of the plan required by this section in accordance with subparagraph (A), each public housing agency shall annually submit to the Secretary a plan update, including any amendments or modifications to the public housing agency plan.

"(2) REVIEW AND APPROVAL.—

"(A) REVIEW.—After submission of the public housing agency plan or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make determinations under this subparagraph, the Secretary shall review the public housing agency plan (including any amendments or modifications thereto) to determine whether the contents of the plan—

"(i) set forth the information required by this section to be contained in a public housing agency plan;

"(ii) are consistent with information and data available to the Secretary; and

"(iii) are prohibited by or inconsistent with any provision of this title or other applicable law.

"(B) APPROVAL.—

"(i) IN GENERAL.—Except as provided in paragraph (3)(B), not later than 60 days after the date on which a public housing agency plan is submitted in accordance with this section, the Secretary shall provide written notice to the public housing agency if the plan has been disapproved, stating with specificity the reasons for the disapproval.

"(ii) FAILURE TO PROVIDE NOTICE OF DISAPPROVAL.—If the Secretary does not provide notice of disapproval under clause (i) before the expiration of the 60-day period described in clause (i), the public housing agency plan shall be deemed to be approved by the Secretary.

"(3) SECRETARIAL DISCRETION.—

"(A) IN GENERAL.—The Secretary may require such additional information as the Secretary determines to be appropriate for each public housing agency that is—

"(i) at risk of being designated as troubled under section 6(j); or

"(ii) designated as troubled under section 6(j).

"(B) TROUBLED AGENCIES.—The Secretary shall provide explicit written approval or disapproval, in a timely manner, for a public housing agency plan submitted by any public housing agency designated by the Secretary as a troubled public housing agency under section 6(j).

"(4) STREAMLINED PLAN.—In carrying out this section, the Secretary may establish a streamlined public housing agency plan for—

"(A) public housing agencies that are determined by the Secretary to be high performing public housing agencies; and

"(B) public housing agencies with less than 250 public housing units that have not been designated as troubled under section 6(j).".

(b) IMPLEMENTATION.—

(1) INTERIM RULE.—Not later than 120 days after the date of enactment of this Act, the Secretary shall issue an interim rule to require the submission of an interim public housing agency plan by each public housing agency, as required by section 5A of the

United States Housing Act of 1937 (as added by subsection (a) of this section).

(2) FINAL REGULATIONS.—Not later than 1 year after the date of enactment of this Act, in accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5, United States Code, the Secretary shall promulgate final regulations implementing section 5A of the United States Housing Act of 1937, as added by subsection (a) of this section.

(3) INDIAN HOUSING AUTHORITIES.—In carrying out this subsection, the Secretary may implement separate rules and regulations for the Indian housing program.

(c) AUDIT AND REVIEW; REPORT.—

(1) AUDIT AND REVIEW.—Not later than 1 year after the effective date of final regulations promulgated under subsection (b)(2), in order to determine the degree of compliance with public housing agency plans approved under section 5A of the United States Housing Act of 1937, as added by this section, by public housing agencies, the Comptroller General of the United States shall conduct—

(A) a review of a representative sample of the public housing agency plans approved under such section 5A before that date; and

(B) an audit and review of the public housing agencies submitting those plans.

(2) REPORT.—Not later than 2 years after the date on which public housing agency plans are initially required to be submitted under section 5A of the United States Housing Act of 1937, as added by this section, the Comptroller General of the United States shall submit to the Congress a report, which shall include—

(A) a description of the results of each audit and review under paragraph (1); and

(B) any recommendations for increasing compliance by public housing agencies with their public housing agency plans approved under section 5A of the United States Housing Act of 1937, as added by this section.

SEC. 107. CONTRACT PROVISIONS AND REQUIREMENTS.

(a) CONDITIONS.—Section 6(a) of the United States Housing Act of 1937 (42 U.S.C. 1437d(a)) is amended—

(1) in the first sentence, by inserting ", in a manner consistent with the public housing agency plan" before the period; and

(2) by striking the second sentence.

(b) REPEAL OF FEDERAL PREFERENCES; REVISION OF MAXIMUM INCOME LIMITS; CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS; NOTIFICATION OF ELIGIBILITY.—Section 6(c) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)) is amended to read as follows:

"(c) [Reserved.]".

(c) EXCESS FUNDS.—Section 6(e) of the United States Housing Act of 1937 (42 U.S.C. 1437d(e)) is amended to read as follows:

"(e) [Reserved.]".

(d) PERFORMANCE INDICATORS FOR PUBLIC HOUSING AGENCIES.—Section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) by striking "obligated" and inserting "provided"; and

(ii) by striking "unexpended" and inserting "unobligated by the public housing agency";

(B) in subparagraph (D), by striking "energy" and inserting "utility";

(C) by redesignating subparagraph (H) as subparagraph (J); and

(D) by inserting after subparagraph (G) the following new subparagraphs:

"(H) The extent to which the public housing agency provides—

"(i) effective programs and activities to promote the economic self-sufficiency of public housing tenants; and

"(ii) public housing tenants with opportunities for involvement in the administration of the public housing.

"(I) The extent to which the public housing agency successfully meets the goals and carries out the activities and programs of the public housing agency plan under section 5(A).";" and

(2) in paragraph (2)(A)(i), by inserting after the first sentence the following: "The Secretary may use a simplified set of indicators for public housing agencies with less than 250 public housing units.".

(e) LEASES.—Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

(1) in paragraph (3), by striking "not be less than" and all that follows before the semicolon and inserting "be the period of time required under State law"; and

(2) in paragraph (5), by striking "on or near such premises".

(f) PUBLIC HOUSING ASSISTANCE TO FOSTER CARE CHILDREN.—Section 6(o) of the United States Housing Act of 1937 (42 U.S.C. 1437d(o)) is amended by striking "Subject" and all that follows through ", in" and inserting "In".

(g) PREFERENCE FOR AREAS WITH INADEQUATE SUPPLY OF VERY LOW-INCOME HOUSING.—Section 6(p) of the United States Housing Act of 1937 (42 U.S.C. 1437d(p)) is amended to read as follows:

"(p) [Reserved.]".

(h) AVAILABILITY OF CRIMINAL RECORDS FOR SCREENING AND EVICTION; EVICTION FOR DRUG-RELATED ACTIVITY.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following new subsections:

"(q) AVAILABILITY OF RECORDS.—

"(1) IN GENERAL.—

"(A) PROVISION OF INFORMATION.—Notwithstanding any other provision of law, except as provided in subparagraph (B), the National Crime Information Center, police departments, and other law enforcement agencies shall, upon request, provide information to public housing agencies regarding the criminal conviction records of adult applicants for, or tenants of, public housing for purposes of applicant screening, lease enforcement, and eviction.

"(B) EXCEPTION.—Except as provided under any provision of State, tribal, or local law, no law enforcement agency described in subparagraph (A) shall provide information under this paragraph relating to any criminal conviction if the date of that conviction occurred 5 or more years prior to the date on which the request for the information is made.

"(2) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken on the basis of a criminal record, the public housing agency shall provide the tenant or applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

"(3) FEE.—A public housing agency may be charged a reasonable fee for information provided under paragraph (1).

"(4) RECORDS MANAGEMENT.—Each public housing agency shall establish and implement a system of records management that ensures that any criminal record received by the public housing agency is—

"(A) maintained confidentially;

"(B) not misused or improperly disseminated; and

"(C) destroyed, once the purpose for which the record was requested has been accomplished.

"(5) DEFINITION.—For purposes of this subsection, the term 'adult' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law.

"(r) EVICTION FOR DRUG-RELATED ACTIVITY.—Any tenant evicted from housing assisted under this title by reason of drug-related criminal activity (as that term is defined in section 8(f)(5)) shall not be eligible for housing assistance under this title during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the public housing agency (which shall include a waiver of this subsection if the circumstances leading to eviction no longer exist).".

(i) TRANSITION RULE RELATING TO PREFERENCES.—During the period beginning on the date of enactment of this Act and ending on the date on which the initial public housing agency plan of a public housing agency is approved under section 5A of the United States Housing Act of 1937, as added by this Act, the public housing agency may establish local preferences for making available public housing under the United States Housing Act of 1937 and for providing tenant-based assistance under section 8 of that Act.

SEC. 108. EXPANSION OF POWERS.

(a) IN GENERAL.—Section 6(j)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)) is amended—

(1) in subparagraph (A)—

(A) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

(B) by inserting after clause (ii) the following new clause:

"(iii) take possession of the public housing agency, including any project or function of the agency, including any project or function under any other provision of this title;";

(2) by redesignating subparagraphs (B) through (D) as subparagraphs (E) through (G), respectively;

(3) by inserting after subparagraph (A) the following new subparagraphs:

"(B)(i) If a public housing agency is identified as troubled under this subsection, the Secretary shall notify the agency of the troubled status of the agency.

"(ii) The Secretary may give a public housing agency a 1-year period, beginning on the later of the date on which the agency receives notice from the Secretary of the troubled status of the agency under clause (i), and the date of enactment of the Public Housing Reform and Empowerment Act of 1995, within which to demonstrate improvement satisfactory to the Secretary. Nothing in this clause shall preclude the Secretary from taking any action the Secretary considers necessary before the commencement or the expiration of the 1-year period described in this clause.

"(iii) Upon the expiration of the 1-year period described in clause (ii), if the troubled public housing agency has not demonstrated improvement satisfactory to the Secretary and the Secretary has not yet declared the agency to be in breach of the contract of the agency with the Federal Government under this title, the Secretary shall declare the public housing agency to be in substantial default, as described in subparagraph (A).

"(iv) Upon declaration of a substantial default under clause (iii), the Secretary—

"(I) shall either—

"(aa) petition for the appointment of a receiver pursuant to subparagraph (A)(ii);

"(bb) take possession of the public housing agency or any public housing projects of the public housing agency pursuant to subparagraph (A)(iii); or

"(cc) take such actions as the Secretary determines to be necessary to cure the substantial default; and

"(II) may, in addition, take other appropriate action.

"(C)(i) If a receiver is appointed pursuant to subparagraph (A)(ii), in addition to the powers accorded by the court appointing the receiver, the receiver—

"(I) may abrogate any contract that substantially impedes correction of the substantial default;

"(II) may demolish and dispose of the assets of the public housing agency, in accordance with section 18, including the transfer of properties to resident-supported nonprofit entities;

"(III) if determined to be appropriate by the Secretary, may require the establishment, as permitted by applicable State, tribal, and local law, of one or more new public housing agencies; and

"(IV) shall not be subject to any State, tribal, or local law relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the receiver, substantially impedes correction of the substantial default.

"(ii) For purposes of this subparagraph, the term 'public housing agency' includes any project or function of a public housing agency, as appropriate, including any project or function under any other provision of this title.

"(D)(i) If the Secretary takes possession of a public housing agency, or any project or function of the agency, pursuant to subparagraph (A)(iii), the Secretary—

"(I) may abrogate any contract that substantially impedes correction of the substantial default;

"(II) may demolish and dispose of the assets of the public housing agency, in accordance with section 18, including the transfer of properties to resident-supported nonprofit entities;

"(III) may require the establishment, as permitted by applicable State, tribal, and local law, of one or more new public housing agencies;

"(IV) shall not be subject to any State, tribal, or local law relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the Secretary, substantially impedes correction of the substantial default; and

"(V) shall have such additional authority as a district court of the United States has conferred under like circumstances on a receiver to fulfill the purposes of the receivership.

"(ii) The Secretary may appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary under this subparagraph for the administration of a public housing agency. The Secretary may delegate to the administrative receiver any or all of the powers given the Secretary by this subparagraph, as the Secretary determines to be appropriate.

"(iii) Regardless of any delegation under this subparagraph, an administrative receiver may not require the establishment of one or more new public housing agencies pursuant to clause (i)(III), unless the Secretary first approves an application by the administrative receiver to authorize such establishment.

"(iv) For purposes of this subparagraph, the term 'public housing agency' includes any project or function of a public housing agency, as appropriate, including any project or function under any other provision of this title."; and

(4) by adding at the end the following new subparagraph:

"(H) If the Secretary (or an administrative receiver appointed by the Secretary) takes possession of a public housing agency (including any project or function of the agency), or if a receiver is appointed by a court, the Secretary or receiver shall be deemed to be acting not in the official capacity of that person or entity, but rather in the capacity of the public housing agency, and any liability incurred, regardless of whether the incident giving rise to that liability occurred while the Secretary or receiver was in possession of the public housing agency (including any project or function of the agency), shall be the liability of the public housing agency.".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a public housing agency that is found to be in substantial default, on or after the date of enactment of this Act, with respect to the covenants or conditions to which the agency is subject (as such substantial default is defined in the contract for contributions of the agency) or with respect to an agreement entered into under section 6(j)(2)(C) of the United States Housing Act of 1937.

SEC. 109. PUBLIC HOUSING DESIGNATED FOR THE ELDERLY AND THE DISABLED.

(a) IN GENERAL.—Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e) is amended to read as follows:

"SEC. 7. AUTHORITY TO PROVIDE DESIGNATED HOUSING.

"(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may, in the discretion of the public housing agency and without approval by the Secretary, designate public housing projects or mixed-income projects (or portions of projects) for occupancy as elderly housing, disabled housing, or elderly and disabled housing. The public housing agency shall establish requirements for this section, including priorities for occupancy, in the public housing agency plan.

"(b) PRIORITY FOR OCCUPANCY.—

"(1) IN GENERAL.—In determining priority for admission to public housing projects (or portions of projects) that are designated for occupancy under this section, the public housing agency may make units in such projects (or portions of projects) available only to the types of families for whom the project is designated.

"(2) ELIGIBILITY OF NEAR-ELDERLY FAMILIES.—If a public housing agency determines that there are insufficient numbers of elderly families to fill all the units in a public housing project (or portion thereof) designated under this section for occupancy by only elderly families, the agency may provide that near-elderly families who qualify for occupancy may occupy dwelling units in the public housing project (or portion thereof).

"(3) VACANCY.—Notwithstanding paragraphs (1) and (2), in designating a public housing project (or portion thereof) for occupancy by only certain types of families under this section, a public housing agency shall make any dwelling unit that is ready for occupancy in such a project (or portion thereof) that has been vacant for more than 60 consecutive days generally available for occupancy (subject to this title) without regard to that designation.

"(c) AVAILABILITY OF HOUSING.—

"(1) TENANT CHOICE.—The decision of any disabled family not to occupy or accept occupancy in an appropriate public housing project or to otherwise accept any assistance made available to the family under this title shall not adversely affect the family with respect to a public housing agency making available occupancy in other appropriate public housing projects or to otherwise make assistance available to that family under this title.

"(2) DISCRIMINATORY SELECTION.—Paragraph (1) does not apply to any family that decides not to occupy or accept an appropriate dwelling unit in public housing or to accept assistance under this Act on the basis of the race, color, religion, gender, disability, familial status, or national origin of occupants of the housing or the surrounding area.

"(3) APPROPRIATENESS OF DWELLING UNITS.—This section may not be construed to require a public housing agency to offer occupancy in any dwelling unit assisted under this Act to any family that is not of appropriate family size for the dwelling unit.

"(d) PROHIBITION OF EVICTIONS.—Any tenant who is lawfully residing in a dwelling unit in a public housing project may not be evicted or otherwise required to vacate that unit as a result of the designation of the public housing project (or portion thereof) under this section or as a result of any other action taken by the Secretary or any public housing agency pursuant to this section.

"(e) LIMITATION ON OCCUPANCY IN DESIGNATED PROJECTS.—

"(1) OCCUPANCY LIMITATION.—Notwithstanding any other provision of law, a dwelling unit in a public housing project (or portion of a project) that is designated under subsection (a) shall not be occupied by any person whose illegal use (or pattern of illegal use) of a controlled substance or abuse (or pattern of abuse) of alcohol—

"(A) constitutes a disability; and

"(B) provides reasonable cause for the public housing agency to believe that such occupancy could interfere with the health, safety, or right to peaceful enjoyment of the premises by the tenants of the public housing project.

"(2) REQUIRED STATEMENT.—A public housing agency may not make a dwelling unit in a public housing project (or portion of a project) designated under subsection (a) available for occupancy to any family, unless the application for occupancy by that family is accompanied by a signed statement that no person who will be occupying the unit illegally uses a controlled substance, or abuses alcohol, in a manner that would interfere with the health, safety, or right to peaceful enjoyment of the premises by the tenants of the public housing project.".

(b) LEASE PROVISIONS.—Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) following new paragraph:

"(6) provide that any occupancy in violation of section 7(e)(1) or the furnishing of any false or misleading information pursuant to section 7(e)(2) shall be cause for termination of tenancy; and".

(c) CONFORMING AMENDMENT.—Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437(b)(4)(A)) is amended by striking "section 7(a)" and inserting "section 7".

SEC. 110. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

(a) IN GENERAL.—Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) is amended to read as follows:

"SEC. 9. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

"(a) IN GENERAL.—Except for assistance provided under section 8 of this Act or as otherwise provided in the Public Housing Reform and Empowerment Act of 1995, all programs under which assistance is provided for public housing under this Act on the day before October 1, 1997, shall be merged, as appropriate, into either—

"(1) the Capital Fund established under subsection (c); or

"(2) the Operating Fund established under subsection (d).

"(b) USE OF EXISTING FUNDS.—With the exception of funds made available pursuant to section 8 or section 20(f) and funds made available for the urban revitalization demonstration program authorized under the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Acts—

"(1) funds made available to the Secretary for public housing purposes that have not been obligated by the Secretary to a public housing agency as of October 1, 1997, shall be made available, for the period originally provided in law, for use in either the Capital Fund or the Operating Fund, as appropriate; and

"(2) funds made available to the Secretary for public housing purposes that have been obligated by the Secretary to a public housing agency but that, as of October 1, 1997, have not been obligated by the public housing agency, may be made available by that public housing agency, for the period originally provided in law, for use in either the Capital Fund or the Operating Fund, as appropriate.

"(c) CAPITAL FUND.—

"(1) IN GENERAL.—The Secretary shall establish a Capital Fund for the purpose of making assistance available to public housing agencies to carry out capital and management activities, including—

"(A) the development and modernization of public housing projects, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings and the development of mixed-income projects;

"(B) vacancy reduction;

"(C) addressing deferred maintenance needs and the replacement of dwelling equipment;

"(D) planned code compliance;

"(E) management improvements;

"(F) demolition and replacement;

"(G) tenant relocation;

"(H) capital expenditures to facilitate programs to improve the economic empowerment and self-sufficiency of public housing tenants; and

"(I) capital expenditures to improve the security and safety of residents.

"(2) ESTABLISHMENT OF CAPITAL FUND FORMULA.—The Secretary shall develop a formula for providing assistance under the Capital Fund, which may take into account—

"(A) the number of public housing dwelling units owned or operated by the public housing agency and the percentage of those units that are occupied by very low-income families;

"(B) if applicable, the reduction in the number of public housing units owned or operated by the public housing agency as a result of any conversion to a system of tenant-based assistance;

"(C) the costs to the public housing agency of meeting the rehabilitation and modernization needs, and meeting the reconstruction, development, and demolition needs of public housing dwelling units owned and operated by the public housing agency;

"(D) the degree of household poverty served by the public housing agency;

"(E) the costs to the public housing agency of providing a safe and secure environment in public housing units owned and operated by the public housing agency; and

"(F) the ability of the public housing agency to effectively administer the Capital Fund distribution of the public housing agency.

"(d) OPERATING FUND.—

"(1) IN GENERAL.—The Secretary shall establish an Operating Fund for the purpose of making assistance available to public housing agencies for the operation and management of public housing, including—

"(A) procedures and systems to maintain and ensure the efficient management and operation of public housing units;

"(B) activities to ensure a program of routine preventative maintenance;

"(C) anticrime and antidrug activities, including the costs of providing adequate security for public housing tenants;

"(D) activities related to the provision of services, including service coordinators for elderly persons or persons with disabilities;

"(E) activities to provide for management and participation in the management of public housing by public housing tenants;

"(F) the costs associated with the operation and management of mixed-income projects, to the extent appropriate (including the funding of an operating reserve to ensure affordability for low-income families in lieu of the availability of operating funds for public housing units in a mixed-income project);

"(G) the reasonable costs of insurance;

"(H) the reasonable energy costs associated with public housing units, with an emphasis on energy conservation; and

"(I) the costs of administering a public housing work program under section 12, including the costs of any related insurance needs.

"(2) ESTABLISHMENT OF OPERATING FUND FORMULA.—The Secretary shall establish a formula for providing assistance under the Operating Fund, which may take into account—

"(A) standards for the costs of operation and reasonable projections of income, taking into account the character and location of the public housing project and characteristics of the families served, or the costs of providing comparable services as determined with criteria or a formula representing the operations of a prototype well-managed public housing project;

"(B) the number of public housing dwelling units owned and operated by the public housing agency, the percentage of those units that are occupied by very low-income families, and, if applicable, the reduction in the number of public housing units as a result of any conversion to a system of tenant-based assistance;

"(C) the degree of household poverty served by a public housing agency;

"(D) the extent to which the public housing agency provides programs and activities designed to promote the economic self-sufficiency and management skills of public housing tenants;

"(E) the number of dwelling units owned and operated by the public housing agency that are chronically vacant and the amount of assistance appropriate for those units;

"(F) the costs of the public housing agency associated with anticrime and antidrug activities, including the costs of providing adequate security for public housing tenants; and

"(G) the ability of the public housing agency to effectively administer the Operating Fund distribution of the public housing agency.

"(e) LIMITATIONS ON USE OF FUNDS.—

"(1) IN GENERAL.—Each public housing agency may use not more than 20 percent of the Capital Fund distribution of the public housing agency for activities that are eligible for assistance under the Operating Fund under subsection (d), if the public housing agency plan provides for such use.

"(2) NEW CONSTRUCTION.—

"(A) IN GENERAL.—A public housing agency may not use any of the Capital Fund or Operating Fund distributions of the public housing agency for the purpose of constructing any public housing unit, if such construction would result in a net increase in the number of public housing units owned or operated by the public housing agency on the date of enactment of the Public Housing Reform and Empowerment Act of 1995, including any public housing units demolished as part of any revitalization effort.

"(B) EXCEPTION.—Notwithstanding subparagraph (A), a public housing agency may use the Capital Fund or Operating Fund distributions of the public housing agency for the construction and operation of housing units that are available and affordable to low-income families in excess of the limitations on new construction set forth in subparagraph (A), except that the formulae established under subsections (c)(2) and (d)(2) shall not provide additional funding for the specific purpose of allowing construction and operation of housing in excess of those limitations.".

"(f) OPERATING AND CAPITAL ASSISTANCE TO RESIDENT MANAGEMENT CORPORATIONS.—The Secretary shall directly provide operating and capital assistance under this section to each resident management corporation managing a public housing project pursuant to a contract under this section, which assistance shall be used for purposes of operating the public housing project and performing such other eligible activities with respect to the project as may be provided under the contract.

"(g) INDIAN HOUSING PROGRAMS.—To the extent provided in advance in appropriations Acts, the Secretary shall carry out housing programs for Indians in accordance with such formulas and programs as the Secretary shall establish by regulation.

"(h) TECHNICAL ASSISTANCE.—To the extent approved in advance in appropriations Acts, the Secretary may make grants or enter into contracts in accordance with this subsection for purposes of providing, either directly or indirectly—

"(1) technical assistance to public housing agencies, resident councils, resident organizations, and resident management corporations, including assistance relating to monitoring and inspections;

"(2) training for public housing agency employees and tenants;

"(3) data collection and analysis; and

"(4) training, technical assistance, and education to assist public housing agencies that are—

"(A) at risk of being designated as troubled under section 6(j) from being so designated; and

"(B) designated as troubled under section 6(j) in achieving the removal of that designation.

"(i) EMERGENCY RESERVE.—

"(1) IN GENERAL.—

"(A) SET-ASIDE.—In each fiscal year, the Secretary shall set aside not more than 2 percent of the amount made available for use under the capital fund to carry out this section for that fiscal year for use in accordance with this subsection.

"(B) USE OF FUNDS.—

"(i) EMERGENCIES.—Amounts set aside under this paragraph shall be available to the Secretary for use in connection with emergencies, as determined by the Secretary, and in connection with housing needs resulting from any settlement of litigation.

"(ii) ADDITIONAL FUNDS.—To the extent that there are funds from amounts set aside under this paragraph in excess to the needs described in clause (i), the Secretary may use those funds for the costs of establishing and administering a witness relocation program, which shall be established by the Secretary in conjunction with the Attorney General of the United States.

"(2) ALLOCATION.—

"(A) IN GENERAL.—Amounts set aside under this subsection shall initially be allocated based on the emergency and litigation settlement needs of public housing agencies, in such manner, and in such amounts as the Secretary shall determine.

"(B) PUBLICATION.—The Secretary shall publish the use of any amounts allocated under this subsection in the Federal Register.".

(b) IMPLEMENTATION; EFFECTIVE DATE; TRANSITION PERIOD.—

(1) IMPLEMENTATION.—Not later than 1 year after the date of enactment of this Act, in accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5, United States Code, the Secretary shall establish the formulas described in subsections (c)(3) and (d)(2) of section 9 of the Public Housing Reform and Empowerment Act of 1995, as amended by this section.

(2) EFFECTIVE DATE.—The formulas established under paragraph (1) shall be effective only with respect to amounts made available under section 9 of the United States Housing Act of 1937, as amended by this section, in fiscal year 1998 or in any succeeding fiscal year.

(3) TRANSITION PERIOD.—Prior to the effective date described in paragraph (2), the Secretary shall provide that each public housing agency shall receive funding under sections 9 and 14 of the United States Housing Act of 1937, as those sections existed on the day before the date of enactment of this Act.

(c) DRUG ELIMINATION GRANTS.—

(1) FUNDING AUTHORIZATION.—

(A) IN GENERAL.—To the extent provided in advance in appropriations Acts for fiscal years 1996 and 1997, the Secretary shall make grants for—

(i) use in eliminating drug-related crime under the Public and Assisted Housing Drug Elimination Act of 1990; and

(ii) drug elimination clearinghouse services authorized by section 5143 of the Drug-Free Public Housing Act of 1988.

(B) SET-ASIDE.—Of any amounts made available to carry out subparagraph (A), the Secretary shall set aside amounts for grants, technical assistance, contracts, and other assistance, and for training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training).

(2) PROGRAM REQUIREMENTS.—The use of amounts made available under paragraph (1) shall be governed by the Public and Assisted Housing Drug Elimination Act of 1990, except as follows:

(A) FORMULA ALLOCATION.—Notwithstanding the Public and Assisted Housing Drug Elimination Act of 1990, after setting aside amounts for assisted housing under section 5130(b) of such Act, the Secretary may make grants to public housing agencies in accordance with a formula established by the Secretary, which shall—

(i) take into account the needs of the public housing agency for anticrime funding, and the amount of funding that the public housing agency has received under the Public and Assisted Housing Drug Elimination Act of 1990 during fiscal years 1993, 1994, and 1995; and

(ii) not exclude an eligible public housing agency that has not received funding during the period described in clause (i).

(B) OTHER TYPES OF CRIME.—For purposes of this subsection, the Secretary may define the term "drug-related crime" to include criminal actions other than those described in section 5126(2) of the Public and Assisted Housing Drug Elimination Act of 1990.

(3) SUNSET.—No grant may be made under this subsection on or after October 1, 1998.

SEC. 111. LABOR STANDARDS.

Section 12 of the United States Housing Act of 1937 (42 U.S.C. 1437j) is amended by adding at the end the following new subsection:

"(c) WORK REQUIREMENT.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, each adult member of each family assisted under this title shall contribute not less than 8 hours of volunteer work per month (not to include any political activity) within the community in which that adult resides.

"(2) INCLUSION IN PLAN.—Each public housing agency shall include in the public housing agency plan a detailed description of the manner in which the public housing agency intends to implement and administer paragraph (1).

"(3) EXEMPTIONS.—The Secretary may provide an exemption from paragraph (1) for any adult who is—

"(A) not less than 62 years of age;

"(B) a person with disabilities who is unable, as determined in accordance with guidelines established by the Secretary, to comply with this section;

"(C) working not less than 20 hours per week, a student, receiving vocational training, or otherwise meeting work, training, or educational requirements of a public assistance program; or

"(D) a single parent or the spouse of an otherwise exempt individual who is the primary caretaker of one or more children who are 6 years of age or younger.".

SEC. 112. REPEAL OF ENERGY CONSERVATION; CONSORTIA AND JOINT VENTURES.

Section 13 of the United States Housing Act of 1937 (42 U.S.C. 1437k) is amended to read as follows:

"SEC. 13. CONSORTIA, JOINT VENTURES, AFFILIATES, AND SUBSIDIARIES OF PUBLIC HOUSING AGENCIES.

"(a) CONSORTIA.—

"(1) IN GENERAL.—Any 2 or more public housing agencies may participate in a consortium for the purpose of administering any or all of the housing programs of those public housing agencies in accordance with this section.

"(2) EFFECT.—With respect to any consortium described in paragraph (1)—

"(A) any assistance made available under this title to each of the public housing agencies participating in the consortium shall be paid to the consortium; and

"(B) all planning and reporting requirements imposed upon each public housing agency participating in the consortium with respect to the programs operated by the consortium shall be consolidated.

"(3) RESTRICTIONS.—

"(A) AGREEMENT.—Each consortium described in paragraph (1) shall be formed and operated in accordance with a consortium agreement, and shall be subject to the requirements of a joint public housing agency plan, which shall be submitted by the consortium in accordance with section 5A.

"(B) MINIMUM REQUIREMENTS.—The Secretary shall specify minimum requirements relating to the formation and operation of consortia and the minimum contents of consortium agreements under this paragraph.

"(b) JOINT VENTURES.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency, in accordance with the public housing agency plan, may—

"(A) form and operate wholly owned or controlled subsidiaries (which may be nonprofit corporations) and other affiliates, any of which may be directed, managed, or controlled by the same persons who constitute the board of commissioners or other similar governing body of the public housing agency, or who serve as employees or staff of the public housing agency; or

"(B) enter into joint ventures, partnerships, or other business arrangements with, or contract with, any person, organization, entity, or governmental unit, with respect to the administration of the programs of the public housing agency, including any program that is subject to this title.

"(2) USE OF INCOME.—Any income generated under paragraph (1) shall be used for low-income housing or to benefit the tenants of the public housing agency.

"(3) AUDITS.—The Comptroller General of the United States, the Secretary, and the Inspector General of the Department of Housing and Urban Development may conduct an audit of any activity undertaken under paragraph (1) at any time.".

SEC. 113. REPEAL OF MODERNIZATION FUND.

(a) IN GENERAL.—Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) is repealed.

(b) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 5(c)(5), by striking "for use under section 14 or";

(2) in section 5(c)(7)—

(A) in subparagraph (A)—

(i) by striking clause (iii); and

(ii) by redesignating clauses (iv) through (x) as clauses (iii) through (ix), respectively; and

(B) in subparagraph (B)—

(i) by striking clause (iii); and

(ii) by redesignating clauses (iv) through (x) as clauses (iii) through (ix), respectively;

(3) in section 6(j)(1)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraphs (C) through (H) as subparagraphs (B) through (G), respectively;

(4) in section 6(j)(2)(A)—

(A) in clause (i), by striking "The Secretary shall also designate," and all that follows through the period at the end; and

(B) in clause (iii), by striking "(including designation as a troubled agency for purposes of the program under section 14)";

(5) in section 6(j)(2)(B)—

(A) in clause (i), by striking "and determining that an assessment under this subparagraph will not duplicate any review conducted under section 14(p)"; and

(B) in clause (ii)—

(i) by striking "(I) the agency's comprehensive plan prepared pursuant to section 14 adequately and appropriately addresses the rehabilitation needs of the agency's inventory, (II)" and inserting "(I)"; and

(ii) by striking "(III)" and inserting "(II)";

(6) in section 6(j)(3)—

(A) in clause (ii), by adding "and" at the end;

(B) by striking clause (iii); and

(C) by redesignating clause (iv) as clause (iii);

(7) in section 6(j)(4)—

(A) in subparagraph (D), by adding "and" at the end;

(B) in subparagraph (E), by striking "; and" at the end and inserting a period; and

(C) by striking subparagraph (F);

(8) in section 20—

(A) by striking subsection (c) and inserting the following:

"(c) [Reserved.]"; and

(B) by striking subsection (f) and inserting the following:

"(f) [Reserved.]";

(9) in section 21(a)(2)—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(10) in section 21(a)(3)(A)(v), by striking "the building or buildings meet the minimum safety and livability standards applicable under section 14, and";

(11) in section 25(b)(1), by striking "From amounts reserved" and all that follows through "the Secretary may" and inserting the following: To the extent approved in appropriations Acts, the Secretary may";

(12) in section 25(e)(2)—

(A) by striking "The Secretary" and inserting "To the extent approved in appropriations Acts, the Secretary"; and

(B) by striking "available annually from amounts under section 14";

(13) in section 25(e), by striking paragraph (3);

(14) in section 25(f)(2)(G)(i), by striking "including—" and all that follows through "an explanation" and inserting "including an explanation";

(15) in section 25(i)(1), by striking the second sentence; and

(16) in section 202(b)(2)—

(A) by striking "(b) FINANCIAL ASSISTANCE.—" and all that follows through "The Secretary may," and inserting the following:

"(b) FINANCIAL ASSISTANCE.—The Secretary may"; and

(B) by striking paragraph (2).

SEC. 114. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUSING.

Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended to read as follows:

"SEC. 16. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUSING.

"(a) INCOME ELIGIBILITY FOR PUBLIC HOUSING.—

"(1) IN GENERAL.—Of the dwelling units of a public housing agency, including public housing units in a designated mixed-income project, made available for occupancy in any fiscal year of the public housing agency—

"(A) not less than 40 percent shall be occupied by families whose incomes do not exceed 30 percent of the area median income for those families;

"(B) not less than 75 percent shall be occupied by families whose incomes do not exceed 60 percent of the area median income for those families; and

"(C) any remaining dwelling units may be made available for families whose incomes do not exceed 80 percent of the area median income for those families.

"(2) ESTABLISHMENT OF DIFFERENT STANDARDS.—Notwithstanding paragraph (1), if approved by the Secretary, a public housing agency, in accordance with the public housing agency plan, may for good cause establish and implement an occupancy standard other than the standard described in paragraph (1).

"(3) MIXED-INCOME HOUSING STANDARD.—Each public housing agency plan submitted by a public housing agency shall include a plan for achieving a diverse income mix among tenants in each public housing project of the public housing agency and among the scattered site public housing of the public housing agency.

"(b) INCOME ELIGIBILITY FOR CERTAIN ASSISTED HOUSING.—

"(1) IN GENERAL.—Of the dwelling units receiving tenant-based assistance under section 8 made available for occupancy in any fiscal year of the public housing agency—

"(A) not less than 50 percent shall be occupied by families whose incomes do not exceed 30 percent of the area median income for those families; and

"(B) any remaining dwelling units may be made available for families whose incomes do not exceed 80 percent of the area median income for those families.

"(2) ESTABLISHMENT OF DIFFERENT STANDARDS.—Notwithstanding paragraph (1), if approved by the Secretary, a public housing agency, in accordance with the public housing agency plan, may for good cause establish and implement an occupancy standard other than the standard described in paragraph (1).

"(c) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—Notwithstanding any other provision of law, a public housing agency shall establish standards for occupancy in public housing dwelling units—

"(1) that prohibit occupancy in any such unit by any person—

"(A) who the public housing agency determines is illegally using a controlled substance; or

"(B) if the public housing agency determines that it has reasonable cause to believe that such person's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, could interfere with the health, safety, or right to peaceful enjoyment of the premises by the tenants of the public housing project; and

"(2) that allow the public housing agency to terminate the tenancy in any public housing unit of any person—

"(A) if the public housing agency determines that such person is illegally using a controlled substance; or

"(B) whose illegal use of a controlled substance, or whose abuse of alcohol, is determined by the public housing agency to interfere with the health, safety, or right to peaceful enjoyment of the premises by the tenants of the public housing project.

"(d) INAPPLICABILITY TO INDIAN HOUSING.—This section does not apply to any dwelling unit assisted by an Indian housing authority.".

SEC. 115. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

(a) IN GENERAL.—Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) is amended to read as follows:

"SEC. 18. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

"(a) APPLICATIONS FOR DEMOLITION AND DISPOSITION.—Except as provided in subsection (b), not later than 60 days after receiving an application by a public housing agency for authorization, with or without financial assistance under this title, to demolish or dispose of a public housing project or a portion of a public housing project (including any transfer to a resident-supported nonprofit entity), the Secretary shall approve the application, if the public housing agency certifies—

"(1) in the case of—

"(A) an application proposing demolition of a public housing project or a portion of a public housing project, that—

"(i) the project or portion of the public housing project is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes; and

"(ii) no reasonable program of modifications is cost-effective to return the public housing project or portion of the project to useful life; and

"(B) an application proposing the demolition of only a portion of a public housing project, that the demolition will help to assure the viability of the remaining portion of the project;

"(2) in the case of an application proposing disposition of a public housing project or other real property subject to this title by sale or other transfer, that—

"(A) the retention of the property is not in the best interests of the tenants or the public housing agency because—

"(i) conditions in the area surrounding the public housing project adversely affect the health or safety of the tenants or the feasible operation of the project by the public housing agency; or

"(ii) disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as low-income housing;

"(B) the public housing agency has otherwise determined the disposition to be appropriate for reasons that are—

"(i) in the best interests of the tenants and the public housing agency;

"(ii) consistent with the goals of the public housing agency and the public housing agency plan; and

"(iii) otherwise consistent with this title; or

"(C) for property other than dwelling units, the property is excess to the needs of a public housing project or the disposition is incidental to, or does not interfere with, continued operation of a public housing project;

"(3) that the public housing agency has specifically authorized the demolition or disposition in the public housing agency plan, and has certified that the actions contemplated in the public housing agency plan comply with this section;

"(4) that the public housing agency—

"(A) will provide for the payment of the relocation expenses of each tenant to be displaced;

"(B) will ensure that the amount of rent paid by the tenant following relocation will not exceed the amount permitted under this title; and

"(C) will not commence demolition or complete disposition until all tenants residing in the unit are relocated;

"(5) that the net proceeds of any disposition will be used—

"(A) unless waived by the Secretary, for the retirement of outstanding obligations issued to finance the original public housing project or modernization of the project; and

"(B) to the extent that any proceeds remain after the application of proceeds in accordance with subparagraph (A), for the provision of low-income housing or to benefit the tenants of the public housing agency; and

"(6) that the public housing agency has complied with subsection (c).

"(b) DISAPPROVAL OF APPLICATIONS.—The Secretary shall disapprove an application submitted under subsection (a) if the Secretary determines that any certification made by the public housing agency under that subsection is clearly inconsistent with information and data available to the Secretary.

"(c) TENANT OPPORTUNITY TO PURCHASE IN CASE OF PROPOSED DISPOSITION.—

"(1) IN GENERAL.—In the case of a proposed disposition of a public housing project or portion of a project, the public housing agency shall, in appropriate circumstances, as determined by the Secretary, initially offer the property to any eligible resident organization, eligible resident management corporation, or nonprofit organization supported by the residents, if that entity has expressed an interest, in writing, to the public housing agency in a timely manner, in purchasing the property for continued use as low-income housing.

"(2) TIMING.—

"(A) THIRTY-DAY NOTICE.—A resident organization, resident management corporation, or other resident-supported nonprofit entity referred to in paragraph (1) may express interest in purchasing property that is the subject of a disposition, as described in paragraph (1), during the 30-day period beginning on the date of notification of a proposed sale of the property.

"(B) SIXTY-DAY NOTICE.—If an entity expresses written interest in purchasing a property, as provided in subparagraph (A), no disposition of the property shall occur during the 60-day period beginning on the date of receipt of that written notice, during which time that entity shall be given the opportunity to obtain a firm commitment for financing the purchase of the property.

"(d) REPLACEMENT UNITS.—Notwithstanding any other provision of law, replacement housing units for public housing units demolished in accordance with this section may be built on the original public housing location or in the same neighborhood as the original public housing location if the number of those replacement units is fewer than the number of units demolished.".

(b) HOMEOWNERSHIP REPLACEMENT PLAN.—

(1) IN GENERAL.—Section 304(g) of the United States Housing Act of 1937 (42 U.S.C. 1437aaa-3(g)), as amended by section 1002(b) of the Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred At Oklahoma City, and Rescissions Act, 1995, is amended to read as follows:

"(g) [Reserved.]".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective with respect to any plan for the demolition, disposition, or conversion to homeownership of public housing that is approved by the Secretary after September 30, 1995.

(c) UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT.—The Uniform Relocation and Real Property Acquisition Act shall not apply to activities under section 18 of the United States Housing Act of 1937, as amended by this section.

SEC. 116. REPEAL OF FAMILY INVESTMENT CENTERS; VOUCHER SYSTEM FOR PUBLIC HOUSING.

(a) IN GENERAL.—Section 22 of the United States Housing Act of 1937 (42 U.S.C. 1437t) is amended to read as follows:

"SEC. 22. VOUCHER SYSTEM FOR PUBLIC HOUSING.

"(a) IN GENERAL.—

"(1) AUTHORIZATION.—A public housing agency may convert any public housing project (or portion thereof) owned and operated by the public housing agency to a system of tenant-based assistance in accordance with this section.

"(2) REQUIREMENTS.—In converting to a tenant-based system of assistance under this section, the public housing agency shall develop a conversion assessment and plan under subsection (b) in consultation with the appropriate public officials, with significant participation by the residents of the project (or portion thereof), which assessment and plan shall—

"(A) be consistent with and part of the public housing agency plan; and

"(B) describe the conversion and future use or disposition of the public housing project, including an impact analysis on the affected community.

"(b) CONVERSION ASSESSMENT AND PLAN.—

"(1) IN GENERAL.—Not later than 2 years after the date of enactment of the Public Housing Reform and Empowerment Act of 1995, each public housing agency shall assess the status of each public housing project owned and operated by that public housing agency, and shall submit to the Secretary an assessment that includes—

"(A) a cost analysis that demonstrates whether or not the cost (both on a net present value basis and in terms of new budget authority requirements) of providing tenant-based assistance under section 8 for the same families in substantially similar dwellings over the same period of time is less expensive than continuing public housing assistance in the public housing project proposed for conversion for the remaining useful life of the project;

"(B) an analysis of the market value of the public housing project proposed for conversion both before and after rehabilitation, and before and after conversion;

"(C) an analysis of the rental market conditions with respect to the likely success of tenant-based assistance under section 8 in that market for the specific residents of the public housing project proposed for conversion, including an assessment of the availability of decent and safe dwellings renting at or below the payment standard established for tenant-based assistance under section 8 by the public housing agency;

"(D) the impact of the conversion to a system of tenant-based assistance under this section on the neighborhood in which the public housing project is located; and

"(E) a plan that identifies actions, if any, that the public housing agency would take with regard to converting any public housing project or projects (or portions thereof) of the public housing agency to a system of tenant-based assistance.

"(2) STREAMLINED ASSESSMENT.—At the discretion of the Secretary or at the request of a public housing agency, the Secretary may waive any or all of the requirements of paragraph (1) or otherwise require a streamlined assessment with respect to any public housing project or class of public housing projects.

"(3) IMPLEMENTATION OF CONVERSION PLAN.—

"(A) IN GENERAL.—A public housing agency may implement a conversion plan only if the conversion assessment under this section demonstrates that the conversion—

"(i) will not be more expensive than continuing to operate the public housing project (or portion thereof) as public housing; and

"(ii) will principally benefit the residents of the public housing project (or portion thereof) to be converted, the public housing agency, and the community.

"(B) DISAPPROVAL.—The Secretary shall disapprove a conversion plan only if the plan is plainly inconsistent with the conversion assessment under subsection (b) or if there is reliable information and data available to the Secretary that contradicts that conversion assessment.

"(c) OTHER REQUIREMENTS.—To the extent approved by the Secretary, the funds used by the public housing agency to provide tenant-based assistance under section 8 shall be added to the housing assistance payment contract administered by—

"(1) the public housing agency; or

"(2) any entity administering the contract on behalf of the public housing agency.

"(d) INAPPLICABILITY TO INDIAN HOUSING.—This section does not apply to any Indian housing authority.".

(b) SAVINGS PROVISION.—The amendment made by subsection (a) does not affect any contract or other agreement entered into under section 22 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act.

SEC. 117. REPEAL OF FAMILY SELF-SUFFICIENCY; HOMEOWNERSHIP OPPORTUNITIES.

(a) IN GENERAL.—Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u) is amended to read as follows:

"SEC. 23. PUBLIC HOUSING HOMEOWNERSHIP OPPORTUNITIES.

"(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may, in accordance with this section—

"(1) sell any public housing unit in any public housing project of the public housing agency to—

"(A) the low-income tenants of the public housing agency; or

"(B) any organization serving as a conduit for sales to those persons; and

"(2) provide assistance to public housing residents to facilitate the ability of those residents to purchase a principal residence.

"(b) RIGHT OF FIRST REFUSAL.—In making any sale under this section, the public housing agency shall initially offer the public housing unit at issue to the tenant or tenants occupying that unit, if any, or to an organization serving as a conduit for sales to any such tenant.

"(c) SALE PRICES, TERMS, AND CONDITIONS.—Any sale under this section may involve such prices, terms, and conditions as the public housing agency may determine in accordance with procedures set forth in the public housing agency plan.

"(d) PURCHASE REQUIREMENTS.—

"(1) IN GENERAL.—Each tenant that purchases a dwelling unit under subsection (a) shall, as of the date on which the purchase is made—

"(A) intend to occupy the property as a principal residence; and

"(B) submit a written certification to the public housing agency that such tenant will occupy the property as a principal residence for a period of not less than 12 months beginning on that date.

"(2) RECAPTURE.—Except for good cause, as determined by a public housing agency in

the public housing agency plan, if, during the 1-year period beginning on the date on which any tenant acquires a public housing unit under this section, that public housing unit is resold, the public housing agency shall recapture 75 percent of the amount of any proceeds from that resale that exceed the sum of—

"(A) the original sale price for the acquisition of the property by the qualifying tenant;

"(B) the costs of any improvements made to the property after the date on which the acquisition occurs; and

"(C) any closing costs incurred in connection with the acquisition.

"(e) PROTECTION OF NONPURCHASING TENANTS.—If a public housing tenant does not exercise the right of first refusal under subsection (b) with respect to the public housing unit in which the tenant resides, the public housing agency shall—

"(1) ensure that either another public housing unit or rental assistance under section 8 is made available to the tenant; and

"(2) provide for the payment of the reasonable relocation expenses of the tenant.

"(f) NET PROCEEDS.—

"(1) IN GENERAL.—The net proceeds of any sales under this section remaining after payment of all costs of the sale and any unassumed, unpaid indebtedness owed in connection with the dwelling units sold under this section unless waived by the Secretary, shall be used for purposes relating to low-income housing and in accordance with the public housing agency plan.

"(2) INDIAN HOUSING.—The net proceeds described in paragraph (1) may be used by Indian housing authorities for housing for families whose incomes exceed the income levels established under this title for low-income families.

"(g) HOMEOWNERSHIP ASSISTANCE.—From amounts distributed to a public housing agency under section 9, or from other income earned by the public housing agency, the public housing agency may provide assistance to public housing residents to facilitate the ability of those residents to purchase a principal residence, including a residence other than a residence located in a public housing project.".

(b) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 8(y)(7)(A)—

(A) by striking ", (ii)" and inserting ", and (ii)"; and

(B) by striking ", and (iii)" and all that follows before the period at the end; and

(2) in section 25(1)(2)—

(A) in the first sentence, by striking ", consistent with the objectives of the program under section 23,"; and

(B) by striking the second sentence.

(c) SAVINGS PROVISION.—The amendments made by this section do not affect any contract or other agreement entered into under section 23 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act.

SEC. 118. REVITALIZING SEVERELY DISTRESSED PUBLIC HOUSING.

Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) is amended to read as follows:

"SEC. 24. REVITALIZING SEVERELY DISTRESSED PUBLIC HOUSING.

"(a) IN GENERAL.—To the extent provided in advance in appropriations Acts, the Secretary may make grants to public housing agencies for the purposes of—

"(1) enabling the demolition of obsolete public housing projects or portions thereof;

"(2) revitalizing sites (including remaining public housing units) on which such public housing projects are located;

"(3) the provision of replacement housing, which will avoid or lessen concentrations of very low-income families; and

"(4) the provision of tenant-based assistance under section 8 for use as replacement housing.

"(b) COMPETITION.—The Secretary shall make grants under this section on the basis of a competition, which shall be based on such factors as—

"(1) the need for additional resources for addressing a severely distressed public housing project;

"(2) the need for affordable housing in the community;

"(3) the supply of other housing available and affordable to a family receiving tenant-based assistance under section 8; and

"(4) the local impact of the proposed revitalization program.

"(c) TERMS AND CONDITIONS.—The Secretary may impose such terms and conditions on recipients of grants under this section as the Secretary determines to be appropriate to carry out the purposes of this section, except that such terms and conditions shall be similar to the terms and conditions of either—

"(1) the urban revitalization demonstration program authorized under the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Acts; or

"(2) section 24 of the United States Housing Act of 1937, as such section existed before the date of enactment of the Public Housing Reform and Empower Act of 1995.

"(d) ALTERNATIVE MANAGEMENT.—The Secretary may require any recipient of a grant under this section to make arrangements with an entity other than the public housing agency to carry out the purposes for which the grant was awarded, if the Secretary determines that such action is necessary for the timely and effective achievement of the purposes for which the grant was awarded.

"(e) INAPPLICABILITY TO INDIAN HOUSING.—This section does not apply to any Indian housing authority.

"(f) SUNSET.—No grant may be made under this section on or after October 1, 1998.".

SEC. 119. MIXED-INCOME AND MIXED-OWNERSHIP PROJECTS.

(a) IN GENERAL.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 28. MIXED-INCOME AND MIXED-OWNERSHIP PROJECTS.

"(a) IN GENERAL.—A public housing agency may own, operate, assist, or otherwise participate in one or more mixed-income projects in accordance with this section.

"(b) REQUIREMENTS.—

"(1) MIXED-INCOME PROJECT.—For purposes of this section, the term 'mixed-income project' means a project that meets the requirements of paragraph (2) and that is occupied both by one or more very low-income families and by one or more families that are not very low-income families.

"(2) STRUCTURE OF PROJECTS.—Each mixed-income project shall be developed—

"(A) in a manner that ensures that units are made available in the project, by master contract, individual lease, or equity interest for occupancy by eligible families identified by the public housing agency for a period of not less than 20 years;

"(B) in a manner that ensures that the number of public housing units bears approximately the same proportion to the total number of units in the mixed-income project as the value of the total financial commitment provided by the public housing agency bears to the value of the total financial commitment in the project, or shall not be less than the number of units that could have been developed under the conventional public housing program with the assistance; and

"(C) in accordance with such other requirements as the Secretary may prescribe by regulation.

"(3) TYPES OF PROJECTS.—The term 'mixed-income project' includes a project that is developed—

"(A) by a public housing agency or by an entity affiliated with a public housing agency;

"(B) by a partnership, a limited liability company, or other entity in which the public housing agency (or an entity affiliated with a public housing agency) is a general partner, managing member, or otherwise participates in the activities of that entity;

"(C) by any entity that grants to the public housing agency the option to purchase the public housing project during the 20-year period beginning on the date of initial occupancy of the public housing project in accordance with section 42(1)(7) of the Internal Revenue Code of 1986; or

"(D) in accordance with such other terms and conditions as the Secretary may prescribe by regulation.

"(c) TAXATION.—

"(1) IN GENERAL.—A public housing agency may elect to have all public housing units in a mixed-income project subject to local real estate taxes, except that such units shall be eligible at the discretion of the public housing agency for the taxing requirements under section 6(d).

"(2) LOW-INCOME HOUSING TAX CREDIT.—With respect to any unit in a mixed-income project that is assisted pursuant to the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986, the rents charged to the tenants may be set at levels not to exceed the amounts allowable under that section.

"(d) RESTRICTION.—No assistance provided under section 9 shall be used by a public housing agency in direct support of any unit rented to a family that is not a low-income family, except that this subsection does not apply to the Mutual Help Homeownership Program authorized under section 202 of this Act.

"(e) EFFECT OF CERTAIN CONTRACT TERMS.—If an entity that owns or operates a mixed-income project under this section enters into a contract with a public housing agency, the terms of which obligate the entity to operate and maintain a specified number of units in the project as public housing units in accordance with the requirements of this Act for the period required by law, such contractual terms may provide that, if, as a result of a reduction in appropriations under section 9, or any other change in applicable law, the public housing agency is unable to fulfill its contractual obligations with respect to those public housing units, that entity may deviate, under procedures and requirements developed through regulations by the Secretary, from otherwise applicable restrictions under this Act regarding rents, income eligibility, and other areas of public housing management with respect to a portion or all of those public housing units, to the extent necessary to preserve the viability of those units while maintaining the low-income character thereof to the maximum extent practicable.".

(b) REGULATIONS.—The Secretary shall issue such regulations as may be necessary to promote the development of mixed-income projects, as that term is defined in section 28 of the United States Housing Act of 1937, as added by this Act.

SEC. 120. CONVERSION OF DISTRESSED PUBLIC HOUSING TO TENANT-BASED ASSISTANCE.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 29. CONVERSION OF DISTRESSED PUBLIC HOUSING TO TENANT-BASED ASSISTANCE.

"(a) IDENTIFICATION OF UNITS.—To the extent approved in advance in appropriations Acts, each public housing agency shall identify all public housing projects of the public housing agency—

"(1) that are on the same or contiguous sites;

"(2) that the public housing agency determines to be distressed, which determination shall be made in accordance with guidelines established by the Secretary, which guidelines shall be based on the criteria established in the Final Report of the National Commission on Severely Distressed Public Housing (August 1992);

"(3) identified as distressed housing under paragraph (2) for which the public housing agency cannot assure the long-term viability as public housing through reasonable modernization expenses, density reduction, achievement of a broader range of family income, or other measures; and

"(4) for which the estimated cost, during the remaining useful life of the project, of continued operation and modernization as public housing exceeds the estimated cost, during the remaining useful life of the project, of providing tenant-based assistance under section 8 for all families in occupancy, based on appropriate indicators of cost (such as the percentage of total development costs required for modernization).

"(b) CONSULTATION.—Each public housing agency shall consult with the appropriate public housing tenants and the appropriate unit of general local government in identifying any public housing projects under subsection (a).

"(c) REMOVAL OF UNITS FROM THE INVENTORIES OF PUBLIC HOUSING AGENCIES.—

"(1) IN GENERAL.—

"(A) DEVELOPMENT OF PLAN.—Each public housing agency shall develop and, to the extent provided in advance in appropriations Acts, carry out a 5-year plan in conjunction with the Secretary for the removal of public housing units identified under subsection (a) from the inventory of the public housing agency and the annual contributions contract.

"(B) APPROVAL OF PLAN.—The plan required under subparagraph (A) shall—

"(i) be included as part of the public housing agency plan;

"(ii) be certified by the relevant local official to be in accordance with the comprehensive housing affordability strategy under title I of the Housing and Community Development Act of 1992; and

"(iii) include a description of any disposition and demolition plan for the public housing units.

"(2) EXTENSIONS.—The Secretary may extend the 5-year deadline described in paragraph (1) by not more than an additional 5 years if the Secretary makes a determination that the deadline is impracticable.

"(d) CONVERSION TO TENANT-BASED ASSISTANCE.—

"(1) IN GENERAL.—With respect to any public housing project that has not received a grant for assistance under the urban revitalization demonstration program authorized under the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Acts or under section 24 of the United States Housing Act of 1937, the Secretary shall make authority available to a public housing agency to provide assistance under this Act to families residing in any public housing project that is removed from the inventory of the public housing agency and the annual contributions contract pursuant to this section.

"(2) PLAN REQUIREMENTS.—Each plan under subsection (c) shall require the agency to—

"(A) notify families residing in the public housing project, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(i) the public housing project will be removed from the inventory of the public housing agency; and

"(ii) the families displaced by such action will receive tenant-based or project-based assistance or occupancy in a unit operated or assisted by the public housing agency;

"(B) provide any necessary counseling for families displaced by such action; and

"(C) provide any reasonable relocation expenses for families displaced by such action.

"(e) REMOVAL BY SECRETARY.—The Secretary shall take appropriate actions to ensure removal of any public housing project identified under subsection (a) from the inventory of a public housing agency, if the public housing agency fails to adequately develop a plan under subsection (c) with respect to that project, or fails to adequately implement such plan in accordance with the terms of the plan.

"(f) ADMINISTRATION.—

"(1) IN GENERAL.—The Secretary may require a public housing agency to provide to the Secretary or to public housing tenants such information as the Secretary considers to be necessary for the administration of this section.

"(2) APPLICABILITY OF SECTION 18.—Section 18 does not apply to the demolition of public housing projects removed from the inventory of the public housing agency under this section.

"(g) INAPPLICABILITY TO INDIAN HOUSING.—This section does not apply to any Indian housing authority.".

SEC. 121. PUBLIC HOUSING MORTGAGES AND SECURITY INTERESTS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 30. PUBLIC HOUSING MORTGAGES AND SECURITY INTERESTS.

"(a) GENERAL AUTHORIZATION.—The Secretary may, upon such terms and conditions as the Secretary may prescribe, authorize a public housing agency to mortgage or otherwise grant a security interest in any public housing project or other property of the public housing agency.

"(b) TERMS AND CONDITIONS.—

"(1) CRITERIA FOR APPROVAL.—In making any authorization under subsection (a), the Secretary may consider—

"(A) the ability of the public housing agency to use the proceeds of the mortgage or security interest for low-income housing uses;

"(B) the ability of the public housing agency to make payments on the mortgage or security interest; and

"(C) such other criteria as the Secretary may specify.

"(2) TERMS AND CONDITIONS OF MORTGAGES AND SECURITY INTERESTS OBTAINED.—Each mortgage or security interest granted under this section shall be—

"(A) for a term that—

"(i) is consistent with the terms of private loans in the market area in which the public housing project or property at issue is located; and

"(ii) does not exceed 30 years; and

"(B) subject to conditions that are consistent with the conditions to which private loans in the market area in which the subject project or other property is located are subject.

"(3) NO FULL FAITH AND CREDIT.—No action taken under this section shall result in any liability to the Federal Government.".

SEC. 122. LINKING SERVICES TO PUBLIC HOUSING RESIDENTS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 31. SERVICES FOR PUBLIC HOUSING RESIDENTS.

"(a) IN GENERAL.—To the extent provided in advance in appropriations Acts, the Secretary may make grants to public housing agencies (including Indian housing authorities) on behalf of public housing residents, or directly to resident management corporations, resident councils, or resident organizations (including nonprofit entities supported by residents), for the purposes of providing a program of supportive services and resident empowerment activities to assist public housing residents in becoming economically self-sufficient.

"(b) ELIGIBLE ACTIVITIES.—Grantees under this section may use such amounts only for activities on or near the public housing agency or public housing project that are designed to promote the self-sufficiency of public housing residents, including activities relating to—

"(1) physical improvements to a public housing project in order to provide space for supportive services for residents;

"(2) the provision of service coordinators;

"(3) the provision of services related to work readiness, including academic skills, job training, job search skills, tutoring, adult literacy, transportation, and child care, except that grants received under this section shall not comprise more than 50 percent of the costs of providing such services;

"(4) resident management activities; and

"(5) other activities designed to improve the economic self-sufficiency of residents.

"(c) FUNDING DISTRIBUTION.—

"(1) IN GENERAL.—Except for amounts provided under subsection (d), the Secretary may distribute amounts made available under this section on the basis of a competition or a formula, as appropriate.

"(2) FACTORS FOR DISTRIBUTION.—Factors for distribution under paragraph (1) shall include—

"(A) the demonstrated capacity of the applicant to carry out a program of supportive services or resident empowerment activities; and

"(B) the ability of the applicant to leverage additional resources for the provision of services.

"(d) FUNDING FOR RESIDENT COUNCILS.—Of amounts appropriated for activities under this section, not less than $25,000,000 shall be provided directly to resident councils, resident organizations, and resident management corporations.".

SEC. 123. APPLICABILITY TO INDIAN HOUSING.

In accordance with section 201(b)(2) of the United States Housing Act of 1937, except as otherwise provided in this Act, this title and the amendments made by this title shall

apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority, as that term is defined in section 3(b) of the United States Housing Act of 1937.

TITLE II—SECTION 8 RENTAL ASSISTANCE

SEC. 201. MERGER OF THE CERTIFICATE AND VOUCHER PROGRAMS.

Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended to read as follows:

"(o) VOUCHER PROGRAM.—

"(1) PAYMENT STANDARD.—

"(A) IN GENERAL.—The Secretary may provide assistance to public housing agencies for tenant-based assistance using a payment standard established in accordance with subparagraph (B). The payment standard shall be used to determine the monthly assistance that may be paid for any family, as provided in paragraph (2).

"(B) ESTABLISHMENT OF PAYMENT STANDARD.—The payment standard shall not exceed 120 percent of the fair market rental established under subsection (c) and shall be not less than 90 percent of that fair market rental.

"(C) SET-ASIDE.—The Secretary may set aside not more than 5 percent of the budget authority available under this subsection as an adjustment pool. The Secretary shall use amounts in the adjustment pool to make adjusted payments to public housing agencies under subparagraph (A), to ensure continued affordability, if the Secretary determines that additional assistance for such purpose is necessary, based on documentation submitted by a public housing agency.

"(D) APPROVAL.—The Secretary may require a public housing agency to submit the payment standard of the public housing agency to the Secretary for approval.

"(E) REVIEW.—The Secretary—

"(i) shall monitor rent burdens and review any payment standard that results in a significant percentage of the families occupying units of any size paying more than 30 percent of adjusted income for rent; and

"(ii) may require a public housing agency to modify the payment standard of the public housing agency based on the results of that review.

"(2) AMOUNT OF MONTHLY ASSISTANCE PAYMENT.—

"(A) FAMILIES RECEIVING TENANT-BASED ASSISTANCE; RENT DOES NOT EXCEED PAYMENT STANDARD.—For a family receiving tenant-based assistance under this title, if the rent for that family (including the amount allowed for tenant-paid utilities) does not exceed the payment standard established under paragraph (1), the monthly assistance payment to that family shall be equal to the amount by which the rent exceeds the greatest of the following amounts, rounded to the nearest dollar:

"(i) Thirty percent of the monthly adjusted income of the family.

"(ii) Ten percent of the monthly income of the family.

"(iii) If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

"(B) FAMILIES RECEIVING TENANT-BASED ASSISTANCE; RENT EXCEEDS PAYMENT STANDARD.—For a family receiving tenant-based assistance under this title, if the rent for that family (including the amount allowed for tenant-paid utilities) exceeds the payment standard established under paragraph (1), the monthly assistance payment to that family shall be equal to the amount by which the applicable payment standard exceeds the greatest of the following amounts, rounded to the nearest dollar:

"(i) Thirty percent of the monthly adjusted income of the family.

"(ii) Ten percent of the monthly income of the family.

"(iii) If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

"(C) FAMILIES RECEIVING PROJECT-BASED ASSISTANCE.—For a family receiving project-based assistance under this title, the rent that the family is required to pay shall be determined in accordance with section 3(a)(1), and the amount of the housing assistance payment shall be determined in accordance with subsection (c)(3) of this section.

"(3) FORTY PERCENT LIMIT.—At the time a family initially receives tenant-based assistance under this title with respect to any dwelling unit, the total amount that a family may be required to pay for rent may not exceed 40 percent of the monthly adjusted income of the family.

"(4) ELIGIBLE FAMILIES.—At the time a family initially receives assistance under this subsection, a family shall qualify as—

"(A) a very low-income family;

"(B) a family previously assisted under this title;

"(C) a low-income family that meets eligibility criteria specified by the public housing agency;

"(D) a family that qualifies to receive a voucher in connection with a homeownership program approved under title IV of the Cranston-Gonzalez National Affordable Housing Act; or

"(E) a family that qualifies to receive a voucher under section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

"(5) ANNUAL REVIEW OF FAMILY INCOME.—Each public housing agency shall, not less frequently than annually, conduct a review of the family income of each family receiving assistance under this subsection.

"(6) SELECTION OF FAMILIES.—

"(A) IN GENERAL.—Each public housing agency may establish local preferences consistent with the public housing agency plan submitted by the public housing agency under section 5A.

"(B) EVICTION FOR DRUG-RELATED ACTIVITY.—Any individual or family evicted from housing assisted under this subsection by reason of drug-related criminal activity (as defined in subsection (f)(5)) shall not be eligible for housing assistance under this title during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the public housing agency (which shall include a waiver for any member of the family of an individual prohibited from receiving assistance under this title whom the public housing agency determines clearly did not participate in and had no knowledge of that criminal activity, or if the circumstances leading to the eviction no longer exist).

"(C) SELECTION OF TENANTS.—The selection of tenants shall be made by the owner of the dwelling unit, subject to the annual contributions contract between the Secretary and the public housing agency.

"(7) LEASE.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit—

"(A) shall provide that the screening and selection of families for those units shall be the function of the owner;

"(B) shall provide that the lease between the tenant and the owner shall be for a term of not less than 1 year, except that the public housing agency may approve a shorter term for an initial lease between the tenant and the dwelling unit owner if the public housing agency determines that such shorter term would improve housing opportunities for the tenant;

"(C) except as otherwise provided by the public housing agency, may provide for a termination of the tenancy of a tenant assisted under this subsection after 1 year;

"(D) shall provide that the dwelling unit owner shall offer leases to tenants assisted under this subsection that—

"(i) are in a standard form used in the locality by the dwelling unit owner; and

"(ii) contain terms and conditions that—

"(I) are consistent with State, tribal, and local law; and

"(II) apply generally to tenants in the property who are not assisted under this section;

"(E) shall provide that the dwelling unit owner may not terminate the tenancy of any person assisted under this subsection during the term of a lease that meets the requirements of this section unless the owner determines, on the same basis and in the same manner as would apply to a tenant in the property who does not receive assistance under this subsection, that—

"(i) the tenant has committed a serious violation of the terms and conditions of the lease;

"(ii) the tenant has violated applicable Federal, State, or local law; or

"(iii) other good cause for termination of the tenancy exists; and

"(F) shall provide that any termination of tenancy under this subsection shall be preceded by the provision of written notice by the owner to the tenant specifying the grounds for that action, and any relief shall be consistent with applicable State, tribal, and local law.

"(8) INSPECTION OF UNITS BY PUBLIC HOUSING AGENCIES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for each dwelling unit for which a housing assistance payment contract is established under this subsection, the public housing agency shall—

"(i) inspect the unit before any assistance payment is made to determine whether the dwelling unit meets housing quality standards for decent and safe housing established—

"(I) by the Secretary for purposes of this subsection; or

"(II) by local housing codes or by codes adopted by public housing agencies that—

"(aa) meet or exceed housing quality standards; and

"(bb) do not severely restrict housing choice; and

"(ii) make periodic inspections during the contract term.

"(B) LEASING OF UNITS OWNED BY PUBLIC HOUSING AGENCY.—If an eligible family assisted under this subsection leases a dwelling unit that is owned by a public housing agency administering assistance under this subsection, the Secretary shall require the unit

of general local government, or another entity approved by the Secretary, to make inspections and rent determinations as required by this paragraph.

"(9) EXPEDITED INSPECTION PROCEDURES.—

"(A) DEMONSTRATION PROJECT.—Not later than 1 year after the date of enactment of the Public Housing Reform and Empowerment Act of 1995, the Secretary shall establish a demonstration project to identify efficient procedures to determine whether units meet housing quality standards for decent and safe housing established by the Secretary.

"(B) PROCEDURES INCLUDED.—The demonstration project shall include the development of procedures to be followed in any case in which a family receiving tenant-based assistance under this subsection is moving into a dwelling unit, or in which a family notifies the public housing agency that a dwelling unit, in which the family no longer resides, fails to meet housing quality standards. The Secretary shall also establish procedures for the expedited repair and inspection of units that do not meet housing quality standards.

"(C) RECOMMENDATIONS.—Not later than 2 years after the date on which the demonstration under this paragraph is implemented, the Secretary shall submit a report to the Congress, which shall include an analysis of the demonstration and any recommendations for changes to the demonstration.

"(10) VACATED UNITS.—If a family vacates a dwelling unit, no assistance payment may be made under this subsection for the dwelling unit after the month during which the unit was vacated.

"(11) RENT.—

"(A) REASONABLE MARKET RENT.—The rent for dwelling units for which a housing assistance payment contract is established under this subsection shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted, local market.

"(B) NEGOTIATED RENT.—A public housing agency shall, at the request of a family receiving tenant-based assistance under this subsection, assist that family in negotiating a reasonable rent with a dwelling unit owner. A public housing agency shall review the rent for a unit under consideration by the family (and all rent increases for units under lease by the family) to determine whether the rent (or rent increase) requested by the owner is reasonable. If a public housing agency determines that the rent (or rent increase) for a dwelling unit is not reasonable, the public housing agency shall not make housing assistance payments to the owner under this subsection with respect to that unit.

"(C) UNITS EXEMPT FROM LOCAL RENT CONTROL.—If a dwelling unit for which a housing assistance payment contract is established under this subsection is exempt from local rent control provisions during the term of that contract, the rent for that unit shall be reasonable in comparison with other units in the market area that are exempt from local rent control provisions.

"(D) TIMELY PAYMENTS.—Each public housing agency shall make timely payment of any amounts due to a dwelling unit owner under this subsection. The housing assistance payment contract between the owner and the public housing agency may provide for penalties for the late payment of amounts due under the contract, which shall be imposed on the public housing agency in accordance with generally accepted practices in the local housing market.

"(E) PENALTIES.—Unless otherwise authorized by the Secretary, each public housing agency shall pay any penalties from administrative fees collected by the public housing agency, except that no penalty shall be imposed if the late payment is due to factors that the Secretary determines are beyond the control of the public housing agency.

"(12) MANUFACTURED HOUSING.—

"(A) IN GENERAL.—A public housing agency may make assistance payments in accordance with this subsection on behalf of a family that utilizes a manufactured home as a principal place of residence. Such payments may be made for the rental of the real property on which the manufactured home owned by any such family is located.

"(B) RENT CALCULATION.—

"(i) CHARGES INCLUDED.—For assistance pursuant to this paragraph, the rent for the space on which a manufactured home is located and with respect to which assistance payments are to be made shall include maintenance and management charges and tenant-paid utilities.

"(ii) PAYMENT STANDARD.—The public housing agency shall establish a payment standard for the purpose of determining the monthly assistance that may be paid for any family under this paragraph. The payment standard may not exceed an amount approved or established by the Secretary.

"(iii) MONTHLY ASSISTANCE PAYMENT.—The monthly assistance payment under this paragraph shall be determined in accordance with paragraph (2).

"(13) CONTRACT FOR ASSISTANCE PAYMENTS.—

"(A) IN GENERAL.—If the Secretary enters into an annual contributions contract under this subsection with a public housing agency pursuant to which the public housing agency will enter into a housing assistance payment contract with respect to an existing structure under this subsection—

"(i) the housing assistance payment contract may not be attached to the structure unless the owner agrees to rehabilitate or newly construct the structure other than with assistance under this Act, and otherwise complies with this section; and

"(ii) the public housing agency may approve a housing assistance payment contract for such existing structure for not more than 15 percent of the funding available for tenant-based assistance administered by the public housing agency under this section.

"(B) EXTENSION OF CONTRACT TERM.—In the case of a housing assistance payment contract that applies to a structure under this paragraph, a public housing agency shall enter into a contract with the owner, contingent upon the future availability of appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriations Acts, to extend the term of the underlying housing assistance payment contract for such period as the Secretary determines to be appropriate to achieve long-term affordability of the housing. The contract shall obligate the owner to have such extensions of the underlying housing assistance payment contract accepted by the owner and the successors in interest of the owner.

"(C) RENT CALCULATION.—For project-based assistance under this paragraph, housing assistance payment contracts shall establish rents and provide for rent adjustments in accordance with subsection (c).

"(D) ADJUSTED RENTS.—With respect to rents adjusted under this paragraph—

"(i) the adjusted rent for any unit shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the market area; and

"(ii) the provisions of subsection (c)(2)(A) do not apply.

"(14) INAPPLICABILITY TO TENANT-BASED ASSISTANCE.—Subsection (c) does not apply to tenant-based assistance under this subsection.

"(15) HOMEOWNERSHIP OPTION.—

"(A) IN GENERAL.—A public housing agency providing assistance under this subsection may, at the option of the agency, provide assistance for homeownership under subsection (y).

"(B) ALTERNATIVE ADMINISTRATION.—A public housing agency may contract with a nonprofit organization to administer a homeownership program under subsection (y).

"(16) INDIAN HOUSING PROGRAMS.—Notwithstanding any other provision of law, in carrying out this section, the Secretary shall establish such separate formulas and programs as may be necessary to carry out housing programs for Indians under this section.".

SEC. 202. REPEAL OF FEDERAL PREFERENCES.

(a) SECTION 8 EXISTING AND MODERATE REHABILITATION.—Section 8(d)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

"(A) the selection of tenants shall be the function of the owner, subject to the annual contributions contract between the Secretary and the agency, except that with respect to the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may establish, after public notice and an opportunity for public comment, a written system of preferences for selection that are not inconsistent with the comprehensive housing affordability strategy for the jurisdiction in which the project is located, in accordance with title I of the Cranston-Gonzalez National Affordable Housing Act;".

(b) SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

(1) REPEAL.—Section 545(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended to read as follows:

"(c) [Reserved.]".

(2) PROHIBITION.—The provisions of section 8(e)(2) of the United States Housing Act of 1937, as in existence on the day before October 1, 1983, that require tenant selection preferences shall not apply with respect to—

(A) housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937, as in existence on the day before October 1, 1983; or

(B) projects financed under section 202 of the Housing Act of 1959, as in existence on the day before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act.

(c) RENT SUPPLEMENTS.—Section 101(k) of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s(k)) is amended to read as follows:

"(k) [Reserved.]".

(d) CONFORMING AMENDMENTS.—

(1) UNITED STATES HOUSING ACT OF 1937.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(A) in section 6(o), by striking "preference rules specified in" and inserting "written selection criteria established pursuant to";

(B) in section 7(a)(2), by striking "according to the preferences for occupancy under" and inserting "in accordance with the written selection criteria established pursuant to";

(C) in section 7(a)(3), by striking "who qualify for preferences for occupancy under" and inserting "who meet the written selection criteria established pursuant to";

(D) in section 8(d)(2)(A), by striking the last sentence;

(E) in section 8(d)(2)(H), by striking "Notwithstanding subsection (d)(1)(A)(i), an" and inserting "An"; and

(F) in section 16(c), in the second sentence, by striking "the system of preferences established by the agency pursuant to section 6(c)(4)(A)(ii)" and inserting "the written selection criteria established by the public housing agency pursuant to section 6(c)(4)(A)".

(2) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—The Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704 et seq.) is amended—

(A) in section 455(a)(2)(D)(iii), by striking "would qualify for a preference under" and inserting "meet the written selection criteria established pursuant to"; and

(B) in section 522(f)(6)(B), by striking "any preferences for such assistance under section 8(d)(1)(A)(i)" and inserting "the written selection criteria established pursuant to section 8(d)(1)(A)".

(3) LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT OF 1990.—The second sentence of section 226(b)(6)(B) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4116(b)(6)(B)) is amended by striking "requirement for giving preferences to certain categories of eligible families under" and inserting "written selection criteria established pursuant to".

(4) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking "preferences for occupancy" and all that follows before the period at the end and inserting "selection criteria established by the owner to elderly families according to such written selection criteria, and to near-elderly families according to such written selection criteria, respectively".

(5) REFERENCES IN OTHER LAW.—Any reference in any Federal law other than any provision of any law amended by paragraphs (1) through (5) of this subsection or section 201 to the preferences for assistance under section 6(c)(4)(A)(i), 8(d)(1)(A)(i), or 8(o)(3)(B) of the United States Housing Act of 1937, as those sections existed on the day before the effective date of this title, shall be considered to refer to the written selection criteria established pursuant to section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(6)(A), respectively, of the United States Housing Act of 1937, as amended by this subsection and section 201 of this Act.

SEC. 203. PORTABILITY.

Section 8(r) of the United States Housing Act of 1937 (42 U.S.C. 1437f(r)) is amended—

(1) in paragraph (1)—

(A) by striking "assisted under subsection (b) or (o)" and inserting "receiving tenant-based assistance under subsection (o)"; and

(B) by striking "the same State" and all that follows before the semicolon and inserting "any area in which a program is being administered under this section";

(2) in paragraph (3)—

(A) by striking "(b) or"; and

(B) by adding at the end the following new sentence: "The Secretary shall establish procedures for the compensation of public housing agencies that issue vouchers to families that move into or out of the jurisdiction of the public housing agency under portability procedures. The Secretary may reserve amounts available for assistance under subsection (o) to compensate those public housing agencies."; and

(3) by adding at the end the following new paragraph:

"(5) LEASE VIOLATIONS.—A family may not receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has moved out of the assisted dwelling unit of the family in violation of a lease.".

SEC. 204. LEASING TO VOUCHER HOLDERS.

Section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)) is amended to read as follows:

"(t) [Reserved.]".

SEC. 205. HOMEOWNERSHIP OPTION.

Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) in paragraph (1)(A), by inserting before the semicolon ", or owns or is acquiring shares in a cooperative";

(2) in paragraph (1)(B), by striking "(i) participates" and all that follows through "(ii) demonstrates" and inserting "demonstrates";

(3) by striking paragraph (2) and inserting the following:

"(2) DETERMINATION OF AMOUNT OF ASSISTANCE.—

"(A) MONTHLY EXPENSES DO NOT EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

"(i) Thirty percent of the monthly adjusted income of the family.

"(ii) Ten percent of the monthly income of the family.

"(iii) If the family is receiving payments for welfare assistance from a public agency, and a portion of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

"(B) MONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the following amounts, rounded to the nearest dollar:

"(i) Thirty percent of the monthly adjusted income of the family.

"(ii) Ten percent of the monthly income of the family.

"(iii) If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.";

(4) by striking paragraphs (3) through (5); and

(5) by redesignating paragraphs (6) through (8) as paragraphs (3) through (5), respectively.

SEC. 206. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CONTRACT PROVISIONS AND REQUIREMENTS.—Section 6(p)(1)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437d(p)(1)(B)) is amended by striking "holding certificates and vouchers" and inserting "receiving tenant-based assistance".

(b) LOWER INCOME HOUSING ASSISTANCE.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—

(1) in subsection (a), by striking the second and third sentences;

(2) in subsection (b)—

(A) in the subsection heading, by striking "RENTAL CERTIFICATES AND"; and

(B) in the first undesignated paragraph—

(i) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary"; and

(ii) by striking the second sentence;

(3) in subsection (c)—

(A) in paragraph (3)—

(i) by striking "(A)"; and

(ii) by striking subparagraph (B);

(B) in the first sentence of paragraph (4), by striking "or by a family that qualifies to receive" and all that follows through "1990";

(C) by striking paragraph (5) and redesignating paragraph (6) as paragraph (5);

(D) by striking paragraph (7) and redesignating paragraphs (8) through (10) as paragraphs (6) through (8), respectively;

(E) in paragraph (6), as redesignated, by inserting "(other than a contract under section 8(o))" after "section";

(F) in paragraph (7), as redesignated, by striking "(but not less than 90 days in the case of housing certificates or vouchers under subsection (b) or (o))" and inserting ", other than a contract under subsection (o)"; and

(G) in paragraph (8), as redesignated, by striking "housing certificates or vouchers under subsection (b) or (o)" and inserting "tenant-based assistance under this section";

(4) in subsection (d)—

(A) in paragraph (1)(B)(iii), by striking "on or near such premises"; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking the third sentence and all that follows through the end of the subparagraph; and

(ii) by striking subparagraphs (B) through (E) and redesignating subparagraphs (F) through (H) as subparagraphs (B) through (D), respectively;

"(B) [Reserved.]";

(5) in subsection (f)—

(A) in paragraph (6), by striking "(d)(2)" and inserting "(o)(11)"; and

(B) in paragraph (7)—

(i) by striking "(b) or"; and

(ii) by inserting before the period the following: "and that provides for the eligible family to select suitable housing and to move to other suitable housing";

(6) by striking subsection (j) and inserting the following:

"(j) [Reserved.]";

(7) by striking subsection (n) and inserting the following:

"(n) [Reserved.]";

(8) in subsection (q)—

(A) in the first sentence of paragraph (1), by striking "and housing voucher programs under subsections (b) and (o)" and inserting "program under this section";

(B) in paragraph (2)(A)(i), by striking "and housing voucher programs under subsections (b) and (o)" and inserting "program under this section"; and

(C) in paragraph (2)(B), by striking "and housing voucher programs under subsections (b) and (o)" and inserting "program under this section";

(9) in subsection (u), by striking "certificates or" each place that term appears; and

(10) in subsection (x)(2), by striking "housing certificate assistance" and inserting "tenant-based assistance".

(c) PUBLIC HOUSING HOMEOWNERSHIP AND MANAGEMENT OPPORTUNITIES.—Section 21(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437s(b)(3)) is amended—

(1) in the first sentence, by striking "(at the option of the family) a certificate under section 8(b)(1) or a housing voucher under section 8(o)" and inserting "tenant-based assistance under section 8"; and

(2) by striking the second sentence.

(d) DOCUMENTATION OF EXCESSIVE RENT BURDENS.—Section 550(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended—

(1) in paragraph (1), by striking "assisted under the certificate and voucher programs established" and inserting "receiving tenant-based assistance";

(2) in the first sentence of paragraph (2)—

(A) by striking ", for each of the certificate program and the voucher program" and inserting "for the tenant-based assistance under section 8"; and

(B) by striking "participating in the program" and inserting "receiving tenant-based assistance"; and

(3) in paragraph (3), by striking "assistance under the certificate or voucher program" and inserting "tenant-based assistance under section 8 of the United States Housing Act of 1937".

(e) GRANTS FOR COMMUNITY RESIDENCES AND SERVICES.—Section 861(b)(1)(D) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12910(b)(1)(D)) is amended by striking "certificates or vouchers" and inserting "assistance".

(f) SECTION 8 CERTIFICATES AND VOUCHERS.—Section 931 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437c note) is amended by striking "assistance under the certificate and voucher programs under sections 8(b) and (o) of such Act" and inserting "tenant-based assistance under section 8 of the United States Housing Act of 1937".

(g) ASSISTANCE FOR DISPLACED TENANTS.—Section 223(a) of the Housing and Community Development Act of 1987 (12 U.S.C. 4113(a)) is amended by striking "assistance under the certificate and voucher programs under sections 8(b) and 8(o)" and inserting "tenant-based assistance under section 8".

(h) RURAL HOUSING PRESERVATION GRANTS.—Section 533(a) of the Housing Act of 1949 (42 U.S.C. 1490m(a)) is amended in the second sentence by striking "assistance payments as provided by section 8(o)" and inserting "tenant-based assistance as provided under section 8".

(i) REPEAL OF MOVING TO OPPORTUNITIES FOR FAIR HOUSING DEMONSTRATION.—Section 152 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note) is repealed.

(j) PREFERENCES FOR ELDERLY FAMILIES AND PERSONS.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking "the first sentence of section 8(o)(3)(B)" and inserting "section 8(o)(6)(A)".

(k) ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS.—Section 201(m)(2)(A) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z-1a(m)(2)(A)) is amended by striking "section 8(b)(1)" and inserting "section 8".

(l) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203(g)(2) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11(g)(2)), as amended by section 101(b) of the Multifamily Housing Property Disposition Reform Act of 1994, is amended by striking "8(o)(3)(B)" and inserting "8(o)(6)(A)".

SEC. 207. IMPLEMENTATION.

In accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5, United States Code, the Secretary shall issue such regulations as may be necessary to implement the amendments made by this title after notice and opportunity for public comment.

SEC. 208. DEFINITION.

For the purposes of this title, public housing agency has the same meaning as section 3 of the United States Housing Act of 1937, except that such term shall also include any other nonprofit entity serving more than one local government jurisdiction that was administering the section 8 tenant-based assistance program pursuant to a contract with the Secretary or a public housing agency prior to the date of enactment of this Act.

SEC. 209. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this title shall become effective not later than 1 year after the date of enactment of this Act.

(b) CONVERSION ASSISTANCE.—

(1) IN GENERAL.—The Secretary may provide for the conversion of assistance under the certificate and voucher programs under subsections (b) and (o) of section 8 of the United States Housing Act of 1937, as those sections existed on the day before the effective date of the amendments made by this title, to the voucher program established by the amendments made by this title.

(2) CONTINUED APPLICABILITY.—The Secretary may apply the provisions of the United States Housing Act of 1937, or any other provision of law amended by this title, as those provisions existed on the day before the effective date of the amendments made by this title, to assistance obligated by the Secretary before that effective date for the certificate or voucher program under section 8 of the United States Housing Act of 1937, if the Secretary determines that such action is necessary for simplification of program administration, avoidance of hardship, or other good cause.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. PUBLIC HOUSING FLEXIBILITY IN THE CHAS.

Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended—

(1) by redesignating the second paragraph designated as paragraph (17) (as added by section 681(2) of the Housing and Community Development Act of 1992) as paragraph (20);

(2) by redesignating paragraph (17) (as added by section 220(b)(3) of the Housing and Community Development Act of 1992) as paragraph (19);

(3) by redesignating the second paragraph designated as paragraph (16) (as added by section 220(c)(1) of the Housing and Community Development Act of 1992) as paragraph (18);

(4) in paragraph (16)—

(A) by striking the period at the end and inserting a semicolon; and

(B) by striking "(16)" and inserting "(17)";

(5) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively; and

(6) by inserting after paragraph (10) the following new paragraph:

"(11) describe the manner in which the plan of the jurisdiction will help address the needs of public housing and coordinate with the local public housing agency plan under section 5A of the United States Housing Act of 1937;".

SEC. 302. REPEAL OF CERTAIN PROVISIONS.

(a) MAXIMUM ANNUAL LIMITATION ON RENT INCREASES RESULTING FROM EMPLOYMENT.—

(1) REPEAL.—Section 957 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12714) is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be deemed to have the same effective date as section 957 of the Cranston-Gonzalez National Affordable Housing Act.

(b) ECONOMIC INDEPENDENCE.—

(1) REPEAL.—Section 923 of the Housing and Community Development Act of 1992 (42 U.S.C. 12714 note) is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be deemed to have the same effective date as section 923 of the Housing and Community Development Act of 1992.

SEC. 303. DETERMINATION OF INCOME LIMITS.

(a) IN GENERAL.—Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is amended—

(1) in the fourth sentence—

(A) by striking "County," and inserting "and Rockland Counties"; and

(B) by inserting "each" before "such county"; and

(2) in the fifth sentence, by striking "County" each place that term appears and inserting "and Rockland Counties".

(b) REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary shall issue regulations implementing the amendments made by subsection (a).

SEC. 304. DEMOLITION OF PUBLIC HOUSING.

(a) REPEAL.—Section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1988 (Public Law 100-202; 101 Stat. 1329-213) is repealed.

(b) FUNDING AVAILABILITY.—Notwithstanding any other provision of law, beginning on the date of enactment of this Act, the public housing projects described in section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1988, as that section existed on the day before the date of enactment of this Act, shall be eligible for demolition under—

(1) section 14 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act; and

(2) section 9 of the United States Housing Act of 1937, as amended by this Act.

SEC. 305. COORDINATION OF TAX CREDITS AND SECTION 8.

Notwithstanding any other provision of law, rehabilitation activities undertaken in projects using the Low-Income Housing Tax Credit allocated to developments in the City of New Brunswick, New Jersey, in 1991, are hereby deemed to have met the requirements for rehabilitation in accordance with clause (ii) of the third sentence of section 8(d)(2)(A) of the United States Housing Act of 1937, as amended.

SEC. 306. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUSING.

Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) in subsection (b), by inserting before the period at the end the following: "and includes any other assistance provided under the United States Housing Act of 1937";

(2) by adding at the end the following new subsection:

"(h) VERIFICATION OF ELIGIBILITY.—

"(1) IN GENERAL.—Except in the case of an election under paragraph (2)(A), no individual or family applying for financial assistance may receive such financial assistance prior to the affirmative establishment and verification of eligibility of that individual or family under this section by the Secretary or other appropriate entity.

"(2) RULES APPLICABLE TO PUBLIC HOUSING AGENCIES.—A public housing agency (as that term is defined in section 3 of the United States Housing Act of 1937)—

"(A) may elect not to comply with this section; and

"(B) in complying with this section—

"(i) may initiate procedures to affirmatively establish or verify the eligibility of an individual or family under this section at any time at which the public housing agency determines that such eligibility is in question, regardless of whether or not that individual or family is at or near the top of the waiting list of the public housing agency;

"(ii) may affirmatively establish or verify the eligibility of an individual or family under this section in accordance with the procedures set forth in section 274A(b)(1) of the Immigration and Nationality Act; and

"(iii) shall have access to any relevant information contained in the SAVE system (or any successor thereto) that relates to any individual or family applying for financial assistance.

"(3) ELIGIBILITY OF FAMILIES.—For purposes of this subsection, with respect to a family, the term 'eligibility' means the eligibility of each family member.".

MOTION OFFERED BY MR. LAZIO OF NEW YORK

Mr. LAZIO of New York. Mr. Speaker, pursuant to section 2 of House Resolution 426, I offer a motion.

The Clerk read as follows:

Mr. LAZIO of New York moves to strike out all after the enacting clause of S. 1260 and insert in lieu thereof the provisions of H.R. 2406 as passed by the House, as follows:

[The text of H.R. 2406 will appear in a future issue of the RECORD.]

The motion was agreed to.

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

The title of the Senate bill was amended so as to read: A bill to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families and increase community control over such programs, and for other purposes.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2406) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. LAZIO of New York. Mr. Speaker, pursuant to section 2 of House Resolution 426, I offer a motion.

The Clerk read as follows:

Mr. LAZIO of New York moves that the House insist on its amendments to the bill (S. 1260) and request a conference with the Senate thereon.

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. LEACH, LAZIO of New York, BEREUTER, BAKER of Louisiana, CASTLE, GONZALEZ, VENTO, and KENNEDY of Massachusetts.

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF HOUSE AMENDMENT TO S. 1260, UNITED STATES HOUSING ACT OF 1996

Mr. LAZIO of New York. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendment to S. 1260, the Clerk be authorized to correct section numbers, cross-references, punctuation and indentation, and to make any other technical and conforming change necessary to reflect the actions of the House.

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

There was no objection.

SUMMARY OF MANAGER'S AMENDMENT TO H.R. 2406, UNITED STATES HOUSING ACT OF 1996

Mr. LAZIO of New York. Mr. Speaker, I ask unanimous consent to insert in the RECORD a summary of the manager's amendment.

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

There was no objection.

MANAGERS AMENDMENT SUMMARY

BROOKE RENTS

This provision protects the very poor currently in public housing. It would put a cap on rent of up to 30% of income for families with income levels at or below 30% of area median income (currently, about 76% of the public housing inventory is occupied by such families). It would also impose a rent cap of up to 30% of family income for the elderly and disabled currently occupying public housing, regardless of their income levels. Adding the elderly brings the number of residents that would pay no more than 30% of their income as rent to 83% of current public housing residents. Adding the disabled would bring the number of those paying 30% of their income or below as rent up to 87% of public housing residents.

For prospective residents, those families with income levels at or below 30% of area median income would continue to pay up to but no more than 30% of their income as rent. It is important to note that the Brooke Amendment currently imposes a 30% floor on rents—a family will pay 30% of their income as rent. If their income goes up, their rent will go up. Chairman Lazio eliminates this disincentive—very poor families will pay no more than 30% of their income as rent—if their income goes up, the percentage of income that goes to rent could decrease.

For any families that may be subject to rent increases as a result of increased flexibility given to housing authorities, any rent increases over a certain amount will be phased-in over a period of up to three years, and other resident protections are provided.

MINIMUM RENTS

Most all agree that everyone who resides in public housing should contribute something in return for their housing. H.R. 2406 provides for mandatory minimum rents of no less than $25, but no more than $50, within the discretion of the local housing authorities. The local authorities are given discretion to grant "hardship exceptions" to protect those that may truly not be able to pay the minimum rent. No residents will be made homeless as a result of the passage of H.R. 2406.

TARGETING

This provision maintains a good amount of public housing geared toward serving the very poor. H.R. 2406 Reported required that 25% of a local housing authority's inventory would be for those at 30% or below of area median income. Chairman Lazio Manager's Amendment has increased the targeting level of public housing—at least 30% of public housing units must go to those at 30% or below of area median income, a level that would still enable housing authorities over time to create more income-mixed communities. For choice-based rental assistance, H.R. 2406 Reported contained no targeting provisions. The Manager's Amendment provides for a level of targeting whereby 50% of rental-based assistance will go to those at 60% of area median income, ensuring that the greater portion of such assistance shall go to lower-income families.

MOVING-TO-WORK FOR THE TWENTY-FIRST CENTURY

Finally, the Manager's Amendment has provided for the creation of a forward-looking program that would enable housing authorities to set rents, design and test various approaches for providing and administering housing assistance, give incentives to families to obtain employment and become self-sufficient, and increase housing choices and homeownership opportunities for lower-income families. One hundred high-performing local housing authorities will be selected each year for three years, and given the administrative flexibility to craft programs that would create an atmosphere where residents can succeed and "graduate" from public housing.

REVIEW OF HOUSING MANAGEMENT PLANS BY SECRETARY

This provision requires the Secretary to consider Management Plans that "adequately identify" the needs of low-income families and capital improvement needs. Additionally, the Secretary is authorized to reject management plans that are "plainly inappropriate" and inconsistent with this Act.

PUBLIC HOUSING RESIDENT EMPLOYMENT

This provision conforms the existing Housing and Urban Development Act of 1968 to H.R. 2406, and encourages employment of public housing residents in public housing development or modernization programs.

CREATES TWO FUNDING GRANTS

This provision modifies the current bill text by replacing one grant with two grants for capital needs and operation expenses. The amendment will allow modest fungibility of no more than 10% from the capital fund towards use in the operating fund. The capital fund is authorized at $2.5 billion for fiscal years 1977 through 2000; the operating fund is authorized at $2.8 billion for fiscal years 1977 through 2000. (Both funds at the FY 1996 enacted funded levels.)

ACCREDITATION AND PERFORMANCE EVALUATION

This provision modifies the Accreditation Board provisions to avoid duplicative functions undertaken by HUD and provides authority to the National Center for Housing

Management (created by Executive Order in 1972) to create the Board during the first year. The Center will assist in determining performance indicators for evaluating local housing and management authorities. Additionally, this provision provides for the development of comprehensive and performance audits of the housing authorities.

REVISES STATEMENT OF PURPOSE TO EMPHASIZE SELF-SUFFICIENCY

This provision revises the statement of purpose to emphasize the intent to create and facilitate housing authorities that ultimately partner with residents to achieve self-sufficiency and transitioning out of public and assisted housing.

CREATES HOMEOWNERSHIP OPPORTUNITIES

This provision would clarify homeownership opportunities provided under the legislation and the ability of the housing authority and other low-income housing providers to undertake the process of preparation and sale of units to residents eligible for homeownership.

CREATES TENANT SELF-SUFFICIENCY CONTRACTS

This provision requires the housing authority to enter into binding agreements with recipients of public and assisted housing to undertake activities and programs that will culminate in self-sufficiency, transitioning and eventual graduation from public and assisted housing by a date certain contingent on the special and unique factors of the resident. The housing authority is authorized to enter into partnerships with state and local agencies, non-profits groups, academic institutions, and other groups with experience in facilitating self-sufficiency and graduation from public assistance. The agreements will be attached and incorporated into the lease and provide exemptions for elderly, disabled, students, and the certified impaired; additionally, changed circumstances can be taken into account in modifying the agreement. The Secretary is authorized to partner with resident council organizations to create a model self-sufficiency tenant agreement for voluntary use by the housing authority.

ELECTION OF RESIDENT BOARD MEMBERS

This provision requires resident membership on the Board of Directors of the local housing and management authority, with certain exceptions set forth in the statute. Language has been added requiring that such representative is elected by the residents of the authority, with procedures and guidelines for such elections to be set forth by the Secretary.

NATIONAL COMMISSION ON HOUSING ASSISTANCE PROGRAMS

An independent National Commission on Housing Programs Cost, is established for purposes of analyzing the full cost to the Federal Government, public housing agencies, State and local governments, and other parties, per assisted household, of the Federal assisted housing programs so that accurate per unit cost comparisons may be made between Federal assisted housing programs. The Commission will have nine members, three of which are appointed by the Secretary of HUD, three by the Senate, and three by the House. The activities of the Commission are authorized from amounts from HUD's Office of Policy Development and Research.

HUD OCCUPANCY PROVISION

This provision clarifies HUD occupancy policy by requiring HUD to follow state occupancy standards that prevent overcrowding and preclude federal government occupancy standards. In the absence of state occupancy standards, a two person per-bed policy is assumed reasonable.

REQUIRED CONVERSION OF BUILDING ASSISTANCE TO VOUCHERS

This provision clarifies and provides guidance on the factors necessary to require conversion of public housing assistance to vouchers, including whether the building(s) (i) is not viable, (ii) consists of vacancy rates of 10% or more without any plans for modernization, (iii) are not cost-effective for modernization, and (iv) consist of at least 300 units either in one building or on a contiguous site. Therefore, financial assistance for severely distressed buildings with no eventual useful life will be terminated and converted to housing voucher assistance.

VOLUNTARY VOUCHERING-OUT OF PUBLIC HOUSING

Local housing and management authorities, at their option, are given the power to convert public housing assistance into tenant-based assistance where the authority can demonstrate that the conversion will not be more expensive than continuing to operate the public housing development and will principally benefit the residents of the development, the local housing and management authority, and the community.

RESIDENT OPPORTUNITY PROGRAM

This provision allows the Secretary to provide technical assistance to resident councils for economic uplift (job-training, economic development, security and other self-sufficiency) and provides authority to require the housing authority to become a co-grantee for administrative purposes. This provision will provide accountability through the housing authority and preclude fraudulent and abusive practices recently highlighted by hearings of the Committee on Government Operations.

PORTABILITY AND ADMINISTRATIVE FEES

Restores portability to the voucher program and solves some of the administrative problems associated with portability by directing the Secretary of HUD to take steps to ensure that the local housing authority that provides the services for a family receives all or part of the administrative fee. To prevent "waiting list shopping", the legislative enables a local housing authority to require that a family that receives assistance live in that jurisdiction for twelve months after the initial receipt of assistance.

SHOPPING INCENTIVE FOR ASSISTED FAMILIES

This provision allows for shopping incentives for assisted families under Choice-Based housing that rewards the market-rate selection or rental units that fall below the payment standard for that community. In cases where savings occur, the government will reward the tenant, while reducing the budget deficit by providing a savings account in the tenant's name for 50% of the savings incurred by selecting a quality but below rental market unit. The remaining 50% will be returned to the federal government for deficit reduction. The tenant may withdraw the money annually at the end of each year's lease agreement.

PROHIBITIONS ON OCCUPANCY FOR PUBLIC AND ASSISTED HOUSING FOR CRIMINAL OR ILLEGAL DRUG/ALCOHOL ABUSE AND SCREENING, GRIEVANCE AND EVICTION REFORMS

This legislation incorporates S. 1494—The Housing Opportunity Program Extension Act of 1996, enacted as Pub. L. 104–120 and extends tenant screening reforms to owners of assisted housing, i.e. non-public housing, including rural multifamily housing developments receiving assistance under the Housing Act of 1949. The owners of assisted housing and housing authorities may deny assistance to potential residents who have been convicted of criminal activity during the preceding three years prior to application for assistance. S. 1494/Pub. L. 104–120 provided flexibility to housing authorities to (i) designate certain developments elderly or disabled only; (ii) evict residents who threaten the safety of elderly and disabled residents in such designated housing; and (iii) expedite grievance and eviction procedures for drug-related and other criminal activity "on or off" the premises.

In addition to conforming language to S. 1494/Pub. L. 104–120, this provision provides access of criminal records, under strict confidentiality protections and penalties for misuse, for assisted housing screening. [Pub. L. 104–120 covered only public housing, while this provision extends those screening provisions to most federally-assisted housing.]

CDBG ENTITLEMENT COMMUNITY DESIGNATION

This provision grandfathers communities designated CDBG entitlement communities, based on a population of a least 50,000 residents, for at lest one year after 1989. [Some communities were eligible in 1990 and upon the findings of the 1990 census implemented in 1992–93, lost their eligibility status, notwithstanding their eligibility status in 1990.]

CDBG DISASTER RELIEF FOR LOS ANGELES

This provision extends, through 1998, the authority of the Los Angeles entitlement community to use no more than 25% of CDBG funds for public services during the reconstruction of some low and very-low income neighborhoods after the 1992 civil disturbance. [Congress had previously extended the public service cap from 15% to 24% for Los Angeles during the 1992 Housing Bill in response the Los Angeles crisis.]

HOMELESS AND SURPLUS PROPERTY COMMUNITY PARTICIPATION AND SELF-HELP HOUSING

This provision will amended Sec. 203 of the Federal Property Administrative Services Act by providing communities an opportunity to participate in the disposition of significant surplus property. Upon local review and collaboration, the GSA could transfer significant surplus property to homeless or non-profit low-income housing providers that undertake self-help housing. This provision will encourage homeownership and housing through significant participation (sweet-equity) by the potential residents. Title VI of the McKinney Act is not repealed and surplus property not considered "significant" or approved by the local government will be processed through the current McKinney surplus property requirements.

RURAL COMMUNITIES AND MILITARY INSTALLATIONS

This provision designates Altus, Oklahoma as a rural community, through the year 2000, for purposes of eligibility of the Rural Housing Service programs, such as single and multifamily development. [The 20,000 population threshold was slightly exceeded because of a decennial census count that incorporated the population of a nearby military installation.]

PORTSMOUTH VA REVITALIZATION PLAN

Requires HUD to implement a revitalization plan for the City of Portsmouth, Virginia.

INCOME ELIGIBILITY STANDARDS FOR HOME AND CDBG PROGRAMS

Clarifies eligibility for HOME and CDBG programs so that all families earning up to 80% of area median income are eligible.

PROJECT IN NEW BRUNSWICK, NEW JERSEY

Allows Pennrose Properties, a low-income housing developer, to use low-income housing tax credits allocated in 1991 for use in rehabilitating a 98-unit project for the elderly. The reservation of these tax credits would otherwise lapse.

DEFINITION OF ADULT

Modifies the restrictions on divulging the criminal records of those convicted of crimes who are not adults to make also available the criminal records of minors who are tried and convicted as adults.

PROHIBITION OF FEDERAL INDEMNIFICATION OF INTELLECTUAL PROPERTY RIGHT INFRINGEMENT

Prohibit local housing authorities from using federal funds to indemnify contractors from judgments of infringement of intellectual property rights.

CONVERSION OF A LIMITED NUMBER OF PROJECT-BASED UNITS

Permits property owners to convert a portion of project-based units, upon vacancy, to market rate provided units are above the fair market rent for an area and the amount of contract subsidy saved is transferred to a local housing authority for use as choice-based certificates.

WAGE REQUIREMENTS

Narrows one of the exceptions to certain prevailing wage requirements that must be followed by a local housing authority.

CHOICE-BASED SCREENING AND EVICTION PROCEDURES

In connection with drug and other criminal activity, provides greater screening and eviction authority for most federally assisted housing, including section 8 project based.

HOPE VI PLANNING GRANTS

Provides a preference for previously awarded HOPE VI planning grants that were not funded by HUD.

GOLD CLAUSE CONTRACT

Clarifies interpretation of gold clause contract provision to terminate unintended consequences of 1977 law, including unfair treatment to leaseholders. The amendment ensures that the old gold clauses apply only when such a clause is the explicit intention of both parties to the contract.

ROCKLAND COUNTY, NY, CEILING LIMITS

Removes Rockland County from the metropolitan statistical area of New York for the establishment of any ceilings or limits based on income under the Act.

GENERAL LEAVE

Mr. LAZIO of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2406.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 1296, PROVIDING FOR ADMINISTRATION OF CERTAIN PRESIDIO PROPERTIES

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1296) to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayer, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

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

Mr. MILLER of California. Mr. Speaker, reserving the right to object, and I do not intend to object, but I would like to take a moment to engage the gentleman from Alaska [Mr. YOUNG], the chairman of the committee, in a colloquy.

My concern, and I think the concern of others, is that recognizing that in both the House and Senate there has been strong bipartisan support for the underlying bill of the Presidio, but as is sometimes true to their nature, the Senate has added some 34 unrelated titles to the bill, some of which have not had hearings in our committee. That traditionally has opened the door for others who seek to have the same courtesy extended to them to add bills when we are in conference.

Mr. Speaker, my concern is that hopefully there will be some ground rules to the controversy of those items that might be added. I think most of the items currently in either the Senate or in the House bill are essentially noncontroversial. My concern is that as people start to see that this bill has a chance to leave the Congress and go to the President, more and more people will want to jump in the boat here, and we will start taking on water, and all of a sudden we will find out this boat cannot handle it.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Speaker, I will say that I have been one that knows just about how much hay a team of mules can pull. I am not going to say that we are not going to add a little bit to what the mules are pulling now.

Mr. MILLER of California. Mr. Speaker, that is the gentleman's prerogative.

Mr. YOUNG of Alaska. I want to suggest respectfully that whatever happens, the gentleman will be in on the conference. It is my intention to see that the Presidio bill becomes a reality, but I cannot say that we will not add a few more straws to this wagonload that I hope the gentleman might see the wisdom of accepting, and where we disagree, I am confident that with the Senate side, we may not reach that point where they will be added, but I cannot say what will and will not be added to this wagonload, and it is a wagonload.

Most of those parts of hay have already been voted on in this House. There are a couple on the Senate side that were not, but have great interest to House Members on this side, and we have been reviewing each one of those that have been added. There may be a couple of others that we would like to solve a problem with on this side which I am sure the gentleman will support. Some he may not be too happy with.

□ 1830

But we are going to talk about that.

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for his comments, and I am sure that the threshold will not be whether I am happy or not but we will try to determine another one. As many Members of the Congress are aware of the gentleman's past employment record as a river boat captain, I am sure he will understand that there is some point at which we cannot take on additional baggage without running aground here.

Mr. YOUNG of Alaska. Mr. Speaker, I am well aware of that. As an old river boat captain, I have never been on a sandbar yet. I know how to read the water. I know how fast the current is, and I know where I am going. Just help me out and we will get there together.

Mr. MILLER of California. Mr. Speaker, I am feeling happier already.

Mr. YOUNG of Alaska. Mr. Speaker, I appreciate that.

Mr. MILLER of California. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. BOEHNER). Is there objection to the request of the gentleman from Alaska? The Chair hears none and, without objection, appoints the following conferees: Messrs. YOUNG of Alaska; HANSEN; ALLARD; and HAYWORTH; Mrs. CUBIN; and Messrs. MILLER of California; RICHARDSON; and VENTO.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2137. An act to amend the Violent Crime Control and Law Enforcement Act of 1994 to require the release of relevant information to protect the public from sexually violent offenders.

POSTPONING FURTHER CONSIDERATION OF H.R. 3286, ADOPTION PROMOTION AND STABILITY ACT OF 1996, AFTER INITIAL DEBATE UNTIL THE FOLLOWING LEGISLATIVE DAY

Mr. HYDE. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 3286, pursuant to House Resolution 428, notwithstanding the order of the previous question, it may be in order immediately after initial

debate on the bill as amended for the Chair to postpone further consideration of the bill until the following legislative day, on which consideration may resume at a time designated by the Speaker.

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

There was no objection.

REMOVAL OF NAME AS COSPONSOR OF H.R. 2086

Mr. GENE GREEN of Texas. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H.R. 2086.

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

There was no objection.

COMMONSENSE PRODUCT LIABILITY REFORM ACT OF 1996—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104-207)

The SPEAKER pro tempore. The unfinished business is the further consideration of the veto message of the President on the bill (H.R. 956) to establish legal standards and procedures for product liability litigation, and for other purposes.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The gentleman from Illinois [Mr. HYDE] is recognized for 1 hour.

Mr. HYDE. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Michigan [Mr. CONYERS], the ranking member of the Committee on the Judiciary.

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 956.

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

There was no objection.

Mr. HYDE. Mr. Speaker, I yield 15 minutes of my time to the gentleman from Viriginia [Mr. BLILEY], the chairman of the Committee on Commerce, and I ask unanimous consent that he may be permitted to yield blocks of time to other Members.

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

There was no objection.

Mr. HYDE. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, one of the least meritorious reasons the President has listed for his veto was that this bill infringed on States' rights. The newly discovered respect for the 10th amendment is heartening but somewhat misplaced. In our mobile society, 80 percent of our manufactured goods are shipped across State lines, and the unpredictability of a patchwork of 50 different sets of laws and liabilities is a major factor prompting this commonsense bipartisan reform.

We do not help the consumer when factoring into insurance premiums the uncertainties of compliance with a myriad of different State laws and unpredictability of punitive damage awards. We only add to the cost of the product and render our industries less competitive with foreign companies.

Plaintiffs collect less than half of every dollar spent on the civil justice system. The rest goes to lawyers and court costs. One study found the cost of this litigation explosion last year alone was $152 billion, and this is money that could be spent on hiring new workers and investing in new equipment.

Tort reform does not deny valid claimants receiving adequate awards. It merely reduces the arbitrary excesses that harm consumers by discouraging many new products from being marketed, medical devices such as heart valve, pacemakers if they utilize silicon.

The Washington Post, no conservative house organ, says the primary beneficiaries of our current system are a group of wealthy and powerful professionals. Guess who they are speaking about? The arbitrary potential liability that can be imposed through unrestrained punitive damage forces unjustified settlements, increasing insurance costs, and the public, the consumer, loses in the end. Negligence should be actionable and deserving plaintiffs should recover adequate damages, but it is the arbitrary excesses that make our tort system top heavy and this is what this legislation seeks to reform.

Thanks to the veto, the status quo will continue, costing consumers dearly. They will pay more for products or go without them because they will be pulled from the market because of the liability exposure.

The junior Senator from West Virginia said it all when he said, and I quote, "Unfortunately, special interests and raw political considerations in the White House have overridden sound policy judgment."

Mr. Speaker, the American public wants and deserves reform of our current out-of-control legal system. We need to replace the liability lottery that pervades our courts with sensible procedures. We need a legal system which will fairly compensate injured parties without making defendants pay well beyond their share of the fault, simply because those defendants are perceived to have the deep pocket.

It is no mystery to the average citizen that each of us pays for runaway product liability costs in the form of higher prices for the products we buy. Yet in placating the trial lawyers, the President has denied us all the benefits of long overdue tort reform. The sad thing is that the legislation the President has vetoed is a comparatively modest proposal, much narrower in scope than the bill which passed the House of Representatives on March 10, 1995 by a vote of 265 to 161.

This conference committee version is strongly supported by groups such as the National Federation of Independent Business, the American Council on Life Insurance, the National Association of Manufacturers, and the Health Care Liability Alliance. It also has the aggressive backing of many Members of the President's own party, among them Senator JAY ROCKEFELLER, whom I mentioned before.

The bill vetoed by the President contains provisions which would vastly improve the way product liability cases are tried and settled. It properly puts the blame for product liability injury on the manufacturers, not someone who is merely a reseller or someone who supplies component parts to a manufacturer of medical devices.

It also provides that if the use of alcohol or illegal drugs is more than 50 percent of the cause of an injury, the manufacturer is not liable. It would reduce the damages for which a defendant is liable by the percentage of responsibility for the harm attributed to the misuse or alteration of the product involved.

The President says he objects to the 15-year statute of repose, presumably because it is 5 years shorter than the Senate version. What he does not explain is that the 21 States which have enacted statutes of repose have all chosen limitations of 15 years or less. If we want U.S. manufacturers to be able to compete with foreign manufacturers, many of whom have only recently entered the market and thus bear no exposure for old products, we have to enact uniform, sensible cutoffs on liability.

The President also criticizes the specifics of what the bill does to limit a plaintiff's ability to recover damages. Let us not focus on what it does not, or rather, let us focus on what it does not do.

It does not change a plaintiff's ability to recover payment for loss of income, medical expenses and other economic damages.

While it imposes limitations on the recovery of punitive damages, the conference report version is much more generous to plaintiffs than was the original House-passed bill. Our bill limited punitive damage awards in all civil actions to three times economic

damages or $250,000, whichever is greater. The conference report limits punitive damage awards only in product liability cases and the limit is twice economic and noneconomic damages or $250,000, whichever is greater.

In a major departure from the philosophy of the House approach, the conference report would permit a judge to exceed these limits under certain circumstances. The conference report also does not place any monetary cap on the amount of damages for pain and suffering and other noneconomic damages that may be recovered.

Let us remind ourselves of the consequences of failing to enact reform. This legislation would unleash an American job creation boom, translating into real growth for our economy.

It would particularly benefit small business, which has created the vast majority of all new jobs in this country since 1987. The need for this relief for the small business community is shown by the fact that it was the top issue to emerge from the 1986 White House Conference on Small Business. Tort reform and specifically many of the provisions contained in H.R. 956 was once again a high-priority recommendation of the 1995 White House conference.

The President's veto can only be viewed as an affront to this important segment of the American economy. Of course it is not a perfect bill, but it is a very good bill. It may not solve all the problems in our legal system, but it would be a workable first step in that direction.

It fairly balances the interest of plaintiffs and defendants in product liability cases. We are presented with a unique opportunity to obtain the ends of justice by giving the system certainty and imposing rational limits on damages.

Mr. Speaker, after nearly two decades of effort to fashion a comprehensive set of product liability reforms, we have the chance to enact a bipartisan consensus package of bottom-up reforms. These reforms are desperately needed to restore some fairness to our present system and to remove roadblocks to our country's economic growth and job creation.

We need to send the message to all Americans that this Congress means what it says in its commitment to broad-based legal reform and about bringing an end to lawsuit abuse. I urge my colleagues to join me in voting to override this unwise veto.

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

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

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

Mr. CONYERS. Mr. Speaker, I rise to suggest to you that the President of the United States was correct to veto the bill before us, the product liability bill, as being harmful to working Americans and particularly discriminating against women, so I urge a "no" vote to sustain the veto.

This proposal to override is a continuation of the majority Republicans' war on public safety, on workers, on women, and on seniors. They continue their war for the special interests who have spent over $26 million in campaign contributions in an effort to tilt the legal system further in their favor. So let us not kid ourselves, no matter what is said here today, about where the special interests concern lies.

□ 1845

So far, amazingly, I have not heard the lawyers get beat up yet, but this is only the beginning of the debate. I always enjoy that part, where the lawyers are singled out as special interest people, when the hugest special interests in our political system are in there solid working on the other side.

That is the simple truth of the matter, and that is what this is all about. I was pleased that the President would veto this measure. I warned the committees in the process that this would likely happen, please include a few provisions that would have made this product liability bill make more sense. But, no. We had a conference committee, you may remember, in December. We had one opening meeting, and that was it. So much for any bipartisan attempts at working anything out.

I have been in more than one conference in this Congress that proceeded much along those lines. We were shut out. Fortunately, the President stepped in, and now, having had this veto, we are here now to determine whether we will override it or sustain the President in his veto.

Now, this bill has some problems. It has a lot of little problems, but it has some very big problems. The product liability bill would not only cap and limit the amount of damages an injured victim can recover, but would in many instances completely cut off the victim's right to seek compensation. Completely cut off the victim's right to seek compensation.

This is coming out of the Committee on the Judiciary, the committee that is supposed to be the watchdog over the freedoms of people.

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

Mr. CONYERS. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, would the gentleman tell me under what circumstances someone is completely denied a right to seek recovery for damages?

Mr. CONYERS. Mr. Speaker, reclaiming my time, we could cut off their rights to seek compensation even in clear, uncontested cases of negligence.

Mr. HYDE. How so, would the gentleman tell me?

Mr. CONYERS. I will in just a moment, if I can proceed.

Mr. HYDE. That comes as a surprise to me. Maybe the gentleman knows something I do not, which is entirely possible.

Mr. CONYERS. Mr. Speaker, reclaiming my time, it has happened once or twice in this session. I will be happy to clarify this for the chairman, because he sounds sincere in his desire for this information.

It especially discriminates against working people, who this Congress will not provide an increase in the minimum wage for. It discriminates against women, who might lose their reproductive capacity as a result of deadly injury brought on by irresponsible corporate behavior.

So this is a one-way street of federalism, return power to the States, so long as it disadvantages consumers and the common folks. I reject that completely.

Now, to make matters even worse, we are considering this override at the very same time that the Republican majority I proposing to gut the safety regulations and eliminate safety agencies like the Consumer Product Safety Commission. That is going on in another bailiwick.

And if you do not think the threat of private lawsuits can help keep dangerous products off the market, just think about the history of personal injury litigation over the past decade or two. We know what has happened by the lawsuits brought by the parents of children who have been killed by wearing flammable pajamas. That was a direct result of personal injury litigation. Or the women who have been maimed by the copper 7 intrauterine device. There again, lawsuits, long and hard, that brought about a change in dangerous products.

Both the products are now off the market, thanks to good legal work and trial work and the threat of punitive damages. And that is what punitive damages are about.

This bill, however, will not reduce litigation, cannot reduce litigation, because we are up against the myth that product liability suits are exploding. Let us deal with that right off the bat here.

Product liability suits represent less than 2 percent of the litigation that goes on in the United States of America, less than 2 percent, and even those two 2 percent of cases are dropping, it is going down. And with that drop, product liability premiums are also dropping. So there. How much can we be interfering with economic development and expansion in the United States?

Punitive damages is always a great subject. Where are they taking place and how frequently? Punitive damages occur in about 14 cases a year, going back to the 1960's. The cap of $250,000

on punitive damages is a joke. It is not a deterrent. That is all punitive damages are for, and that is why they are used so rarely.

How can a Fortune 500 company, making annual revenues of billions of dollars, be deterred from placing a dangerous product on the market because of the threat of a punitive damages award that is hacked to literally nothing under this bill? That is why the special interests are behind the bill.

The next point that should be considered a big one as a reason to sustain the President in his veto is that this bill will also limit victims' rights to recover the non-economic damages when there are joint tortfeasors. So if a jointly produced product induces a loss of reproductive capacity in a housewife, she will be limited in her recovery, but if an expensively paid corporate executive is injured by a product and loses his salary, obviously, under this test, the bill ensures that he will be fully compensated.

So we have talked about the political special interests, but what about others? The electric, water, and gas utilities industries have obtained a provision overruling liability laws in states which hold them strictly liable for utility disasters. Is that a good thing for the consumers in America?

By the way, everybody is a consumer. Even the fat cats are consumers. The rich are consumers. The poor are consumers. Working people are consumers.

What are we thinking about here?

Oh, more special interests. The gun sellers and the bar owners obtained special language limiting their potential liability for careless sales to third parties. Now, that should go over big with the American citizenry.

This is a bill of the special interests. It is by the special interests, for the special interests, who have done so much to show their appreciation of the promoters of this piece of legislation, that could not pass a very modest level of muster from the White House.

We will be remembered in this 104th Congress as the Congress that did not do much, and even when we tried to do something, it was so poor that it had to be vetoed. I am counting on that veto being sustained, because those who continue to insist that we have to limit the rights of working Americans, limit the rights of consumers, make the legal system less accessible, I think are doing a disservice to the legal process and to the Congress that we are operating in. It is another example of a Republican legislative effort that is heading for the trash bin.

The President is right to veto the bill. It is harmful to consumers, it disrespects working Americans, it is discriminatory against women, and for any of those reasons and more, I think there is more than enough reason to vote no to sustain the veto.

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

Mr. BLILEY. Mr. Speaker, I yield myself 4½ minutes.

Mr. Speaker, last month, this Congress handed the trial lawyer's lobby the biggest defeat they've ever faced, when we passed bipartisan, common sense product liability reform—reforms that would end the lawsuit lottery that is making the trial lawyers rich at the expense of every one of us who buys an American-made product—a ladder, an automobile, groceries, you name it.

It was a win, most of all, for American workers. That's because these product liability lawsuits are eating up $132 billion in this country every year—money that could be used to build new plants, buy new equipment, create new jobs.

And let's make no mistake about it, if we don't override this veto, those workers will be the ones to pay.

The Bureau of Labor Statistics' report for April showed that this economy created just 2,000 jobs in all of last month—fewer than 3 new jobs per State per day, and virtually every one of those in the public sector.

Yet while 2,000 were lucky enough to take jobs behind the desks of Government, another 17,000 American workers—8½ times that number—lost their manufacturing jobs.

They'll join the army of 319,000 Americans who've lost factory jobs in the year that began in April 1995.

These are the ones who are paying the price for Bill Clinton's veto of product liability reforms.

Well, Mr. President, you put the interests of the rich trial lawyers—the ones who gave so much to your campaign—ahead of the interests of those hundreds of thousands of laid-off American workers.

Ever since the liberal judges radicalized this country's product liability laws, the result has been a bonanza for America's trial lawyers, and a disaster for American factory workers. A 1988 conference board survey of chief executives found that 36 percent had reduced manufacturing operations because of fear of product liability lawsuits, 15 percent had laid off workers, and fully 8 percent had to close down factories altogether.

This is the second time in 6 months that Bill Clinton had a choice between American workers and his trial lawyer buddies. Both times, the workers lost.

Last December 19, remember, Bill Clinton vetoed commonsense securities litigation reform—another corruption of our justice system that makes a handful of lawyers rich, at the expense of all of us.

Back then, I led the fight on the floor against the veto. And less than 12 hours after the President used his veto pen, this Congress handed him the first override.

It was as proud a moment as I've had as a Member of this House.

Today, Mr. Speaker, let's do those American workers a favor. Let's repeat it.

□ 1900

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

Mr. CONYERS. Mr. Speaker, I yield 5½ minutes to the gentleman from Michigan [Mr. DINGELL], dean of the House, dean of the Michigan delegation, my good friend, and once the former chairman of the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, I begin by expressing my great affection for the distinguished gentleman from Illinois [Mr. HYDE], chairman of the Committee on the Judiciary, and also the distinguished gentleman from Virginia [Mr. BLILEY], chairman of the Committee on Commerce. They are fine Members and dear friends of mine and I have enormous respect and affection for both of them.

Mr. Speaker, I was, as this body knows, the individual who was in on addressing the problem of product liability early on. Our committee began the effort by moving out the first piece of legislation that ever came out of a congressional committee on this.

It is my view that product liability lawsuits have been much abused, and that serious and adverse economic consequences have struck the American economy, the American worker, and American businessman because of that, and I intend to vote to override the President's veto.

But, Mr. Speaker, I want to make it clear that I do it with a sense of heaviness in my heart. Without any ill will towards my good friend from Virginia [Mr. BLILEY], I want to make it plain that I think that was a very bad speech. This is not an issue which we should make a partisan issue. It is a broad question of the public good. Are we going to correct an abuse which is here?

The hard fact is that the handling of this bill has given the American public, I think, and the Members of this body, a clear impression that what is happening here is essentially a partisan exercise on the part of our Republican colleagues. Members on this side of the aisle were very much excluded from the discussions in the so-called conference which took place. There was no real conference in the traditional sense. Members had no opportunity to participate. There was no opportunity afforded the White House or the administration downtown to discuss concerns which they had with regard to the bill.

That is a very bad way to proceed. It was not an open House which functioned. It was not an open committee or an open conference which functioned. Rather, it was a very much closed and secretive undertaking. There were a couple of pro forma meetings which were, at best, opportunities for perhaps Bull Run speeches or perhaps for Members to say what they were going to do.

The real work was done behind closed doors at which Members, like myself,

who wanted to participate and who could have participated and who would have participated in the bringing together of the divergent views which exist on the subject of product liability in a way that we could anticipate that this bill would then be signed into law, were excluded.

I think we are looking here, then, at a situation where the way this matter has been handled has been to assure not that a bill can be signed and not that a major economic and social problem is addressed, but simply so that we can have here an exercise in fingerpointing, something which is going to do two things: First, further alienate Members within this body on this subject, and, second, to assure that this bill is going to fall to a veto which has been given. A residue of great ill will is going to be left in this body which is going to adversely impact future efforts to address the problem of product liability.

I view those events as a great calamity. I think American industry does need relief from the kind of situation they confront, and I would point to the long hearings which we held in which we heard from industry, from individuals affected, even from the trial attorneys.

Those pointed up the need for change, but regrettably the process in which we are now engaged is going to assure that there is going to be no significant change. A veto is going to be upheld, vast fingerpointing will occur, ill will will remain and grow, and the problem of product liability litigation will not be resolved.

The final result of this is going to be that a great opportunity to do broad good for the American public, for the American economy, is going to be lost today.

My friend and colleague, Mr. BLILEY, talks about how this is an attempt on the part of the President to procure campaign contributions. I would point out that we all will be charged with receiving campaign contributions and I would point out this: There will be abundant campaign contributions befalling my Republican colleagues because of their views on this, probably larger campaign contributions than will fall on a Democrat who supports the President's veto.

I do not think that we ought to attribute, either to our colleagues or to the President of the United States or anybody else, the crass motive of proceeding solely on the basis of campaign contributions. I think we ought to give credit to each other for proceeding on the basis of the board public interest and doing good and carrying out our oath of office as we see that oath and that duty to compel us.

I reject the idea that we should then proceed in that fashion. I think that that is the way in which we do greatest credit to ourselves and to argue this question on the basis that somebody is doing something on the basis of a campaign contribution demeans the individual who is charged, but it demeans also the individual who makes the charge.

I would urge my colleague, if we are going to address this question here, let us address it from the standpoint of the broad public interest. But let us when we do so understand that we have some duty to bring all Members into the discussions, something which was not done here and something which has impaired in a severe way our opportunity to resolve a matter of very important concern to all Americans.

Mr. BLILEY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would just say to my great friend and the ranking minority member of the Committee on Commerce that I would have not brought up that about the President and about contributions had not the ranking member of the Committee on the Judiciary brought out about fat cats and Republicans, and I just thought we ought to respond and set the record straight for what it is.

Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Ohio [Mr. OXLEY], the chairman of the subcommittee.

Mr. OXLEY. Mr. Speaker, I rise today to ask the House to override the President's unfortunate veto of this very moderate approach to product liability. Let me say to my good friend from Michigan, who I have worked with for so many years on legal reform and specifically on product liability reform, that I am perhaps as frustrated with the process as he is. That is, the obvious concern that all of us had in the conference that the Senate made it very clear that the best we could get out of this conference on legal reform was a product liability bill, and that became the fait accompli.

So the stultifying meetings that we had, that the gentleman and I participated in, were as frustrating to me as to the gentleman because we would have done more, I think, had we been given the opportunity. I know the gentleman from Illinois and the gentleman from Virginia, the two chairmen, share my concerns about that.

But be that as it may, we have before us a pretty moderate approach to product liability, a bill that we worked on in our committee under the great leadership of the gentleman from Michigan, the now infamous "tort class from hell" that went on for 10 days, in which we produced, I think, a pretty good product, not dissimilar to the product that we have before us today that the President chose to veto.

I would say to those folks, including the gentleman from Massachusetts and others on the floor today who worked on that bill, this really is that product. It is a moderate approach. It does not deny people their ability to recover damages for lost wages for pain and suffering, for medical damages. It does put some limits on punitive damages that have gone out of control.

As a matter of fact economist Paul Rubin at Emory University says that $82 billion of the $132 billion spent on tort liability has been pure waste, and that was just for 1 year, in 1990. That works out to $900 per household of wasted money, meaning more cost to the consumer in insurance costs and the like. That works out to $900 per U.S. household paid in higher prices for goods, services, and insurance premiums.

That is a very expensive proposition. Not only are we closing down some companies and putting people out of work, but at the same time we are costing the average consumer, the average household, $900 a year more than they would have had to pay otherwise because of many of these frivolous lawsuits.

So, Mr. Speaker, I would say to my colleagues, this very moderate approach to product liability, which is the first time this Congress has really faced up to that very serious issue, deserves our vote to override the President's veto.

Mr. HYDE. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Kansas [Mrs. MEYERS].

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in strong support of today's effort to override the President's veto of H.R. 956, the Common Sense Product Liability Reform Act. Meaningful product liability reform is one. Most important small business issues, we will consider all year. The legislation we passed and sent to the President was a bipartisan effort by scores of individual Members of this House and the other body not only in this Congress but going back for several Congresses.

I believe that the President's veto of product liability reform legislation is a slap in the face to every small businessperson in this country. The delegates to the 1995 White House Conference on Small Business were dazzled by the President, who told them that his administration was ardently pro-small business, but as we all know, this President changes his mind. So, he has raised taxes, he has championed a mandatory costly health care bill, and now he has vetoed product liability reform which small business has been seeking for years.

Mr. Speaker, the fact is that the overwhelming majority of this Nation's small businesses have been crying out for meaningful product liability reform for years, and it was one of the top issues at the 1986 and 1995 White House conferences.

Mr. Speaker, it is important to small business. Because of the high cost of liability insurance and because small business operates without large profit

margins, just one lawsuit can totally wipe out a small business.

Punitive damages are capped at $250,000 or two times noneconomic damage, whichever is less, for small business. Sellers are not liable if drugs or alcohol are more than 50 percent responsible for an accident. It provides a mechanism for settlement out of court.

□ 1915

The bill says a small business is only responsible for the proportionate share of blame, and it provides a statute of limitations. I truly regret this veto. For the sake of small business, I implore my colleagues on both sides of this aisle to override the veto.

The SPEAKER pro tempore (Mr. BOEHNER). The gentleman from Illinois [Mr. HYDE] has 3½ minutes remaining, the gentleman from Virginia [Mr. BLILEY] has 7¾ minutes remaining, and the gentleman from Michigan [Mr. CONYERS] has 11½ minutes remaining.

Mr. CONYERS. Mr. Speaker, I yield myself 1 minute.

My colleague, the gentleman from Michigan, Mr. JOHN DINGELL, has properly decried the process that excluded us. I can suggest to you that the work product does not deserve much consideration here. But also I would like to point out to my friends, just as we lay to rest who is getting the money here, we cannot deny that the political action committees of corporations and organizations favoring tort reform contributed nearly $62 million between 1989 and 1994, as part of a multimillion dollar lobbying effort to overturn America's system of civil justice.

The trial lawyers, trial lawyers, contributed that $5.8 million, one-tenth of the total of legal reform proponents who came together in a massive coalition.

Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. SCOTT], a member of the Committee on the Judiciary.

Mr. SCOTT. Mr. Speaker, I thank the gentleman from Michigan for yielding time to me.

Mr. Speaker, we have heard a lot of allegations and some, most of it, exaggerated, a lot of anecdotes. Many of the anecdotes would have been received under appeal under the present law.

The fact of the matter is that the number of these cases is minuscule, especially when we look at the punitive damages cases, less than one per State per year. These have a very strong deterrent effect because every day corporations have to decide whether they are going to recall dangerous products or modify dangerous products that are killing or maiming people.

If this bill was passed, it would be cheaper to kill or maim people than to recall or modify the products. Punitive damage cases end the situation where corporations were selling children flammable pajamas because it was cheaper to sell those pajamas than to modify them so they would not go afire like newsprint.

We have heard about costs. We ought to have savings. A lot of people are not being maimed and injured as a result of tort reform and the deterrent effect.

Mr. Speaker, these laws we talk about as being uniform are not uniform. The only laws that are affected by these laws are those that are more draconian to consumers than the State laws. If the State has a more draconian law, then that law stays in effect under this legislation.

We also have a situation where joint and several liability is abolished. That is where the consumer, if he has a good case, a winning case, can sue many people and they have to decide how that damage is going to be apportioned. If this bill passes, it will be up to the consumer to try to find the unavailable defendants, those that may be insolvent. All of that will be borne by the victim.

Mr. Speaker, on this vote we should protect consumers. We should require corporate responsibility, and we should support the President's veto by voting no on the motion to override.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. DEAL], a member of the committee.

Mr. DEAL of Georgia. Mr. Speaker, I would briefly like to say that we should test this legislation by the light of reasonableness. When we do, I would ask the question, is it reasonable for punitive damages to be limited to a quarter of a million dollars or twice the compensatory damages? Most people think so.

Is it reasonable to give injuries that have multiple defendants the right to decide how much each of those defendants should have to pay rather than having the one who may be the last culpable have to pay it all? Most people think that is reasonable.

Is it reasonable to say a 2-year statute of limitations in which an action must be brought after the injury? Most people think so. Is it reasonable to have a 15-year statute of repose?

The President had to go no further than a member of his own Cabinet, our former colleague in the previous Congress, Mr. Glickman, who led the efforts in the last Congress to try to save an industry in his district, a small aircraft industry, that was faced with a similar prospect of extinction to find that this is certainly reasonable.

Based on the test of reasonableness, I would urge this Congress to override the President's veto. I thank the gentleman for yielding time to me.

Mr. HYDE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. GEKAS], a valued member of the committee.

Mr. GEKAS. When the President vetoed this product liability bill, Mr. Speaker, he also vetoed heart transplants, brain shunts, medical devices for replacement of knees, of hips, of shoulders, 100 different types of medical devices that are lifesaving or health improving, borne by some 8 million Americans currently in the use of those medical devices and who knows how many yet to come who will require them. Why? Because the suppliers of vital elements that go into these medical devices have been going out of business or refusing to deal with the manufacturers of medical devices because of the large suits, liability suits that loom in front of them should they dare to supply a piece of plastic or a piece of wood or a piece of some other kind of element that goes into one of these medical devices, even if that little piece of that medical device had nothing to do at all with the injury that brought about the liability suit in the first place.

What this bill would have done, if the President would have signed it, would have been to release some of these companies from the burden of supplying some of these vital elements to medical devices, and we then in the Congress could rejoice on making ample supplies of these medical devices available to our fellow Americans.

I urge we override this veto so we can go about the business of encouraging the scientific community and the medical community to develop even better medical devices, more in tune with life saving and health improvement than even now we have on the books, and allow the President to be enlightened that a veto such as the one he has exercised here threatens the lives and the health of our fellow Americans.

Mr. CONYERS. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MARKEY], one of the unsung members of the Committee on Commerce.

Mr. MARKEY. Mr. Speaker, the Common Sense Product Liability Legal Reform Act is an interesting title for this bill. I suppose the Republican majority decided to put common sense into the title because it is so clearly absent from the rest of the bill.

This legislation would take away the rights of working American families to meaningfully punish huge corporations that put faulty and sometimes deadly products onto the market and hurt American families. Eliminating such protections would give product manufacturers or sellers a green light to cut dangerous corners, to reap higher profits. The result? More deadly products like the Dalkon Shield, exploding Ford Pintos, flammable children's pajamas, defective heart valves and other nightmares that cause serious injury or death.

Now, interestingly, these cases are only 1 percent of the cases. Thirty-three percent of the cases in the courts are businesses suing other businesses.

And the National Law Journal, looking into 12,000 cases that have gone on for more than 3 years in Federal court, came to the conclusion that almost all of them were businesses suing other businesses.

If we are going to deal with the backlog problem, let us look at that, not whether or not an individual where a lawnmower blew up in the wife or the daughter or the child's face can sue to collect. Let us deal with these businesses. So what weighty legal issues are businesses suing each other over? Let us take a look.

McDonald's sought a temporary restraining order to prevent Burger King from airing ads comparing the Big Mac unfavorably to the Whopper. Haagen Daz sued Frusen Gladje, alleging that it had infringed on Haagen Daz's exclusive right to market premium ice cream with a Scandinavian flair. Walt Disney sued the Motion Picture Academy to force a public apology for an unflattering portrayal of Snow White at the Academy Awards ceremonies. Scott Paper sued Proctor & Gamble claiming that it allegedly misled consumers about the absorptive power of Bounty paper towels by claiming Bounty was the quicker picker-upper.

And finally, Hormel Foods, maker of the luncheon meat Spam sued the Muppets production company to stop them from calling a character in a new Muppets movie Spa'am, alleging that the character represented an unclean, grotesque boar that would call into question the purity and the quality of its products. So the Republicans want to give Spam the right to put the Muppets on the witness stand to resolve these business issues, even if it takes 2 or 3 years in court. But if Joe Citizen has a defective product which has maimed him or his wife or any of his children, you are out of luck. We are putting limits on you. You are ruining the court system with the 1 percent of cases you bring in. The individual against businesses. But if businesses sue other businesses, no restrictions whatsoever.

This is the world on its head. This is a special interest business protection against individual Americans making corporations responsible for their own actions when they hurt Americans in our country.

The President's veto should be sustained.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. TAUZIN], a member of the committee.

Mr. TAUZIN. Mr. Speaker, what can we conclude about this Presidential veto? This is the second time the President has vetoed a tort reform bill passed by this House and Senate, passed by large numbers of both Republicans and Democrats. In fact, the last time he vetoed a tort reform bill we did, in fact, override his veto.

What can we conclude about this veto? First of all, we can conclude the President must think this bill is extreme. The gentleman in the well who just spoke obviously agrees with him. But the Democratic Senator ROCKEFELLER who supports the bill on the Senate side said special interests and raw political considerations of the White House have overridden sound policy judgment. Democratic Senator LIEBERMAN who worked closely with the President throughout this process said, President Clinton is dead wrong about this bill. It must be reasonable.

Let us look at the bill. It says that it is going to hold manufacturers primarily responsible instead of sellers. It says that it is going to reduce manufacturers' liability to the extent that a claimant has altered or misused a product. And it says that there is an absolute defense to drug and alcohol abuse. That certainly sounds reasonable to me.

What can we conclude? The President is against all tort reform. We ought to override his veto.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. WATT], a member of the Committee on the Judiciary.

Mr. WATT of North Carolina. Mr. Speaker, I thank the gentleman for yielding time to me.

My good friend's comments, the gentleman from Virginia [Mr. BLILEY], about trial lawyers reminded me of the saying that we always use when we are condemning lawyers: First thing we do, let us kill all the lawyers.

I want to remind my colleagues that that comment we often use comes from Shakespeare, "Henry VI."

□ 1930

Mr. Speaker, in the sense in which that line is used, a corrupt king and his followers are trying to figure out how to suspend everybody's freedoms and rights, and the only folks who could possibly stop that from happening? My colleagues guessed it: the lawyers.

So kill all the lawyers, if my colleagues want, but what they are trying to do in this case is to stand between the Republicans and the suspensions of the rights of the people, the people in this country.

As the gentleman from Massachusetts [Mr. MARKEY] has indicated there is no litigation explosion in product liability cases. The litigation explosion is in business versus business cases.

We have talked a lot about, in this Congress, personal responsibility. Punitive damages, and having individuals have the right to file lawsuits when they are injured by faulty products, is about corporate responsibility. If we favor personal responsibility, should we not also favor corporate responsibility?

And what about States' rights? I have talked about that before. My colleagues have talked about it and say they supported it. But for years and years and years, product liability has been determined under State law, and here we are, federalizing product liability.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. WHITE], a member of the committee.

Mr. WHITE. Mr. Speaker, I would like to ask my colleagues to consider a question.

Let us say you have a neighbor who has a drinking problem, and one night he goes out and has too many drinks, he comes home, parks in front of my colleague's house, it is a wonder how he got there in the first place. He gets out of the car, barely can walk home, and on the way to his house, in front of my colleague's house, he falls down and hits his head on the mailbox.

Now, Mr. Speaker, do my colleagues think they should have to pay his medical expenses? I tell my colleagues something: President Clinton does. Because he vetoed this bill which solved that problem, among many other problems we have in our legal system.

Mr. Speaker, I am a lawyer. I have great respect for the law. But the fact is anybody who has practiced law in our system recently knows it is dramatically out of whack and needs to be fixed. This bill is a modest step in that direction. We should override the President's veto and make sure this actually becomes law.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE], a member of the committee.

Ms. JACKSON-LEE of Texas. Mr. Speaker, this is a "three strikes, you're out" bill, and for my colleagues, many of our States already have contributory negligence laws to accord for the poor fellow who has lost his way. But, No. 1, this legislation would say to someone, a woman who had been impacted in the 1980's by the Copper 7 intrauterine device by a company that knew that this particular device would keep women ultimately, because of its defect, from having children. Strike one, she would not be able to prevail under this proposed law.

Strike two: Just think of the two ladies in a Chicago elevator that fell to the ground because it had no slowing mechanism. They would not be able to prevail, though they were disabled for life, because it was older than 15 years old. How many of us get into elevators and begin to look to see when its last birthday was? Strike two.

Strike three: A farmer in 1990 was driving his tractor that he bought in 1966. It rolled over and killed him. He bought it from a Switzerland company, and he would not be able to prevail because it was older than 15 years old. Yet in Switzerland they were putting rollover fixtures in in 1959.

This is a bad bill. This is not a bill of special interests with the trial lawyers. This is about the American people. Let us vote for the American people, and let us sustain the President's veto.

Mr. Speaker, I rise today to express my opposition to this effort to override the President's veto of the conference report on H.R. 956, the product liability reform bill. This bill is not a good bill for consumers. It certainly does not level the playing field among consumers and manufactures.

While some elements of the current product liability system need to be reformed, this bill goes too far. There has been no great explosion of product liability lawsuits. The Justice Department's Bureau of Justice Statistics indicates that product liability cases represent only 1.6 percent of civil cases. Another influential study on product liability lawsuits indicates that there have been only an average of 14 jury awards of punitive damages annually for the last two decades.

Contrary to arguments made by proponents of the bill, the current system is not discouraging capital investment or increasing the costs of developing new products. In fact, the General Accounting Office reports that insurance costs to businesses represent less than 1 percent of most businesses' gross annual receipts. Moreover, the National Association of Insurance Commissioners indicate that product liability insurance premiums have dropped by nearly 30 percent over the last 6 years.

There are several real problems with this bill. First of all, it eliminates joint liability for noneconomic damages and caps punitive damages at $250,000 or two times compensatory damages, whichever is greater. The current system provides a powerful incentive for manufacturers to make strong efforts to ensure that their products are safe. A cap of $250,000 on punitive damages would mean that some large companies may incorporate this figure as a cost of doing business as they implement their quality control procedures for manufacturing products. Moreover, a provision in the bill permits judges to award punitive damages exceeding 250,000 in egregious circumstances would rarely be exercised.

Second, it preempts State law when such law favor consumers and defers to State law when such provisions favor the manufacturers. It also raises the burden of proof standard to clear and convincing evidence in order for a plaintiff to prevail in a lawsuit. It is interesting to note that many members of the majority party who strongly favor State rights are now eager to impose uniform, Federal product liability standards on all 50 States.

Another problem with this bill is that it eliminates joint and several liability for noneconomic losses because of its potentially disproportionate impact on women, children, and the elderly. It does, however, retain joint and several liability for economic losses such as lost wages. Noneconomic losses such as disfigurement or loss of fertility should be treated by the legal system the same way as economic losses such as lost wages.

Additionally, I am concerned about the statute of repose provision that prohibits courts from awarding damages for injuries caused by durable goods that are 15 years or older. The definition of durable goods is narrow and excludes various consumer products.

Mr. Speaker, I urge the Members of the House to sustain the President's veto.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. COX], chairman of the policy committee, a member of the Committee on Commerce.

Mr. COX of California. Mr. Speaker, to respond to my colleagues, when something is 15 years old, 20 years old, 30 years old, 100 years old, at some point the manufacturer stops being liable and the person who is responsible for maintaining the piece of equipment ought to become liable, and that is the common sense that is in this bill.

The truth is that in my part of the country, in California, southern California, we have a lot of lawyers in West Los Angeles. Just that part of the city, there are more lawyers than in all of Japan. California, our fourth largest industry is lawyers, just judged by their legal fees. The only bigger industries in California are health care, the movie industry, and computers. No. 4 is lawyers fees.

Our system is a great wheel of fortune, and to respond to my colleague from Massachusetts about the fraction of cases that have punitive damage awards or the fraction of cases that we are talking about here, over 90 percent of all cases never get a single day of trial. Therefore, they have no judgments; therefore, they have no damages. Everybody settles on the basis of what we euphemistically call transaction costs, by which we mean some sort of discounted estimation of the lawyers fees it would take to get to the other end, and, therefore, there is not any justice. Or if there is justice, it is entirely random.

We started out in the House of Representatives with a much broader bill. We covered services as well as products. We covered health care lawsuits. All of this now is out. We are down to products, and my colleague from Massachusetts joined with others to get everything else out of the bill, and now he says we are only covering products. In fact, he took out a rule that would have made people bringing frivolous lawsuits pay the costs of the other side so that we get all of those cases out of the courts, and now we are down to this.

The Washington Post has endorsed it. It is very reasonable. Our Democratic colleagues in the Senate have said President Clinton here is catering to special interests. I would not say that. But the truth is that the high cost of litigation, the perverse incentives, the slow cumbersome system that we have got right now, demands reform which we have not had here for 40 years.

This bill deserves to become law. Override President Clinton's veto. He has proven there is no tort reform he will support. It is up to us to see this job through.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. GANSKE], a member of the committee.

Mr. GANSKE. Mr. Speaker, I rise today in strong support of overriding the President's veto on the product liability bill.

A recent op-ed in my hometown newspaper criticized the tort reform bill because it made it more difficult to collect punitive damages, but that is the purpose of the bill.

When we see an Alabama jury awarding $4 million in punitive damages in a case in which the plaintiff sustained only $4,000 in natural losses, something is wrong.

Why do we need limits to punitive damages? Because the costs are passed on to our constituents who pay more for goods and services to make up for the high price of lawsuit abuse.

This legislation would ensure the injured parties are fully compensated for all their losses, both economic and noneconomic. But it would prevent them from hurting others by the excessive awards of punitive damages which keep people from getting the types of goods and services they need.

Mr. Speaker, I urge my colleagues to join me in overriding the President's veto.

Mr. CONYERS. Mr. Speaker, I yield myself 10 seconds to respond to a question asked earlier by the chairman.

Mr. Speaker, he wanted to know the name of somebody who could get their victims rights cut off and could not even sue. I give him the name of Carla Miller because, under the statute of repose, we would cut off any ability to recover in cases of clear misconduct or negligence.

Mr. Speaker, I yield 20 seconds to the gentlewoman from California [Ms. LOFGREN], a member of the Committee on the Judiciary.

Ms. LOFGREN. Mr. Speaker, I have heard a lot of talk today about what the people want. Six weeks ago, the people of California considered whether or not they should lose their right to a recovery when wrongdoing occurred, and they voted not to do that. I think that when they find out that the tobacco companies, the NRA and others want to keep them from holding wrongdoers to account, that the Consumers Union and Mothers Against Drunk Driving disagree, that they will agree with me that we should not override the President's veto.

Mr. BLILEY. Mr. Speaker, I ask unanimous consent to yield the balance of my time to the gentleman from Illinois [Mr. HYDE].

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

There was no objection.

Mr. CONYERS. Mr. Speaker, I yield the remainder of the time on this side to the distinguished gentleman from Michigan [Mr. BONIOR].

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 2 minutes.

Mr. BONIOR. Mr. Speaker, let us be clear what this bill does. If one is a corporate CEO, he can make $1 million a year; God forbid he should be in an accident because of a product malfunction. This bill says that he can receive full recovery of his economic losses. But if one is a working mom, she makes $15,000 a year, and she should get in that same accident, and that accident involves more than one wrongdoer, and God forbid she should lose her ability to have children, she may never be fully compensated for her pain and loss. That is what this bill does.

It says that the lives of corporate CEO's and the bankers and the economic elite in our country are more important and more valuable than the lives of working men and women.

Mr. Speaker, we do not need a bill that tilts the balance away from victims of defective products and toward the big corporations who make them, and we certainly do not need a bill that gives foreign manufacturers a leg up on American companies. If foreign businesses can sell their products here, they should be held accountable if anything goes wrong.

Mr. Speaker, we live in a country where 98 percent of all the income growth since 1979 has gone to the top 20 percent, yet four times in this House alone the Republicans and their leadership have blocked our efforts to raise the minimum wage, and today once again we are trying to write special rules for the privileged and the wealthy. Enough is enough. It is a tragedy when anybody is injured by a faulty product. Let us not make women and children and seniors pay a special price.

Mr. Speaker, these are the reasons why the President vetoed the bill. I urge my colleagues, stand up for fairness, stand up for working families, help us sustain the President's veto, and stand up for fairness for a change.

□ 1945

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume. This has been an interesting debate, and remarkable by statements from the other side, many of whose Members know so many things that are just not so, Mr. Speaker.

The gentlewoman from Houston, TX, talked about an elevator older than 15 years falling to the ground in a building, and denying the passenger a chance to recover. My gosh, that is a negligence suit. Any building that would have a faulty elevator, any lawyer that you can name would have a theory to sue on that one and take the building over for damages.

Mr. Speaker, nobody is denied a right to sue for damages. I heard that again and again and again. It is the runaway punitive damages. You can get your pain and suffering, your loss of use, your permanent disability, your out-of-pocket expenses. Those are all recoverable. It is the punitive damages that also are recoverable, but are restricted from running away. That is all this bill does.

Mr. Speaker, we heard about the minimum wage from more than one or two speakers. We heard it from my friend, the gentleman from Michigan, and we heard it from the other gentleman from Michigan. This has been an all-Michigan presentation, with the gentlemen from Michigan, Mr. DINGELL, Mr. BONIOR, and Mr. CONYERS. I am sorry we could not match you in Michiganders.

But we heard about the minimum wage, we heard about the Consumer Product Safety Commission, we heard about everything but this bill. This bill protects a legitimate plaintiff. It does not do an awful lot for the plaintiff's lawyers, but they do pretty good anyway. I hate to say they are a special interest, but I do not think being a special interest is the worst thing in the world. So are teachers; so are Congressmen, for that matter.

Mr. Speaker, I suggest that if Members want to maintain the status quo, then stay with the President. But if they agree with Senators ROCKEFELLER and LIEBERMAN and other Democrats, as well as ourselves, then vote to override.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of the Presidential veto of H.R. 956, and I do so for a number of reasons. First and foremost, is the fact that it is far from the commonsense reform that it has been advertised to be. While this legislation is bolstered by a good deal for Gingrich-Armey Republican rhetoric, it is supported by little empirical need.

This bill as passed by the radical Republicans, goes against States' rights, it imposes arbitrary ceilings on punitive damages, eliminates joint liability for noneconomic damages such as pain and suffering which prevents many persons from receiving full compensation when injured, and it unjustly discriminates against the most vulnerable members of our society—the elderly, the poor, the young, and women.

Liability costs to American industries represent less than 1 percent of their total operating costs and the fact remains that all companies, both foreign and domestic, are subject to the same laws in each State as well as abroad. What the current product liability system has done is increased American innovation and our reputation for safe and reliable products—something in which we can take pride and must continue.

Mr. Speaker, H.R. 956, as passed, represented an absolute Federal power grab in an area that has historically been the province of the States. As a popular phrase in my city of Chicago states, "Stick around and the weather is bound to change," and it seems a similar phrase could be used to refer to the manner in which my friends on the other side of the aisle continue to legislate with respect to State's rights.

Once again, the Gingrich-Armey Republicans have shoved down the throats of the American public a big business special aid bill, and we are thankful for a courageous President who isn't afraid to stand up for the people as he did when he vetoed this bill.

People who have been wronged by negligence and failure of big business to address issues of safety and sanity deserve to be able to seek and get remedies that include monetary damages. This bill would only undermine the ability of courts to provide relief to victims of harmful products, and thereby take away incentives to protect the health and safety of the public.

For these reasons, I urge my colleagues to vote to sustain the President's veto of H.R. 956.

Mr. MANZULLO. Mr. Speaker, I rise in support of overriding President Clinton's veto of the Product Liability and Legal Reform Act and urge my colleagues to support this effort.

I think it's unfortunate that the President fails to understand the plight of small businesses and manufacturers—those entities that are the engines that drive our economy—who are the victims of unreasonable liability lawsuits. These lawsuits stifle innovation, erode competitiveness, and cost money that would otherwise be reinvested to increase productivity and job growth. Whether or not the President appreciates it, this plight is real and affects companies all across our Nation. I can point to a typical example from a small company in my own district, Mattison Technologies in Rockford, IL.

Mattison has been manufacturing machine tools for 100 years and presently employs 150 workers. Yet, despite establishing a stellar record for quality and craftsmanship, Mattison is facing liability lawsuits involving some of its products that are as old as the company itself. Recently, it was sued for a machine tool it built way back in 1917. In 1917—the year Americans went off to fight in World War I. Mattison's general manager, Robert Jennings, justifiably complains that they are being penalized for machines built 60 and even 70 years ago, "for building quality and longevity into our equipment, yet we believe this is what Made in America is all about."

The bill the President vetoed would help rectify this problem by preventing lawsuits against manufacturers of products more than 15 years after delivery. This is certainly a reasonable step and one that would have a tremendous impact on the approximately 1,800 companies in the district I represent.

Mr. Chairman, these types of liability lawsuits do not have to happen. They should not happen. The one obstacle that prevents them from stopping is the President's veto pen. Today, we here in this body have an opportunity to support small businesses and manufacturers and encourage productivity and economic growth. We can do this by voting to override the President's veto. I urge my colleagues to join me in this effort.

Mr. PAXON. Mr. Speaker, the long overdue reforms contained in H.R. 956 will restore fairness and efficiency to our Nation's legal system, by instituting a series of modest reforms to our Nation's product liability laws.

A majority of Americans believe that our Nation's legal system is out of control and is in need of serious reform. As our courts become clogged with frivolous lawsuits, those Americans who have been truly injured must wait

months, sometimes years, for their cases to be heard.

Our current legal system actually denies justice to those Americans who need it most. This legislation will put justice back in our justice system.

I have been a strong supporter of H.R. 956 since it was first considered in the House Commerce Committee, on which I serve.

Should this override attempt be unsuccessful, I am confident that next year Congress will consider and approve not only product liability reform legislation, but comprehensive reform of our Nation's legal system.

The SPEAKER pro tempore (Mr. BOEHNER). All time for debate has expired.

Pursuant to the order of the House of Monday, May 6, 1996, the previous question is ordered.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 258, nays 163, not voting 13, as follows:

[Roll No. 162]

YEAS—258

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Dingell
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennelly
Kim
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
McNulty
Metcalf
Meyers
Mica
Miller (FL)
Minge
Montgomery
Moorhead
Moran
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Payne (VA)
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Riggs
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—163

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Bellenson
Bentsen
Berman
Bishop
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clyburn
Coble
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dixon
Doggett
Doyle
Durbin
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Green (TX)
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kildee
King
Kleczka
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Mollohan
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Richardson
Rivers
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schumer
Scott
Serrano
Skaggs
Skelton
Stark
Stokes
Studds
Stupak
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates

NOT VOTING—13

Becerra
Bevill
Dickey
Engel
Klink
Laughlin
Molinari
Paxon
Roberts
Schroeder
Tanner
Torricelli
Weldon (PA)

□ 2011

Mr. EDWARDS and Mr. HEFNER changed their vote from "nay" to "yea."

So, two-thirds not have voted in favor thereof, the veto of the President was sustained and the bill was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. KNOLLENBERG). The bill and the message will be referred to the Committee on the Judiciary.

The Clerk will notify the Senate of the action of the House.

PROVIDING FOR CONSIDERATION OF H.R. 3322, OMNIBUS CIVILIAN SCIENCE AUTHORIZATION ACT OF 1996

Ms. GREENE of Utah. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 427 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 427

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3322) to authorize appropriations for fiscal year 1997 for civilian science activities of the Federal Government, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(l)(2) of rule XI are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Science. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered by title rather than by section. The first section and each title shall be considered as read. Points of order against provisions in the bill for failure to comply with clause 5(a) of rule XXI are waived. Before consideration of any other amendment it shall be in order to consider the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Walker of Pennsylvania or his designee. That amendment shall be considered as read, may amend portions of the bill not yet read for amendment, shall be debatable for ten minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. If that amendment is adopted, the bill, as amended, shall be considered as the original bill for the purpose of further amendment. During further consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause

6 of rule XXIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 2015

The SPEAKER pro tempore (Mr. KNOLLENBERG). The gentlewoman from Utah [Ms. GREENE] is recognized for 1 hour.

Ms. GREENE of Utah. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. BEILENSON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, H. Res. 427 provides for consideration of H.R. 3322, the Omnibus Civilian Science Authorization Act. This is an open rule providing for one hour of debate. The resolution makes in order a manager's amendment, and gives priority recognition to Members who have had their amendments preprinted in the CONGRESSIONAL RECORD. The resolution waives the House rule requiring a quorum in order to report a bill. The Rules Committee understands that this is a technical violation, and that there was no intentional violation of the rules. In addition, there are two technical violations in the bill relating to appropriating in a legislative bill. The resolution waives that rule as the Committee understands that the manager's amendment will address these concerns. Finally, the resolution provides for one motion to recommit.

Mr. Speaker, this is an open rule providing for consideration of a bill to authorize fiscal year 1997 appropriations for most programs and missions under the jurisdiction of the Science Committee. H.R. 3322 authorizes spending for the following programs:

The National Science Foundation; the National Aeronautics and Space Administration [NASA]; the National Oceanic and Atmospheric Administration [NOAA]; The Environmental Protection Agency [EPA]; various scientific and technical research programs within the National Institute of Standards and Technology [NIST]; Federal fire prevention and control; and research, engineering and development within the Federal Aviation Administration [FAA].

I would like to commend the chairman, the gentleman from Pennsylvania, BOB WALKER, for crafting a bill that makes the necessary tough budget decisions and, at the same time, makes responsible decisions to ensure that we fund our highest priority programs.

This open rule will give Members the opportunity to offer any amendments that they feel will address their concerns with the bill and fully participate in the amendment process. I urge my colleagues to support this resolution and the underlying bill.

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

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

Mr. Speaker, I thank the gentlewoman from Utah [Ms. GREENE] for yielding the customary 30 minutes of debate time to me. I yield myself such time as I may consume.

Mr. Speaker, we support this open rule for H.R. 3322, the omnibus civilian science authorization bill.

However, we believe this bill is seriously encumbered by the Science Committee's indifference to and disregard of the deliberative committee process. And we are disturbed that the Committee on Rules is, in effect, condoning those procedural abuses.

Frankly, we would find the way this bill was brought to the floor disturbing, whatever the rule provided. The type of rule, in this case, is not the issue.

The issue is process, and it is one that should be of special concern to the Committee on Rules—the committee charged with ensuring that regular procedure and rules are followed, unless there is a very good reason for not doing so.

Mr. Speaker, one specific waiver in the rule illustrates most strongly our concerns about the way H.R. 3322 was considered, and the haste with which it was reported.

The rule waives clause 2(l)(2) of rule XI against this bill, a rule that requires that a quorum be present when a committee reports a measure. That is a rule that was never specifically waived when Democrats were in the majority.

The rule is being waived in this instance because the bill, H.R. 3322, was never actually before the Science Committee when the committee reported the legislation. Instead, the Committee followed an unusual route, reporting out the chairman's mark of this bill, which was introduced the next day.

Chairman WALKER testified to the Rules Committee that his committee misunderstood the advice they were given on how best to proceed at that point, and we accept his explanation.

However, our point is that the waiver reflects the far too prevalent pattern of circumvention of the standard committee process in bringing bills to the floor.

If the standard process had been followed, with subcommittee markups and the full committee considering the subcommittees' products rather than a chairman's mark that few people had seen, this situation would have been averted.

Mr. Speaker, further complicating the way the bill was considered, the Science Committee, as it did for the first time last year, combined several of its major authorization bills into one omnibus measure. The bill this rule makes in order should actually be receiving the time we would have given, in past Congresses, to five bills.

Merging most of the authorization bills for civilian research and development, usually considered separately, into a single, multi-billion dollar markup vehicle meant that members of the committee had much less time, and so were unable to focus on all the important issues. The effect will be the same on the House floor, limiting debate and deliberations severely.

In our opinion, that is extremely unwise, especially when we are considering the direction of programs that represent major investments in our Nation's future.

The ranking member of the committee, the gentleman from California [Mr. BROWN] predicted last year that this strategy would be unsuccessful in the Senate, where the separate authorizations are unlikely to be considered in one omnibus package. He was correct.

So it is especially difficult to understand why the majority decided to pursue once again this strategy that seems doomed to failure.

In addition, we are disturbed about the chairman's decision to bypass subcommittee markups on this bill, which instead went directly to the full committee for markup.

This action was taken despite the official objections of the ranking Democratic subcommittee members, who noted in dissenting views in the committee report that the entire process by which the committee considered the bill "represents a new low point in the increasing marginalization of the committee's deliberative process."

The distinguished ranking member of the Science Committee, Mr. BROWN, described the process by which the bill was considered as one that minimized, at every opportunity, careful consideration and thoughtful debate.

As my colleagues well know, the ranking member is the perfect example of type of policy specialist who has served the committee system in the House so well and so fairly.

We should be making the maximum use of his expertise. His warnings about this bill, about the way it has been and is being considered, should not go unheeded.

His concerns go to the heart of the importance of the authorization process that gives the House the opportunity to consider broad policy issues after conscientious consideration under the committee hearing and markup process.

The gentleman has been speaking eloquently about the significance of this procedure for many years, and I fear we have not listened carefully

enough to his warnings about abusing the deliberative authorization process.

Certainly, we ought to have more time and more information before we cut so severely programs that are crucial to how we make investments in new knowledge and technologies.

Mr. Speaker, the ranking member brought other procedural concerns to our attention:

Instead of negotiating with members of the majority on the committee who opposed his energy R&D proposal, the Chairman simply took those provisions out of the bill entirely, even though those programs are a major component of Federal civilian basic research funding.

The committee was required to comply with artificial budget constraints, even though we have no House-passed budget resolution that suggests any kind of caps or cuts in funding.

The committee was given an inadequate amount of time to study the bill before markup. Members has little time to read the bill, much less understand the ramifications of its provisions. Further, the hearing record that should back up the legislative product was totally inadequate, giving members little opportunity to make informed policy choices.

Mr. Speaker, the substance of the bill itself is disturbing. It represents a continuation of the trend in last year's budget resolution, which called for a 33-percent cut in civilian research and development by the year 2002. It cuts more than $1.3 billion from the President's budget request, which many Members consider very modest.

The bill unfortunately also continues the disinvestment in the scientific infrastructure that supports our understanding of the environment by further cutting the programs that bring better science to bear on environmental problems. It reduces funding for key environmental research in global change by cutting NASA's Mission to Planet Earth and research at NOAA and EPA.

Unwisely in our opinion, it would effectively terminate much of the research to determine the validity of the global warming phenomenon.

It continues the attack on the National Science Foundation's research in social and behavioral sciences without the benefit of hearings or oversight.

It damages our ability to stay competitive in international markets, by eliminating the Advanced Technology Program and severely cutting the Manufacturing Extension Program.

All in all, Mr. Speaker, this omnibus bill represents a massive disinvestment in our civilian research and development efforts, at a time we should be doing just the opposite.

We shall be supporting the substitute to be offered by the ranking member of the Science Committee. It is a good alternative that maintains a proper level of funding in technology development and environmental research programs. We must continue our strong support for our Nation's R&D programs, and we believe the substitute deserves support.

Mr. Speaker, to repeat, we support this open rule. It is especially important for a bill that is so seriously lacking in the type of thoughtful committee consideration that it deserved.

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

Ms. GREENE of Utah. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in terms of the process on this bill, we feel confident that there is no intentional violation of the rules, and there is not a pattern of disregarding the rules of the committee. The substance of the bill will be addressed through this open rule, and any Member who has concerns about any shortcomings they feel are present in the bill will have an opportunity to offer such amendments as they feel appropriate.

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

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

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 3286, ADOPTION PROMOTION AND STABILITY ACT OF 1996

Ms. PRYCE. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 428 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 428

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3286) to help families defray adoption costs, and to promote the adoption of minority children. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) an amendment to title II of the bill, as amended, if offered by Representative Gibbons of Florida or his designee, which shall be considered as read and shall be separately debatable for thirty minutes equally divided and controlled by the proponent and an opponent; (3) the amendment recommended by the Committee on Resources (applied to the bill, as amended), if offered by Representative Young of Alaska or a designee, which shall be considered as read and shall be separately debatable for thirty minutes equally divided and controlled by the proponent and an opponent; and (4) one motion to recommit, which may include instructions only if offered by the minority leader or his designee.

The SPEAKER pro tempore (Mrs. MORELLA). The gentlewoman from Ohio [Ms. PRYCE] is recognized for 1 hour.

Ms. PRYCE. Madam Speaker, for the purpose of debate only, I yield the customary 30 minutes to my good friend, the gentleman from Ohio [Mr. HALL], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Ms. PRYCE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and that I be permitted to insert extraneous materials in the RECORD on H.R. 3286.

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

There was no objection.

Ms. PRYCE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, House Resolution 428 provides for the consideration of H.R. 3286, the Adoption Promotion and Stability Act of 1996, under a modified closed rule. The rule provides for 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The rule also provides for consideration of the bill in the House without intervention of any point of order, and makes in order the amendment in the nature of a substitute recommended by the Committee on Ways and Means, now printed in the bill.

The rule provides for the consideration of an amendment to title II of the bill, as amended, if offered by Representative GIBBONS of Florida, or his designee. The amendment will be considered as read, and will be debatable for 30 minutes equally divided between the proponent and an opponent.

The rule further provides for the consideration of the amendment recommended by the Committee on Resources, if offered by Representative YOUNG of Alaska, or his designee. That amendment will also be considered as read, and will be debatable for 30 minutes equally divided between the proponent and an opponent.

Finally, the rule provides for one motion to recommit, which may include instructions only if offered by the minority leader or his designee.

Madam Speaker, let me say that with respect to the amendment process, the Rules Committee has tried to be fair and balanced, allowing one amendment to be offered from each side of the aisle. Although the Committee heard testimony on several worthwhile

amendments to the bill, some of which I individually supported, many of the proposals would have affected titles under the jurisdiction of the Ways and Means Committee.

As my colleagues may know, in the past the Rules Committee has observed the bipartisan custom of carefully limiting amendments to matters within the jurisdiction of the Ways and Means Committee, especially proposals that would directly affect the Tax Code and Federal revenues, as we continue to do so under this rule.

Madam Speaker, today, under the terms of this fair rule, the House will consider important legislation that seeks to promote and encourage the practice of adoption. As an adoptive parent myself, I can say quite honestly that being able to provide a child with a safe, stable, and loving family environment through a successful adoption can be one of life's most rewarding experiences.

Unfortunately, adoption in the United States is all too rare. The best available information indicates that roughly 450,000 children live in foster care at any given moment.

Although Federal programs exist to support adoption, foster care, and family services, significant obstacles still remain. Adoption costs alone present a major disincentive, but in addition, parents are forced to think twice out of fear that an adoptive placement may be reversed, and a close family unit tragically torn apart.

The bill, and this rule, reflect our belief that Federal policy must be directed toward removing the barriers that currently discourage adoption. To that end, H.R. 3286 contains three elements that are essential to any successful pro-adoption strategy.

First, the legislation recognizes that the very costs associated with adoption, which can be as much as $15,000 or more in some cases, are a significant obstacle. To help families defray these costs, the bill includes an invaluable tax credit for up to $5,000 for qualified adoption expenses, and recommends specific revenue offsets to pay for that tax credit.

Second, H.R. 3286 seeks to remove barriers to inter-ethnic adoption. The bill would prohibit a State or any other entity that receives Federal assistance from denying or delaying a child's adoption because of the race, color, or national origin of the child or the person seeking to adopt the child. Hopefully, this provision will help ensure that more minority children will find their way into loving homes across the country, regardless of the race of the family seeking to adopt.

Finally, this legislation addresses a subject which many of my colleagues and I believe is critical to preserving the long-term protection of children and stability of adoptive placements once they are made. Title III of the bill contains provisions to make very modest reforms to the Indian Child Welfare Act, which is the 1978 law governing the custody of Native American children.

Let me be clear about one thing, Madam Speaker: I believe the act, or ICWA, as it is also known, was well-intentioned legislation, and I remain very supportive of its original and intended objective. The former practice of placing Indian children outside of their tribes merely due to cultural differences was clearly shameful.

However, the subsequent misapplication of ICWA to overturn and disrupt adoptions where the children involved have no tribal affiliation and only a minimal degree of Indian lineage, is equally shameful.

Clarification of this law is absolutely essential. The act's overly broad interpretation by Government-paid lawyers and liberal courts has had unintended and very very tragic consequences for children, adoptive parents, and birth parents alike. In many cases, voluntary adoptions, consented to by birth parents, have been prevented by courts that have misapplied ICWA. And, children with as little as 1/64 of Native American heritage have been deemed to be covered under the act, and removed from the only homes they've known.

As a result, the law's broad application has discouraged adoption, even of Indian and non-Indian children alike. It has generated extensive and expensive litigation, and it has led to the heart-wrenching anguish of removing children from the only parents and homes they have ever known. Indian children are now more likely to languish in foster homes because some tribes will not allow their adoption by non-Indian parents, or because prospective parents are not willing to consider adoption of children who may be subject to ICWA claims at a later point in time. This modest proposal removes one more obstacle for couples who want to offer loving homes to children, but don't because they fear becoming the next front page news story of an adoption tragedy.

Madam Speaker, I know that the distinguished chairman of the Resources Committee, Mr. YOUNG, and I have different views on the ICWA issue. Under this rule, the gentleman from Alaska will have the opportunity to be heard on his amendment to the bill. But, I hope my colleagues will understand that the language in title III provides nothing more than a common sense clarification of ICWA, to the benefit of all children in need of loving, permanent homes, without infringing upon the sovereignty and rights of the Native American community.

My concern is simply that we have lost sight of what is in the best interests of the children involved. Children are not chattel, Mr. Speaker, nor are they the personal property of Indian tribes or their parents. They are individuals who have precious, unique, fundamental rights and needs. Above all, they have the right to permanency in a loving, nurturing family environment with stability and security. They have these rights regardless of their race, as do all American children. So, I would ask my colleagues to do what is right for the children, and keep this essential title part of the pro-adoption package.

In closing, Madam Speaker, let me urge Members on both sides of the aisle to support this resolution. It is an appropriate and fair rule which is consistent with our past bipartisan practices. We have the opportunity to strengthen the American family by passing this adoption legislation today, and I urge every Member to vote "yes" on the rule, and to vote "yes" on the bill.

Madam Speaker, I include the following for the RECORD.

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 104TH CONGRESS V. 104TH CONGRESS

[As of May 8, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	68	61
Modified Closed [3]	49	47	27	24
Closed [4]	9	9	17	15
Total	104	100	112	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of May 8, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 261 (11/9/95)	C	H.J. Res. 115	Cont. Resolution	A: 223–182 (11/10/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 229–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands.	
H. Res. 309 (12/18/95)	C	H.Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	MC	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/21/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/20/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of May 8, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	O	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: Voice Vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: Voice Vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: Voice Vote (5/8/96)
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

□ 2030

Ms. PRYCE. Madam Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Madam Speaker, I yield myself such time as I may consume.

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

Madam Speaker, I thank my colleague from Ohio, Ms. PRYCE, for yielding me the time. I recognize the very special importance this bill has to my Ohio friend.

House Resolution 428 is a modified closed rule which will allow consideration of H.R. 3286, the Adoption Promotion and Stability Act of 1996.

As my colleague from Ohio described, this rule provides 1 hour of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

It provides for only two amendments. Representative GIBBONS or his designee may offer one amendment to title II of the bill. Representative YOUNG of Alaska or his designee may offer the other amendment.

The rule provides for one motion to recommit, which may include instructions, if offered by the minority leader or his designee.

H.R. 3286 provides a tax credit to parents of an adopted child of up to $5,000 to cover certain adoption-related expenses. H.R. 3286 aims to bring more children from foster homes into loving families, which should be an important goal of our Nation.

Under the rule, no floor amendments may be offered to titles I and IV of the bill. This continues the custom of closed rules for tax-related bills from the Ways and Means Committee.

However, neither title II nor title III deals with tax matters, and title III falls under the jurisdiction of the Resources Committee. For these reasons, titles II and III should be subject to an open rule and fully amendable on the House floor.

Unfortunately, the Rules Committee chose to make only two amendments in order.

Madam Speaker, this bill makes an important contribution to strengthen American families by promoting adoption. I regret that under this rule, the House will be denied the full opportunity to amend the bill and add to the contribution that the bill makes.

Madam Speaker, I reserve the balance of my time.

Ms. PRYCE. Madam Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], my good friend who has been such a big help on this bill and the chairman of the Committee on Rules.

Mr. SOLOMON. Madam Speaker, I certainly thank the gentlewoman from Ohio [Ms. PRYCE] for yielding the time and I commend her for her leadership in bringing this legislation to the floor, along with the gentlewoman from New York [Ms. MOLINARI] and others, like the gentleman from Kansas [Mr. TIAHRT], because without all of this effort this bill would not be here today. It is so terribly, terribly important to the children of this Nation, Madam Speaker, that are really the future backbone of our Nation.

Madam Speaker, I am not going to bother to explain the rule and the contents of all of this legislation, except to say that there is one section in this bill, title III, that addresses what I consider overly broad interpretations of the Indian Child Welfare Act of 1978, and that needs to be clarified because its broad interpretations has prevented even voluntary adoptions by birth parents to other families. That is the part that is so sad.

This has caused the removal of children already settled in caring, in secure adoptive homes because the child may have as little as 1/32 Native American blood or even 1/64, and that is such a shame because, Madam Speaker, the Indian Child Welfare Act was passed in response to a terrible problem that existed back at that time because of unwarranted removals of children from public and private agencies.

Madam Speaker, this was clearly an unjust situation that needed to be corrected in order to protect the sanctity of the Native American family. But the way the Indian Child Welfare Act has been implemented has been, even voluntarily, extremely difficult. As a matter of fact, it has been impossible.

Therefore, this bill would fix that problem, and this is so important if Members are listening back in their offices, or whenever they are, because by exempting from tribal court those Indian child custody proceedings involving Indian children whose parents do not maintain significant social, cultural, or political affiliation with the tribe of which the parents are members, whether it is reining in government spending, providing tax breaks for families, or providing a healthy home life for all American children, this Congress has not lost its focus on ensuring a prosperous future for our children and our grandchildren.

Madam Speaker, let me speak from a personal experience just briefly. I almost never do this, Madam Speaker, but my dad walked out on me and my mom when I was born and we never laid eyes on him again. This was in 1930, back in the very beginning of the Depression.

Because of extenuating circumstances, I was separated from my mother for many, many years, 15 years. I can recall being shuttled from one home to another. But the thing I noticed the most was when I went to some other children's house and there was a mother and father there, I looked at them with such envy.

And then I look today at all of these children, 600,000 of them today that live in foster homes, and Madam Speaker, there are 2 million of them that are homeless that need homes, not just 600,000. And only 10 percent of those in foster care today have any kind of chance at all of being adopted.

Madam Speaker, that is not right. This legislation will correct that from the $5,000 tax credit, from the interracial problem that we are straightening out, and by saying to Indian children, even if you are registered with a tribe, that is fine. But you cannot come 6 months or 5 years later and snatch the children away from these loving, caring parents. That is not what is right. That is what we are trying to correct here today.

Madam Speaker, I say to my colleagues, please, please come over here and vote for this rule. But more important than that, vote against the amendment to be offered by the gentleman from Alaska [Mr. YOUNG], my dear friend, that would leave things exactly as they are, leave the status quo, and nothing would improve for all of these homeless children in America for another 4 or 5 years. We cannot let that happen.

Mr. HALL of Ohio. Madam Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. GEPHARDT], our very distinguished minority leader.

Mr. GEPHARDT. Madam Speaker, I rise to urge my colleagues to support this rule and to support this bill to make it easier and more affordable to adopt a child in this country.

We talk a lot about the issue of families in this Chamber, and what we can do to strengthen them, support them, and help them. This is a bill with broad bipartisan support that will actually make it easier to create families.

Too many precious young children grow up in foster care, shuttling from foster home to foster home without even one real parent to raise them to teach them basic values and decency, indeed to love them.

Right now, there are more than 5,000 children in foster care in my State of Missouri, over 1,100 in St. Louis city and County alone. But the simple fact is that there are parents longing to adopt them and care for them who simply cannot afford or think they cannot afford to do it.

Imagine this, that there are couples who are desperate to open their homes to children without families, yet they simply cannot meet the price tag. An adoption can cost as much as $20,000 in this country. I do not know of many families who can afford that kind of money. If we as a society really believe in family values, if we really want to put families first and fight for the children who will inherit this country, we have got to do all we can to encourage adoption to make it cheaper and to make it easier.

This bill will not solve all the problems, but it is an important start. A $5,000 tax credit could make the crucial difference for many middle-class families, families trying to get in the middle-class who want to adopt a child. By voting for this bill, we put our money where our mouths are. We create thousands of loving families where today there are shattered dreams. If you ask me, these are the kind of votes that we ought to have in this Chamber.

So, I urge my colleagues to support this rule, support this bill, and give children a chance at the kind of family life they need and so richly deserve.

Ms. PRYCE. Madam Speaker, I yield 2 minutes to my friend, the gentlewoman from Utah [Ms. GREENE].

□ 2045

Ms. GREENE of Utah. Madam Speaker, I rise in strong support of this rule and of the Adoption Promotion and Stability Act. This rule provides for fair consideration of these important issues. The House has traditionally considered legislation affecting revenues under a structured rule. This rule continues that tradition, and it also provides for a clear up or down vote on proposed changes to the Indian Child Welfare Act.

Madam Speaker, this bill will help eliminate the financial barriers that discourage families from adopting children. As an adopted child myself, I am very grateful that my parents had the means to complete the adoption process. But unfortunately, there are too many children today who need loving homes and who could be adopted but whose prospective families cannot afford the associated expenses, which can total $10,000 or $15,000 or more per adoption. This bill will give willing families the financial assistance they need to adopt children into stable, caring homes.

In addition, this bill will help ensure that more minority children are adopted. Currently about half of all children eligible for adoption in our country are minorities. Too often, current practice regarding racial preferences stands in the way of these children becoming part of a loving family. This bill will ensure that a child's adoption cannot be denied simply because of that child's race or national origin.

Finally, this bill will address some of the unintended consequences of the Indian Child Welfare Act. That act was established to correct the egregious situation of Native American children being forcefully removed from their homes without due process and for unwarranted reasons.

Unfortunately, however, the Indian Child Welfare Act has not always served the best interests of the child. The act has been applied beyond its intended purpose of protecting Indian children and their families, resulting in tragic consequences as the rights of prospective children and parents are made subordinate to tribal claims. This has had a chilling effect on adoptions. Most tragically, we see the anguish of children being removed from the only homes they have ever known.

I believe this bill will help clarify the scope of the Indian Child Welfare Act so that we can prevent these tragic situations and promote the adoption of children whose parents have no significant affiliation with the tribe.

I urge my colleagues to give more children the benefits of a loving home and parents that I had. I urge adoption of the rule and the bill.

Mr. HALL of Ohio. Madam Speaker, I yield 7 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Madam Speaker, I thank the gentleman for yielding time to me.

I commend the authors of this legislation for bringing it to the floor. I have spent almost my entire public life trying to make it easier for children to be adopted and to try to find permanent placements for children in foster care. The tax provisions of this bill, the tax credit here will obviously be very helpful in helping those families defray the cost of adoption, which for all too many families is in fact a very real barrier to adoption.

Madam Speaker, I am also happy with the changes that have been made. Unfortunately, they continue to be necessary on the interethnic adoption. I joined Senator Metzenbaum and others a couple of years ago to try to reduce these barriers and get rid of these barriers so that race would not become a barrier to adoption for those children.

As was stated here, we have some 450,000 children in adoption, most of whom are looking for permanent placement. We know the impacts of permanent placement on these children. They do much better in permanent placement, in a loving situation, than bouncing from foster home to foster home where their interests very often are just simply not taken care of in spite of the hundreds of thousands of wonderful foster parents that take children in, sometimes in the middle of the night with little or no notice.

Madam Speaker, I rise tonight to take issue with title III of this legislation that would take from Indian tribes of this Nation and of those Indian nations jurisdiction over the adoption of those Indian children. It would do so in the most egregious fashion under this legislation. While we have spent the last 14 months talking about devolving authority back to the State Governments and to local governments, in one fell swoop in this legislation what we would do is we would federally describe what is membership in a tribe. We would do that even in the case of where half of the largest tribe in this Nation probably could not meet that membership test.

But that is not a membership qualification for us to set. It is very difficult for people to understand that the Indian tribes in this country are sovereign nations. What the Indian Child Welfare Act sought to remedy, and that is not to suggest that it did it perfectly and that it cannot be improved, but what it sought to remedy was the invasion of those sovereign nations and their children being drained away from their nations, those children being adopted outside, out of sight of the tribe, far in excess of their numbers.

But it does that now to suggest that somehow, if the parent does not meet a two-part test, that the tribe has no interest in that child and maybe even the grandparents have no interest in that child, no matter how loving those grandparents might be of that child, because perhaps their child left the reservation, went to live in the city, maybe for whatever reasons got married, did not get married but had a child. We are now going to test the interest of that child and that tribe and those grandparents against the actions of the parent of that child. We are now determining who is and who is not a member of a tribe for the purposes of the enforcement of tribal laws, customs and heritage.

We do not do that with adoptions in the State of California, the State of

Ohio, the State of Indiana, State of Florida. We do not do that. But the suggestion here is that somehow the tribes have mismanaged this or somehow the tribes are not doing a decent job or somehow the tribes are coming and yanking children out of adoptions when they are finalized. That is not the case.

Madam Speaker, the case that has been cited very often in pursuing this amendment is one where one of the adoptive parents simply engaged in fraud during the adoptive process. We all have copies of the documents. He chose not to notify the tribes and chose to conceal his Indian background, however limited.

That was the intentional effort to engage in fraud. So now in reaction to that, what we are suggesting is we are going to wipe out the qualifications for memberships that tribes may set for their own members and may have set for decades or for hundreds of years. We are going to impose some notion of our sense of percentage of blood to satisfy us as opposed to what the tribe makes a determination of what an enrolled member is or is not. I am deeply concerned about that. I am deeply concerned because it is an invasion of that sovereignty.

This is not to suggest that somehow there are not loving parents, there are not loving grandparents, there is not extended family on the reservations who want those children, who adopt those children and in fact do it all of the time. But their rights are completely destroyed by our interpretation of the parents' actions with respect to the birth of that child, whether they chose to enroll that child immediately or did not. We now negate the interests of all of the other family members around that tribe.

Madam Speaker, we would not do this to grandparents anywhere else. We would not do this to grandparents. We would not destroy their standing, their ability to compete, to have the tribe represent them, to try to see whether or not they could take that child, perhaps as opposed to another placement. Yet that is what it is.

The gentlewoman and others have raised legitimate concerns about the administration of this act. In fact, the tribes of this Nation that were not consulted with this amendment are meeting in June to discuss how to better administer this act. We have been holding off legislation to let the tribes come together in June and make those determinations. But what we in fact now have is a rush to judgment here about the future of these children, about the interests of the tribes, about the membership in those tribes that far exceeds, far exceeds the problems that have been raised with this act.

I would hope that the chairman of the committee tomorrow, in the debate on this amendment and elsewhere, will commit to reporting out a bill. But it ought to have the airing, and it ought to be run by the tribes that are affected. This has not been. This has not been.

So I raise these concerns because this is most serious. It is most serious. It ought not to be rushed to. The rest of this legislation is important and good and valuable, and we ought to get on with it because there are parents who are waiting for the opportunity and families who are waiting for the opportunity that the rest of this bill provides.

With respect to the custody of Indian children and the adoption of Indian children, we ought to just pause for a minute, because we are speaking in much broader terms here, much broader terms than can be justified under the most difficult cases.

I just want to say, in closing, let us not pretend that somehow the State courts do adoptions right, that people do not show up late in the process, that parents do not change their mind. So we are not going from an imperfect system to a perfect system. We are going to a process that we all know pains us all. It is a most difficult process.

Ms. PRYCE. Madam Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. BURTON], who does so much work for the cause of adoption.

Mr. BURTON of Indiana. Madam Speaker, I want to compliment the gentlewoman from Ohio for her participation and hard work on this. I know she has done yeoman service.

Let me just say that we also ought to thank a fellow who started with nothing, who became one of the greatest entrepreneurs in the world, started at 15 as an orphan, almost, Dave Thomas of Wendy's. He came up here on the hill a number of times and testified. Without his help, I am not sure we would be here tonight with this bill. So, Dave, if you are watching, thanks a lot for all your help.

I spent some time in the Marian County Guardians Home. Kids who are in foster care in a guardians home want to get out. They want a loving home, and they want loving parents. And to keep them incarcerated, incarcerated in foster homes for long periods of time is just dead wrong.

We had a hearing this week and the gentlewoman from Ohio [Ms. PRYCE] brought in a gentleman to testify. I want to tell you a story, a practical story about what happens because of the problem we are having with the tribes as far as adoption is concerned.

This fellow adopted a child who was 1/16, I believe, 2 children, twins that were 1/16 Indian. He had complete cooperation from the parents. I do not think he even knew at that time that they had any Indian blood in them. Nevertheless, he adopted them. Two years later, 2 years later actions were taken to try to take those children away from him because they were 1/16 Indian.

Let me tell you what happened to that family. He has spent $300,000 trying to keep his children; the children love him. He loves them. The mother loves the kids. They love her. And the children are in constant danger of being taken away from that family. The family is just about bankrupt. I think they have even mortgaged their home.

That is not right. That has to be changed. There ought to be some constraints, some limits on how long any Indian tribe or any group has to take a child back in that kind of a case.

I tell you, to take a child that has its roots established like a tree in that family for 2 years out of that family is just absolutely unconscionable. So this law needs to be passed in its entirety right now. It does not need the amendment.

I love the gentleman from Alaska, DON YOUNG. I have great respect for the gentleman from California. But we need to think about the families who adopted these kids. We need to think about the children who we want to get out of foster care into loving homes and after 2 years and $300,000 and taking a second mortgage on your home and losing everything and still have the possibility of having those children taken away from you is wrong.

People across the country who watch television, who have seen these heart-rending cases where children are taken out in the middle of night by sheriffs because of a law in one State or another or because of a tribal law, people in this country do not like that. They want to change it.

This is a good law. It needs to be kept intact. I love DON YOUNG. He is a good friend of mine. We are working on other legislation. But, DON, you are wrong on this one. Let us let this thing as it is.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. MORELLA). The Chair must remind all Members that remarks in debate should be addressed to the Chair and not to the viewing audience.

Mr. HALL of Ohio. Madam Speaker, I yield 30 seconds to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Madam Speaker, I just want to say to the gentleman from Indiana, we ought not to base this on those hard anecdotal cases. We all witnessed a young child in State court where TV cameras were there and as she was screaming for her adoptive parents, screaming and taken away and put in a car. That was in State court. We know that adoptions are tough and difficult and people change their minds and now you have got unrelated parties.

This is about the forum. There is nothing that prevents the Indian court

from awarding the child to those individuals. I just think you have got to be very careful here. This is not about who is right or wrong. It is about being careful with respect to what we are doing.

□ 2100

Ms. PRYCE. Madam Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. TIAHRT], the coauthor of title III of this legislation.

Mr. TIAHRT. Madam Speaker, I want to thank the gentlewoman from Ohio for spearheading this effort. I really appreciate her efforts for the children who I think are the most neglected Americans, the children without parents.

Madam Speaker, I think this bill is very important because it does remove the barriers that have hampered us from placing children out of foster care into loving homes. I support the three major provisions of this bill: The $5,000 adoption tax credit, and also the portion that removes interracial barriers from adoption so the kids are not trapped in foster care, waiting for a like racial home. But I think probably the most controversial part and the one that I most strongly support is the reform to the Indian Child Welfare Act.

I know there was a grave need for this act, and I think it has just gone beyond the scope of it. In the State of Kansas where I am a Representative, we have seen Kansas State courts try to put some boundaries on the Indian Child Welfare Act and bring some common sense into it. For example, we heard testimony Tuesday of a young woman who is 13 years old. She had been placed in this home since she was 8 months old. It is like she is dangling over the fire. She is worried about being withdrawn from this home into an institutional setting or into foster care instead of staying with loving parents.

Let us not just base it on one example. I have seen so much debate occur on this floor based on one limited example. But there is story after story after story where these children are at risk of being pulled out of their loving homes. I think it is time, if we want to encourage adoption in America, that we remove some of these legal barriers, remove these financial barriers, and make it easy to transition them out of child care or out of foster care into loving, warm homes where they have a bright future.

There are many tremendous success stories. I think of Representative Ben Reifel, who was an adopted child, who represented the State of South Dakota in the early 1950's and early 1960's. Because he had warm, loving parents who took him in, gave him a bright future, he served this body right here on the floor of this House. I think there are other wonderful stories out there waiting to be created if we can only remove the barriers that exist today in this adoption language and adoption law.

Madam Speaker, I support this rule, I support the bill, and I am anxious to pass it in whole, and not take out any part.

Mr. HALL of Ohio. Madam Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Madam Speaker, first of all, this is a good bill. We are doing the right thing by passing this bill. I commend the authors.

Madam Speaker, I am going to vote against the rule because of the provision on Indian adoptions. First of all, Madam Speaker, the gentleman from Alaska [DON YOUNG] chairs the Committee on Resources. In our committee, we unanimously, Republican and Democrat, took out the provision that deals with Indian adoptions. The last time I checked, the Committee on Rules does not have the job of creating American Indian policy. The rule dictates to 557 sovereign Native American nations what is best for their children.

I think what we are doing here with respect to Indian adoptions is a tragic mistake. There are 20 glaring cases and they are tragedies, and I am sure they will be discussed here, but that should not dictate what we impose on tribes. Tribes care for their children. Not one Native American tribe was consulted on this provision.

Can Members imagine first Americans, sovereign nations; we have sovereign treaties with them. Yet, not one tribe is supporting this provision. I think that is a lack of respect. What we are doing here, Madam Speaker, is affecting the Indian family, the Indian culture. The extended family has a special role in caring for Indian children. In nearly every instance when the extended family has knowledge of a child needing care, they are willing to adopt that child. Unlike many other minority adoption cases, in Indian country there are more than enough relatives and families who are willing to assume custody of children.

The provisions included in this rule undermine the basic rights of Indian tribes to ensure the survival of Indian culture and the future of their children. If we are going to have family values in Indian country, it is best for Indians to make those determinations.

Madam Speaker, we have a trust responsibility with our tribes. I am not saying that the current system works. We need to improve it. The gentleman from Alaska [DON YOUNG] has called for hearings and new legislation. A lot of the tribes were told, "Let us make June the month that we come up with legislation that deals with some of these very egregious cases that very clearly have been pursued by those that are authoring this bill." But let us not jeopardize this legislation, which will be contested by the tribes; it will go all the way to the Supreme Court; the entire bill may be jeopardized. I hope not. But this is not a good provision, and we should defeat the provision tomorrow.

Ms. PRYCE. Madam Speaker, I yield 2½ minutes to my good friend, the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Madam Speaker, I thank my distinguished colleague from Ohio for yielding time to me.

Madam Speaker, we heard the gentleman from California [Mr. MILLER] say, do not give me anecdotal information. Remember when he said that? What in a sense he is saying is, do not give me the facts. The speaker before me said that this program is not working. We have here for the first time a program that is going to work. That is why I support the rule. I would like to commend all those who are involved for all the hard work they have done on this bill.

I think it is now important that we pass this rule and move on to this legislation. It will bring stability into the lives of almost 500,000 children who are currently in the foster care system waiting to be adopted, waiting for a family. When children needlessly languish in foster homes and close to 2 million couples are desperately seeking to adopt, it is clearly apparent that the current adoption system is not working, and clearly, the current system ignores the best interests of the children. By implementing the simple changes we have in this bill, we will provide children with loving parents, a healthy home environment, and something that every child needs and deserves.

Madam Speaker, let us enable couples to create secure American families by easing the burdensome costs and complex regulations now associated with the option. I think this clearly does it with this bill. We all know that the American family is the backbone of our Nation, so we should encourage the creation of American families, not impede them. I urge my colleagues to vote for the rule.

Mr. HALL of Ohio. Madam Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Madam Speaker, this is a closed rule. Therefore, I am opposed to it. I do support the adoption bill, but it simply does not go far enough. What about the 400,000 children in foster care who are not candidates for adoption?

As David Liederman of the Child Welfare League writes in today's New York Times: "Many foster children have emotional and physical disabilities. The adoption of these kids will require more than just a one-time tax credit."

Madam Speaker, I proposed several amendments to the Committee on Rules that would have helped build important bridges between foster care and adoption. My amendments would have streamlined the bureaucracy, which

too often keeps children languishing in foster care when there are people ready to adopt them. My amendments would have strengthened the ability of caring relatives and standby guardians to step in and care for and, in some cases, adopt foster children.

I favor a bill to expedite adoption. This is a good first step in our efforts to move children from the care of the State to the care of loving families, but a simple tax credit is not the whole answer. It would be a tragedy if we did not use this important oppportunity to move forward and reform a foster care system that is and that leaves thousands of children in difficult and dangerous environments.

Ms. PRYCE. Madam Speaker, I yield 1½ minutes to my friend, the gentleman from Iowa [Mr. GANSKE].

Mr. GANSKE. Madam Speaker, prior to November 1994, as a practicing physician, I counseled parents who were seeking to adopt. Many times they would come to me with a letter and a photograph of a child that they were going to adopt who might have a birth defect. Many of these children were from overseas. It always struck me as a wonderful thing for those families when they would bring those children to the United States and we would work with them to make them whole.

But I also saw a lot of children in foster care, so while I was seeing the children that were being brought into the country for adoption, I was wondering, why are these children who are in foster care not getting homes? Foster care many times is a wonderful thing. The foster parents do a good job. The tragedy is that some of them do such a good job that they attach, they form attachments to those children, and the children also, but it is a temporary situation, and then they are torn apart.

So part of what we are doing is this bill, and I speak in favor of the rule and in favor of the bill, this is a happy bill, is that we are doing to address one of the impediments, and that is the issue of race matching that I think has kept many of those children who are in foster care from getting the permanent homes that they need. I am very, very pleased that this bill is coming to the floor. It is one of the best things we have done in Congress.

Mr. HALL of Ohio. Madam Speaker, I yield 3 minutes to the gentleman from American Samoa [Mr. FALEOMAVAEGA].

Mr. FALEOMAVAEGA. Madam Speaker, I want to say, preliminarily, that I certainly have the highest respect for the gentlewoman from Ohio, Ms. PRYCE, as we have tried earnestly to find a middle ground and see how we can resolve this very important issue.

Madam Speaker, I rise today in strong opposition to title III of H.R. 3286 which amends the Indian Child Welfare Act. If enacted, title III will harm helpless Indian children, damage the Federal relationship with Indian tribes, and allow States to decide who is and isn't Indian.

In 1978, Congress passed the Indian Child Welfare Act to stop the hemorrhage of Indian children being separated from their families. This act was passed after long and careful deliberation which included all affected parties. Hearings were held, drafts were circulated, and questions were asked. On the other hand, the provisions before us today have never been given a comprehensive hearing and not one Indian tribe was consulted or included in any discussion. The proponents of the language are taking a shotgun approach in reaction to a couple of badly handled adoptions.

Democrats and Republicans alike on the Resources Committee rejected the method and the language used in this title by striking the language from the bill before reporting it. The Resources Committee has the jurisdiction and the expertise over Indian matters yet the Chairman had to fight just to have the bill referred to the committee for only 6 days. The original leadership plan was to once again bring an important piece of legislation to the floor without benefit of Member or committee involvement. The Resources Committee takes the Federal trust responsibility toward the more than 550 Alaska Native and American Indian tribes very seriously. As I said the committee overwhelmingly supported removing the offensive language that was reinstated in the floor package before us today.

Title III of this bill would require that a child's significant cultural, social, and political contacts with a tribe determine his or her "indian-ness" instead of tribal membership. It ignores the important role of the extended family in Indian culture and would lead to increased litigation.

The outrage that prompted the passage of the Indian Child Welfare Act were numerous. Prior to its enactment, the rate of adoptions of Indian children was wildly disproportionate to the adoption rate of non-Indian children. Indian children in Montana were being adopted at a per capita rate 13 times that of non-Indian children, in South Dakota 16 times that of non-Indian children, in Minnesota 5 times that of non-Indian children. The act's principal sponsor and my good friend Chairman Mo Udall, said during the floor debate, "Indian tribes and Indian people are being drained of their children and, as a result, their future as a tribe and a people is being placed in jeopardy."

I realize that there are problems with the Indian Child Welfare Act. I know that one problem is with adoption attorneys who pressure parents not to acknowledge their Indian heritage on adoption forms. But I also know that there have only been problems with less than one-half of 1 percent of the total number of Indian adoptions since the act was passed.

Let us work together to solve any problems with the current act. During the last several decades this body has worked hard not to be paternalistic toward Indian tribes. We must allow tribes to be involved when we move to amend an act of such magnitude. I implore my colleagues to strip the Indian language from this bill.

I urge my colleagues to strike out title III of this legislation.

Ms. PRYCE. Madam Speaker, I yield 2 minutes to my friend, the gentleman from Washington [Mr. NETHERCUTT].

Mr. NETHERCUTT. Madam Speaker, I thank the gentlewoman for her leadership on this very important issue.

Madam Speaker, before I was elected to Congress, I was a practicing attorney in Spokane, WA.

□ 2115

I estimate that I have handled well over 1,000 adoptions and well over 1,000 children of those adoption cases. Certainly it is the most important thing, I believe, any human being can do for another, and that is to adopt a child and provide a stable, loving home for that child. An environment of stability is extremely important.

I have handled not only foreign adoptions, I have handled many, many Indian child welfare cases, and my experience is this: The Indian Child Welfare Act needs adjustment.

Many of the Indian Child Welfare Act cases I handled were handled perfectly, and the Indian tribe's heritage and the interest of the Indian tribe was fully protected, but there were many cases that I have handled where there were not only problems that prevented a final adoption but problems that resulted in delays. For a child who is waiting to be adopted and waiting to have the finality of an adoption and a loving home, the wait is as bad as anything. The uncertainty for a young child is extremely detrimental.

What we have to keep our eyes focused on, I believe, today on this particular legislation, which I think is good legislation, provides an appropriate adjustment to the Indian Child Welfare Act, we have to keep our eyes on who is most important here. Is it the child and the interests of the child, or is it the tribe?

There is no reason that the Indian Child Welfare Act should impede a loving family placement in a non-Indian home or perhaps with an adoptive parent who is maybe not of the same affiliation, tribal affiliation. My experience is that many adoptive parents have recognized that Indian child welfare connection and the tribal connection.

This is a good bill, a good rule, and we should support it.

Mr. HALL of Ohio. Madam Speaker, how much time do we have remaining on both sides?

The SPEAKER pro tempore (Mrs. MORELLA). The gentleman from Ohio [Mr. HALL] has 9½ minutes, and the gentlewoman from Ohio [Ms. PRYCE] has 5½ minutes remaining.

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

Ms. PRYCE. Madam Speaker, I yield 2 minutes to my friend, the gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. Madam Speaker, I thank the gentlewoman for yielding me the time, and I rise in strong support of not only the rule but the bill, as well.

I think it is gratifying to know that finally we are doing something to make adoption easier and more affordable. A child who does not go home with his or her birth parent, they are very lucky to be given a home with a loving mother and father, people that want to be parents, who want to give that child a happy and a healthy environment to grow up in.

I know how lucky such children are because I am one of them. I had the good fortune to be given a home with two people who have been very wonderful, loving parents; in their eighties, they are retired today on the farm and I hope enjoying it.

But as we have heard tonight, there are about half a million kids out there that are waiting for the chance right now. We know that only about 10 percent, 50,000 of them, are going to get that chance, and one of the biggest reasons they are not getting that chance is because of the high cost of adoption, up to $20,000 or more.

It seems to me when there are so many children that are waiting and there are so many parents who want these children, why should we not remove the roadblocks and let it happen? We as a society pay a far greater human cost in allowing those children to languish and those parents to agonize than anything that we could ever put in a checkbook.

And as a result, I think that no child should be kept from being placed in a home in which that child could thrive. It should not be held up because there may be some ethnic difference between that child and the prospective adoptive parents. If there is love and there is understanding and there is a desire to work together, what difference does it make what color their skin is?

So I would like to thank SUSAN MOLINARI for offering this piece of legislation, DEBORAH PRYCE for her leadership in the Committee on Rules. I think it proves that Republicans and Democrats can work together to come up with a good solution to a very difficult problem, and I urge strong support of not only the rule but the bill, as well.

Madam Speaker, I rise in the strongest support for H.R. 3286, the Adoption Promotion and Stability Act. It is gratifying to know we are finally doing something to make adoption easier and more affordable. A child who does not go home with his or her birth parents is very lucky to be given a home with a loving mother and father who want to be parents and want to give that child a happy and healthy environment in which to grow up. I know how lucky such children are because I am one of them. I had the good fortune to be given a home with two people who have been wonderful, loving parents.

But I know there are about 500,000 children in this country who are waiting for that chance right now. But they are not getting that chance because so many couples cannot afford the average $20,000 cost associated with adopting. And nearly half of those children are minority children who will wind up waiting twice as long to find a home. When there are so many children waiting, no couple should be kept from taking those children in simply because of cost. We as a society pay a far greater human cost when we stand in the way of putting needy children in loving homes. And no child should be kept from being placed in a home in which that child would thrive simply because of the ethnic group to which the child and prospective adoptive parents belong. It is in all our best interests to get those children to parents who will be responsible, loving, and attentive. This bill is very much needed. This is one of the best ways we can show that we do care about children and that we are able to work together, Democrats and Republicans, to really make a difference. I strongly urge my colleagues to support this measure and I thank Ms. MOLINARI for bringing this measure in front of the House and I thank the leadership for bringing this bill to the floor so quickly.

Mr. HALL of Ohio. Madam Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, 15 years ago or so, I proposed legislation to help with financial cost of adoption. I was very modest in proposing a tax deduction for adoption. Before us today is a bill that provides a very generous $5,000 tax credit. It is a long step forward and it is very good. It is very needed.

I was very disappointed, though, that the Committee on Rules did not make in order my proposed amendment to equalize the paid leave provisions of the family medical leave act for birth families and adoptive families. I listened with great interest, captivated by the chairman of the Committee on Rules speaking with such passion and giving such personal witness. I do not think he has ever spoken so warmly and so convincingly about his own experience.

So I think clearly with three committees involved, clearly my amendment could have been made in order, but we will make an effort to go back to the Committee on Educational and Economic Opportunities and try to work it in that aspect.

What I am really disappointed about, though, is that this language I proposed was not made in order. There is language, title III, made in order, that I have heard from the reservation leadership in my district, of which I have six tribal councils, all calling this an affront to the Indian community. Let me put it in their words, not my words.

Marge Anderson, who is chairman of the Blacks Band:

> For years the BIA put Indian children into boarding schools to cleanse them of their Indian identity. These children have become lost souls as a result of the effort to assimilate them into the white community. They often become alcoholics.

Myron Ellis, the chairman of the Leech Lake Tribal Council, said:

> The Indian Child Welfare Act has stopped the raids on Indian children. It is bringing stability to Indian families. It is strengthening the future of Indian tribes. Title III language would turn back the clock on those efforts and result in more prolonged litigation to the detriment of innocent Indian children.

I think we ought to listen more to those who are on the front line, those whose families, whose lives and livelihoods, whose children are caught up in this adoption issue, those of the Indian tribes themselves. I put their words out, not mine, not anecdotal stories, because I think they are the ones who understand their situation best.

I will support the effort by the Committee on Resources tomorrow to strike this language and to hopefully ameliorate the bill.

Ms. PRYCE. Madam Speaker, I yield 2 minutes to my friend, the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Madam Speaker, I rise in strong support of the rule and the bill, H.R. 3286, a measure which would help families defray adoption costs and promote the adoption of minority children.

Today, there are more couples who want to adopt and more children in need of a loving home than ever before. According to estimates by the National Council for Adoption, at least 2 million couples would like to adopt. Yet only about 50,000 adoptions occur annually.

Madam Speaker, the subject of adoption is one that hits very close to our office. My legislative director is herself adopted. She described her feelings on adoption to me in the following eloquent words:

> Mom and Dad took me home, gave me their name, their protection and their love. They shared with me their family—brothers, aunts, uncles, cousins and grandparents—who claimed me as their very own. Together they provided a foundation from which I have been able to return a small portion of the abundant love and care that they have given me to the world in which I live.

Madam Speaker, would that every child in America be able to make such a statement. I urge the swift passage of H.R. 3286.

Mr. HALL of Ohio. Madam Speaker, I yield 3 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Madam Speaker, I rise to speak on this bill with a very unique association with the subject matter. On February 3, 1993, after a frantic day as a Member of Congress

representing the State of North Dakota, I went to National Airport, met my wife who also had gone to the airport, and we eagerly, anxiously awaited the arrival of our soon-to-be daughter, an infant born in Korea, flown over and placed with us and now an adopted part of our family.

To tell my colleagues that this has so profoundly, fundamentally changed and improved our lives is a hopeless understatement of the glory we have experienced as adoptive parents, and I am very pleased to tell the House tonight that we are within two weeks or three weeks of going back to National Airport and coming home with a son, also born in Korea.

As I looked at what the legislation before us is trying to accomplish in terms of breaking down barriers of interracial adoption, as the parent of a daughter who is a member of another race, I cannot speak passionately enough in terms of the importance of breaking these barriers down. Children need families. Families need children. Some notion of political correctness that would leave people languishing in foster homes rather than reach across racial barriers for parents who will love them, love them as their very own, has got to be ended and I am so pleased with this facet of the legislation that puts an end to it.

Second, the financial burdens of adoption can keep many beautiful families from enjoying this experience. I have had people in my home State tell me that looking at foreign adoption costs now running between $10,000 and $20,000, they just cannot manage. I know they would be beautiful homes and that the children would be immeasurably enriched by being placed with them, and they would in turn be immeasurably enriched by the children. We have to help with the affordability of adoptions. I am very pleased with the facet of the bill that addresses that.

I have some difficulty with the way the Indian Child Welfare Act has disrupted certain prospective placements. On the other hand, I must acknowledge difficulty with the provisions of the bill that would amend this act in a way so offensive to the four reservations that I represent. I will support the motion to strike, but I will continue to work for evaluating where this law has failed children who need families and moving forward the changes in the law necessary to make certain that Native American children needing families do not have that, their precious right, frustrated by application of this statute.

In summary, this is very, very positive legislation. This is the kind of legislation where the two parties so often at loggerheads in this Chamber can arm-in-arm step forward and do something positive for the people of this country, and I am very proud to support the legislation, commend DEBORAH PRYCE for her leadership on the bill.

Ms. PRYCE. Madam Speaker, I have no further requests for time.

Mr. HALL of Ohio. Madam Speaker, I would simply say that this is a good proposal. It is a good bill. The rule is somewhat restrictive, but occasionally we do support a closed rule and in this particular case I do. I think it is important that both sides come together on this. We need to do more of this and be for things that we can be for, and some of the things we cannot be for, try to set them aside. But this is one of the things where we have good bipartisan support.

□ 2130

Madam Speaker, I support the rule and the bill.

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

Ms. PRYCE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I certainly appreciate the words from the gentleman from Ohio [Mr. HALL].

Madam Speaker, this is a good bill. It will do good things. The changes to the Indian Child Welfare Act are common sense and minor. They keep fully intact the original well-meaning intention of protecting Indian culture and heritage.

But, Madam Speaker, the Congress wrote this law, and it is morally responsible for correcting it in this minor way, to avoid the continuous disastrous tragedies of broken homes and children languishing in foster care. This is not just a handful of stories. There are many, many, many from all across the country.

Madam Speaker, this issue did not just develop overnight. I have been trying since the beginning of this Congress to get the Committee on Resources and the native American community to help me to address this issue. If the Indian community is affronted, I am sorry. I wish they would have answered my letters and come to my meetings. But, as it is, we did the best that we could to try to develop a fair solution.

Madam Speaker, as was said before, this is a happy bill. It is a good day for this Congress. I would urge all my colleagues to cast a vote in strong support of adoption and in support of keeping loving families together. Vote "yes" on the rule and the bill, and vote "no" on any attempt to weaken this legislation.

Madam Speaker, I rise today to express my concerns regarding the modified closed rule for H.R. 3286. While I applaud the fact that this legislation would make it possible for more families to provide a loving and permanent home for adoptive children, I am concerned that this bill might not recognize that cultural sensitivity, without delaying adoption, is important to give the child the full measure of their background.

Madam Speaker, approximately one-half of the children awaiting adoption today are minorities. In my home State of Texas, the number of children under the age of 18 living in foster care in 1993 was 10,880. This represents an increase of 62.4 percent from 1990, and the number continues to climb. Similarly, the number of children living in a group home in 1990 was 13,434. Approximately one-half of these 13,434 children are minorities. There are wonderful foster care parents but these numbers of children in nonpermanent homes are way too high.

The sponsors of this legislation argue that current law, which states that race cannot be used as the sole factor in making an adoption placement but can be used as one of multiple factors in the decision, has resulted in adoptions being delayed or denied because of race. This of course is the result of local agencies misinterpreting the law. Should we not penalize directly the agencies incorrectly using the law? According to the sponsors, because of the inherent bias among many social workers, the real-world outcome of current law is that race ends up becoming the sole factor when placements are made. I have worked with social workers and they consistently overall try to work in the best interest of the child.

While I do not believe that race should be the sole criteria in adoption placements, I do believe that we should be sensitive to cultural backgrounds. Had I been permitted, I would have offered an amendment to this bill which would have required that in making adoptive parent placements, the State or appropriate entity shall make every effort to ensure that a prospective adoptive parent is sensitive to the child's ethnic or racial background. It should not, however, delay drastically such adoption.

Adoptive parents and children need not be of the same race. However, it is important that adoptive parents are sensitive to the cultural backgrounds of the children they adopt. It is important that such children grow up in an environment that is respectful and appreciative of the child's heritage. Unfortunately, our society is not color blind, and therefore States and agencies must ensure that adoptive parents of a different race from the minority and Indian children are sensitive to the issues that may arise as the child gets older, including discrimination and questions the child may have about his or her cultural background.

In no way, however, should this policy result in children languishing in foster homes for extended periods of time or in adoptions being delayed or denied when loving, caring parents are ready to adopt.

I urge my colleagues to consider these issues so that we can make better adoptions for all children, including minority children, while not delaying or denying adoptions.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3230, DEPARTMENT OF DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104-570) on the resolution (H. Res. 430) providing for consideration of the bill (H.R. 3230) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT REGARDING AMENDMENT PROCESS FOR BUDGET RESOLUTION

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

Mr. SOLOMON. Madam Speaker, the Budget Committee is expected to order the budget resolution reported later tonight. Copies of the resolution approved by that committee will be available for review in the office of the Budget Committee.

The Rules Committee is planning to meet next Wednesday, May 15, to grant a rule which may limit the kind of amendments offered to the concurrent resolution on the budget for fiscal year 1997.

Members are strongly advised to submit only amendments in the nature of a substitute which provide for a balanced budget not later than the year 2002.

Any Member who is contemplating an amendment to the budget resolution should submit 55 copies and a brief explanation by noon on Tuesday, May 14, to the Rules Committee, room H-312 in the Capitol.

Members should use the Office of Legislative Counsel and the Congressional Budget Office to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

ADOPTION PROMOTION AND STABILITY ACT OF 1996

Mr. ARCHER. Madam Speaker, pursuant to House Resolution 428, I call up the bill (H.R. 3286) to help families defray adoption costs ,and to promote the adoption of minority children, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 428, the amendment in the nature of a substitute printed in the bill is adopted.

The text of H.R. 3286, as amended, is as follows:

H.R. 3286

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 "Adoption Promotion and Stability Act of 1996".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—CREDIT FOR ADOPTION EXPENSES

Sec. 101. Credit for adoption expenses.

TITLE II—INTERETHNIC ADOPTION

Sec. 201. Removal of barriers to interethnic adoption.

TITLE III—CHILD CUSTODY PROCEEDINGS AFFECTED BY THE INDIAN CHILD WELFARE ACT OF 1978

Sec. 301. Inapplicability of the Indian Child Welfare Act of 1978 to child custody proceedings involving a child whose parents do not maintain affiliation with their Indian tribe.
Sec. 302. Membership and child custody proceedings.
Sec. 303. Effective date.

TITLE IV—REVENUE OFFSETS

Sec. 400. Amendment of 1986 Code.
Subtitle A—Exclusion for Energy Conservation Subsidies Limited to Subsidies With Respect to Dwelling Units
Sec. 401. Exclusion for energy conservation subsidies limited to subsidies with respect to dwelling units.
Subtitle B—Foreign Trust Tax Compliance
Sec. 411. Improved information reporting on foreign trusts.
Sec. 412. Comparable penalties for failure to file return relating to transfers to foreign entities.
Sec. 413. Modifications of rules relating to foreign trusts having one or more United States beneficiaries.
Sec. 414. Foreign persons not to be treated as owners under grantor trust rules.
Sec. 415. Information reporting regarding foreign gifts.
Sec. 416. Modification of rules relating to foreign trusts which are not grantor trusts.
Sec. 417. Residence of trusts, etc.

TITLE I—CREDIT FOR ADOPTION EXPENSES

SEC. 101. CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

"SEC. 23. ADOPTION EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's adjusted gross income (determined without regard to sections 911, 931, and 933) exceeds $75,000, bears to

"(B) $40,000.

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program. The preceding sentence shall not apply to expenses for the adoption of a child with special needs.

"(C) REIMBURSEMENT.—No credit shall be allowed under subsection (a) for any expense to the extent that such expense is reimbursed and the reimbursement is excluded from gross income under section 137.

"(c) CARRYFORWARDS OF UNUSED CREDIT.—If the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year. No credit may be carried forward under this subsection to any taxable year following the fifth taxable year after the taxable year in which the credit arose. For purposes of the preceding sentence, credits shall be treated as used on a first-in first-out basis.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED ADOPTION EXPENSES.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

"(A) which are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the taxpayer, and

"(B) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

"(2) EXPENSES FOR ADOPTION OF SPOUSE'S CHILD NOT ELIGIBLE.—The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(3) ELIGIBLE CHILD.—The term 'eligible child' means any individual—

"(A) who has not attained age 18 as of the time of the adoption, or

"(B) who is physically or mentally incapable of caring for himself.

"(4) CHILD WITH SPECIAL NEEDS.—The term 'child with special needs' means any child if—

"(A) a State has determined that the child cannot or should not be returned to the home of his parents, and

"(B) such State has determined that there exists with respect to the child a specific factor or condition (such as his ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps) because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance.

"(e) SPECIAL RULES FOR FOREIGN ADOPTIONS.—In the case of a foreign adoption—

"(1) subsection (a) shall not apply to any qualified adoption expense with respect to such adoption unless such adoption becomes final, and

"(2) any such expense which is paid or incurred before the taxable year in which such adoption becomes final shall be taken into account under this section as if such expense were paid or incurred during such year.

"(f) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.

"(g) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section and section 137, including regulations which treat unmarried individuals who pay or incur qualified adoption expenses with respect to the same child as 1 taxpayer for purposes of applying the dollar limitation in subsection (b)(1) of this section and in section 137(b)(1).".

(b) EXCLUSION OF AMOUNTS RECEIVED UNDER EMPLOYER'S ADOPTION ASSISTANCE PROGRAMS.—Part III of subchapter B of chapter 1 of such Code (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. ADOPTION ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for qualified adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount excludable from gross income under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount excludable from gross income under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so excludable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $75,000, bears to

"(B) $40,000.

"(3) DETERMINATION OF ADJUSTED GROSS INCOME.—For purposes of paragraph (2), adjusted gross income shall be determined—

"(A) without regard to this section and sections 911, 931, and 933, and

"(B) after the application of sections 86, 135, 219, and 469.

"(c) ADOPTION ASSISTANCE PROGRAM.—For purposes of this section, an adoption assistance program is a plan of an employer—

"(1) under which the employer provides employees with adoption assistance, and

"(2) which meets requirements similar to the requirements of paragraphs (2), (3), and (5) of section 127(b).

An adoption reimbursement program operated under section 1052 of title 10, United States Code (relating to armed forces) or section 514 of title 14, United States Code (relating to members of the Coast Guard) shall be treated as an adoption assistance program for purposes of this section.

"(d) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' has the meaning given such term by section 23(d).

"(e) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (e) and (g) of section 23 shall apply for purposes of this section.".

(c) CONFORMING AMENDMENTS.—

(1) Sections 86(b)(2)(A) and 135(c)(4)(A) of such Code are each amended by inserting "137," before "911".

(2) Clause (i) of section 219(g)(3)(A) of such Code is amended by inserting ", 137," before "and 911".

(3) Clause (ii) of section 469(i)(3)(E) of such Code is amended to read as follows:

"(ii) the amounts excludable from gross income under sections 135 and 137,".

(4) Subsection (a) of section 1016 of such Code is amended by striking "and" at the end of paragraph (24), by striking the period at the end of paragraph (25) and inserting ", and", and by adding at the end the following new paragraph:

"(26) to the extent provided in sections 23(g) and 137(e)."

(5) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 22 the following new item:

"Sec. 23. Adoption expenses.".

(6) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following:

"Sec. 137. Adoption assistance programs.

"Sec. 138. Cross reference to other Acts.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

TITLE II—INTERETHNIC ADOPTION

SEC. 201. REMOVAL OF BARRIERS TO INTERETHNIC ADOPTION.

(a) STATE PLAN REQUIREMENTS.—Section 471(a) of the Social Security Act (42 U.S.C 671(a)) is amended—

(1) by striking "and" at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting "; and"; and

(3) by adding at the end the following:

"(18) not later than January 1, 1997, provides that neither the State nor any other entity in the State that receives funds from the Federal Government and is involved in adoption or foster care placements may—

"(A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

"(B) delay or deny the placement of a child for adoption or into foster care, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.".

(b) ENFORCEMENT.—Section 474 of such Act (42 U.S.C. 674) is amended by adding at the end the following:

"(d)(1) If a State's program operated under this part is found, as a result of a review conducted under section 1123, to have violated section 471(a)(18) during a quarter with respect to any person, then, notwithstanding subsection (a) of this section and any regulations promulgated under section 1123(b)(3), the Secretary shall reduce the amount otherwise payable to the State under this part, for the quarter and for each subsequent quarter before the 1st quarter for which the State program is found, as a result of such a review, not to have violated section 471(a)(18) with respect to any person, by—

"(A) 2 percent of such otherwise payable amount, in the case of the 1st such finding with respect to the State;

"(B) 5 percent of such otherwise payable amount, in the case of the 2nd such finding with respect to the State; or

"(C) 10 percent of such otherwise payable amount, in the case of the 3rd or subsequent such finding with respect to the State.

"(2) Any other entity which is in a State that receives funds under this part and which violates section 471(a)(18) during a quarter with respect to any person shall remit to the Secretary all funds that were paid by the State to the entity during the quarter from such funds.

"(3)(A) Any individual who is aggrieved by a violation of section 471(a)(18) by a State or other entity may bring an action seeking relief from the State or other entity in any United States district court.

"(B) An action under this paragraph may not be brought more than 2 years after the date the alleged violation occurred.

"(4) This subsection shall not be construed to affect the application of the Indian Child Welfare Act of 1978.".

(c) CIVIL RIGHTS.—

(1) PROHIBITED CONDUCT.—A person or government that is involved in adoption or foster care placements may not—

(A) deny to any individual the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the individual, or of the child, involved; or

(B) delay or deny the placement of a child for adoption or into foster care, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(2) ENFORCEMENT.—Noncompliance with paragraph (1) is deemed a violation of title VI of the Civil Rights Act of 1964.

(3) NO EFFECT ON THE INDIAN CHILD WELFARE ACT OF 1978.—This subsection shall not be construed to affect the application of the Indian Child Welfare Act of 1978.

(d) CONFORMING REPEAL.—Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994 (42 U.S.C. 5115a) is repealed.

TITLE III—CHILD CUSTODY PROCEEDINGS AFFECTED BY THE INDIAN CHILD WELFARE ACT OF 1978

SEC. 301. INAPPLICABILITY OF THE INDIAN CHILD WELFARE ACT OF 1978 TO CHILD CUSTODY PROCEEDINGS INVOLVING A CHILD WHOSE PARENTS DO NOT MAINTAIN AFFILIATION WITH THEIR INDIAN TRIBE.

Title I of the Indian Child Welfare Act of 1978 (25 U.S.C. 1911 et seq.) is amended by adding at the end the following:

"SEC. 114. (a) This title does not apply to any child custody proceeding involving a child who does not reside or is not domiciled within a reservation unless—

"(1) at least one of the child's biological parents is of Indian descent; and

"(2) at least one of the child's biological parents maintains significant social, cultural, or political affiliation with the Indian tribe of which either parent is a member.

"(b) The factual determination as to whether a biological parent maintains significant social, cultural, or political affiliation with the Indian tribe of which either parent is a member shall be based on such affiliation as of the time of the child custody proceeding.

"(c) The determination that this title does not apply pursuant to subsection (a) is final, and, thereafter, this title shall not be the basis for determining jurisdiction over any child custody proceeding involving the child.".

SEC. 302. MEMBERSHIP AND CHILD CUSTODY PROCEEDINGS.

Title I of the Indian Child Welfare Act of 1978 (25 U.S.C. 1911 et seq.), as amended by section 301 of this title, is further amended by adding at the end the following:

"SEC. 115. (a) A person who attains the age of 18 years before becoming a member of an Indian tribe may become a member of an Indian tribe only upon the person's written consent.

"(b) For the purposes of any child custody proceeding involving an Indian child, membership in an Indian tribe shall be effective from the actual date of admission to membership in

the Indian tribe and shall not be given retroactive effect.".

SEC. 303. EFFECTIVE DATE.

The amendments made by this title shall take effect on the date of the enactment of this Act and shall apply with respect to any child custody proceeding in which a final decree has not been entered as of such date.

TITLE IV—REVENUE OFFSETS

SEC. 400. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title 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 Internal Revenue Code of 1986.

Subtitle A—Exclusion for Energy Conservation Subsidies Limited to Subsidies With Respect to Dwelling Units

SEC. 401. EXCLUSION FOR ENERGY CONSERVATION SUBSIDIES LIMITED TO SUBSIDIES WITH RESPECT TO DWELLING UNITS.

(a) IN GENERAL.—Paragraph (1) of section 136(c) (defining energy conservation measure) is amended by striking "energy demand—" and all that follows and inserting "energy demand with respect to a dwelling unit."

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 136 is amended to read as follows:

"(a) EXCLUSION.—Gross income shall not include the value of any subsidy provided (directly or indirectly) by a public utility to a customer for the purchase or installation of any energy conservation measure."

(2) Paragraph (2) of section 136(c) is amended—

(A) by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively, and

(B) by striking "AND SPECIAL RULES" in the paragraph heading.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after December 31, 1996, unless received pursuant to a written binding contract in effect on September 13, 1995, and at all times thereafter.

Subtitle B—Foreign Trust Tax Compliance

SEC. 411. IMPROVED INFORMATION REPORTING ON FOREIGN TRUSTS.

(a) IN GENERAL.—Section 6048 (relating to returns as to certain foreign trusts) is amended to read as follows:

"SEC. 6048. INFORMATION WITH RESPECT TO CERTAIN FOREIGN TRUSTS.

"(a) NOTICE OF CERTAIN EVENTS.—

"(1) GENERAL RULE.—On or before the 90th day (or such later day as the Secretary may prescribe) after any reportable event, the responsible party shall provide written notice of such event to the Secretary in accordance with paragraph (2).

"(2) CONTENTS OF NOTICE.—The notice required by paragraph (1) shall contain such information as the Secretary may prescribe, including—

"(A) the amount of money or other property (if any) transferred to the trust in connection with the reportable event, and

"(B) the identity of the trust and of each trustee and beneficiary (or class of beneficiaries) of the trust.

"(3) REPORTABLE EVENT.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'reportable event' means—

"(i) the creation of any foreign trust by a United States person,

"(ii) the transfer of any money or property (directly or indirectly) to a foreign trust by a United States person, including a transfer by reason of death, and

"(iii) the death of a citizen or resident of the United States if—

"(I) the decedent was treated as the owner of any portion of a foreign trust under the rules of subpart E of part I of subchapter J of chapter 1, or

"(II) any portion of a foreign trust was included in the gross estate of the decedent.

"(B) EXCEPTIONS.—

"(i) FAIR MARKET VALUE SALES.—Subparagraph (A)(ii) shall not apply to any transfer of property to a trust in exchange for consideration of at least the fair market value of the transferred property. For purposes of the preceding sentence, consideration other than cash shall be taken into account at its fair market value and the rules of section 679(a)(3) shall apply.

"(ii) DEFERRED COMPENSATION AND CHARITABLE TRUSTS.—Subparagraph (A) shall not apply with respect to a trust which is—

"(I) described in section 402(b), 404(a)(4), or 404A, or

"(II) determined by the Secretary to be described in section 501(c)(3).

"(4) RESPONSIBLE PARTY.—For purposes of this subsection, the term 'responsible party' means—

"(A) the grantor in the case of the creation of an inter vivos trust,

"(B) the transferor in the case of a reportable event described in paragraph (3)(A)(ii) other than a transfer by reason of death, and

"(C) the executor of the decedent's estate in any other case.

"(b) UNITED STATES GRANTOR OF FOREIGN TRUST.—

"(1) IN GENERAL.—If, at any time during any taxable year of a United States person, such person is treated as the owner of any portion of a foreign trust under the rules of subpart E of part I of subchapter J of chapter 1, such person shall be responsible to ensure that—

"(A) such trust makes a return for such year which sets forth a full and complete accounting of all trust activities and operations for the year, the name of the United States agent for such trust, and such other information as the Secretary may prescribe, and

"(B) such trust furnishes such information as the Secretary may prescribe to each United States person (i) who is treated as the owner of any portion of such trust or (ii) who receives (directly or indirectly) any distribution from the trust.

"(2) TRUSTS NOT HAVING UNITED STATES AGENT.—

"(A) IN GENERAL.—If the rules of this paragraph apply to any foreign trust, the determination of amounts required to be taken into account with respect to such trust by a United States person under the rules of subpart E of part I of subchapter J of chapter 1 shall be determined by the Secretary.

"(B) UNITED STATES AGENT REQUIRED.—The rules of this paragraph shall apply to any foreign trust to which paragraph (1) applies unless such trust agrees (in such manner, subject to such conditions, and at such time as the Secretary shall prescribe) to authorize a United States person to act as such trust's limited agent solely for purposes of applying sections 7602, 7603, and 7604 with respect to—

"(i) any request by the Secretary to examine records or produce testimony related to the proper treatment of amounts required to be taken into account under the rules referred to in subparagraph (A), or

"(ii) any summons by the Secretary for such records or testimony.

The appearance of persons or production of records by reason of a United States person being such an agent shall not subject such persons or records to legal process for any purpose other than determining the correct treatment under this title of the amounts required to be taken into account under the rules referred to in subparagraph (A). A foreign trust which appoints an agent described in this subparagraph shall not be considered to have an office or a permanent establishment in the United States, or to be engaged in a trade or business in the United States, solely because of the activities of such agent pursuant to this subsection.

"(C) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (2) and (4) of section 6038A(e) shall apply for purposes of this paragraph.

"(c) REPORTING BY UNITED STATES BENEFICIARIES OF FOREIGN TRUSTS.—

"(1) IN GENERAL.—If any United States person receives (directly or indirectly) during any taxable year of such person any distribution from a foreign trust, such person shall make a return with respect to such trust for such year which includes—

"(A) the name of such trust,

"(B) the aggregate amount of the distributions so received from such trust during such taxable year, and

"(C) such other information as the Secretary may prescribe.

"(2) INCLUSION IN INCOME IF RECORDS NOT PROVIDED.—

"(A) IN GENERAL.—If adequate records are not provided to the Secretary to determine the proper treatment of any distribution from a foreign trust, such distribution shall be treated as an accumulation distribution includible in the gross income of the distributee under chapter 1. To the extent provided in regulations, the preceding sentence shall not apply if the foreign trust elects to be subject to rules similar to the rules of subsection (b)(2)(B).

"(B) APPLICATION OF ACCUMULATION DISTRIBUTION RULES.—For purposes of applying section 668 in a case to which subparagraph (A) applies, the applicable number of years for purposes of section 668(a) shall be ½ of the number of years the trust has been in existence.

"(d) SPECIAL RULES.—

"(1) DETERMINATION OF WHETHER UNITED STATES PERSON MAKES TRANSFER OR RECEIVES DISTRIBUTION.—For purposes of this section, in determining whether a United States person makes a transfer to, or receives a distribution from, a foreign trust, the fact that a portion of such trust is treated as owned by another person under the rules of subpart E of part I of subchapter J of chapter 1 shall be disregarded.

"(2) DOMESTIC TRUSTS WITH FOREIGN ACTIVITIES.—To the extent provided in regulations, a trust which is a United States person shall be treated as a foreign trust for purposes of this section and section 6677 if such trust has substantial activities, or holds substantial property, outside the United States.

"(3) TIME AND MANNER OF FILING INFORMATION.—Any notice or return required under this section shall be made at such time and in such manner as the Secretary shall prescribe.

"(4) MODIFICATION OF RETURN REQUIREMENTS.—The Secretary is authorized to suspend or modify any requirement of this section if the Secretary determines that the United States has no significant tax interest in obtaining the required information.".

(b) INCREASED PENALTIES.—Section 6677 (relating to failure to file information returns with respect to certain foreign trusts) is amended to read as follows:

"SEC. 6677. FAILURE TO FILE INFORMATION WITH RESPECT TO CERTAIN FOREIGN TRUSTS.

"(a) CIVIL PENALTY.—In addition to any criminal penalty provided by law, if any notice or return required to be filed by section 6048—

"(1) is not filed on or before the time provided in such section, or

"(2) does not include all the information required pursuant to such section or includes incorrect information,

the person required to file such notice or return shall pay a penalty equal to 35 percent of the gross reportable amount. If any failure described in the preceding sentence continues for more than 90 days after the day on which the Secretary mails notice of such failure to the person required to pay such penalty, such person shall pay a penalty (in addition to the amount determined under the preceding sentence) of $10,000 for each 30-day period (or fraction thereof) during which such failure continues after the expiration of such 90-day period. In no event shall the penalty under this subsection with respect to any failure exceed the gross reportable amount.

"(b) SPECIAL RULES FOR RETURNS UNDER SECTION 6048(b).—In the case of a return required under section 6048(b)—

"(1) the United States person referred to in such section shall be liable for the penalty imposed by subsection (a), and

"(2) subsection (a) shall be applied by substituting '5 percent' for '35 percent'.

"(c) GROSS REPORTABLE AMOUNT.—For purposes of subsection (a), the term 'gross reportable amount' means—

"(1) the gross value of the property involved in the event (determined as of the date of the event) in the case of a failure relating to section 6048(a),

"(2) the gross value of the portion of the trust's assets at the close of the year treated as owned by the United States person in the case of a failure relating to section 6048(b)(1), and

"(3) the gross amount of the distributions in the case of a failure relating to section 6048(c).

"(d) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by this section on any failure which is shown to be due to reasonable cause and not due to willful neglect. The fact that a foreign jurisdiction would impose a civil or criminal penalty on the taxpayer (or any other person) for disclosing the required information is not reasonable cause.

"(e) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by subsection (a).".

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 6724(d) is amended by striking "or" at the end of subparagraph (S), by striking the period at the end of subparagraph (T) and inserting ", or", and by inserting after subparagraph (T) the following new subparagraph:

"(U) section 6048(b)(1)(B) (relating to foreign trust reporting requirements).".

(2) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by striking the item relating to section 6048 and inserting the following new item:

"Sec. 6048. Information with respect to certain foreign trusts.".

(3) The table of sections for part I of subchapter B of chapter 68 is amended by striking the item relating to section 6677 and inserting the following new item:

"Sec. 6677. Failure to file information with respect to certain foreign trusts.".

(d) EFFECTIVE DATES.—

(1) REPORTABLE EVENTS.—To the extent related to subsection (a) of section 6048 of the Internal Revenue Code of 1986, as amended by this section, the amendments made by this section shall apply to reportable events (as defined in such section 6048) occurring after the date of the enactment of this Act.

(2) GRANTOR TRUST REPORTING.—To the extent related to subsection (b) of such section 6048, the amendments made by this section shall apply to taxable years of United States persons beginning after December 31, 1995.

(3) REPORTING BY UNITED STATES BENEFICIARIES.—To the extent related to subsection (c) of such section 6048, the amendments made by this section shall apply to distributions received after the date of the enactment of this Act.

SEC. 412. COMPARABLE PENALTIES FOR FAILURE TO FILE RETURN RELATING TO TRANSFERS TO FOREIGN ENTITIES.

(a) IN GENERAL.—Section 1494 is amended by adding at the end the following new subsection:

"(c) PENALTY.—In the case of any failure to file a return required by the Secretary with respect to any transfer described in section 1491, the person required to file such return shall be liable for the penalties provided in section 6677 in the same manner as if such failure were a failure to file a notice under section 6048(a).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers after the date of the enactment of this Act.

SEC. 413. MODIFICATIONS OF RULES RELATING TO FOREIGN TRUSTS HAVING ONE OR MORE UNITED STATES BENEFICIARIES.

(a) TREATMENT OF TRUST OBLIGATIONS, ETC.—

(1) Paragraph (2) of section 679(a) is amended by striking subparagraph (B) and inserting the following:

"(B) TRANSFERS AT FAIR MARKET VALUE.—To any transfer of property to a trust in exchange for consideration of at least the fair market value of the transferred property. For purposes of the preceding sentence, consideration other than cash shall be taken into account at its fair market value.".

(2) Subsection (a) of section 679 (relating to foreign trusts having one or more United States beneficiaries) is amended by adding at the end the following new paragraph:

"(3) CERTAIN OBLIGATIONS NOT TAKEN INTO ACCOUNT UNDER FAIR MARKET VALUE EXCEPTION.—

"(A) IN GENERAL.—In determining whether paragraph (2)(B) applies to any transfer by a person described in clause (ii) or (iii) of subparagraph (C), there shall not be taken into account—

"(i) except as provided in regulations, any obligation of a person described in subparagraph (C), and

"(ii) to the extent provided in regulations, any obligation which is guaranteed by a person described in subparagraph (C).

"(B) TREATMENT OF PRINCIPAL PAYMENTS ON OBLIGATION.—Principal payments by the trust on any obligation referred to in subparagraph (A) shall be taken into account on and after the date of the payment in determining the portion of the trust attributable to the property transferred.

"(C) PERSONS DESCRIBED.—The persons described in this subparagraph are—

"(i) the trust,

"(ii) any grantor or beneficiary of the trust, and

"(iii) any person who is related (within the meaning of section 643(i)(2)(B)) to any grantor or beneficiary of the trust.".

(b) EXEMPTION OF TRANSFERS TO CHARITABLE TRUSTS.—Subsection (a) of section 679 is amended by striking "section 404(a)(4) or 404A" and inserting "section 6048(a)(3)(B)(ii)".

(c) OTHER MODIFICATIONS.—Subsection (a) of section 679 is amended by adding at the end the following new paragraphs:

"(4) SPECIAL RULES APPLICABLE TO FOREIGN GRANTOR WHO LATER BECOMES A UNITED STATES PERSON.—

"(A) IN GENERAL.—If a nonresident alien individual has a residency starting date within 5 years after directly or indirectly transferring property to a foreign trust, this section and section 6048 shall be applied as if such individual transferred to such trust on the residency starting date an amount equal to the portion of such trust attributable to the property transferred by such individual to such trust in such transfer.

"(B) TREATMENT OF UNDISTRIBUTED INCOME.—For purposes of this section, undistributed net income for periods before such individual's residency starting date shall be taken into account in determining the portion of the trust which is attributable to property transferred by such individual to such trust but shall not otherwise be taken into account.

"(C) RESIDENCY STARTING DATE.—For purposes of this paragraph, an individual's residency starting date is the residency starting date determined under section 7701(b)(2)(A).

"(5) OUTBOUND TRUST MIGRATIONS.—If—

"(A) an individual who is a citizen or resident of the United States transferred property to a trust which was not a foreign trust, and

"(B) such trust becomes a foreign trust while such individual is alive,

then this section and section 6048 shall be applied as if such individual transferred to such trust on the date such trust becomes a foreign trust an amount equal to the portion of such trust attributable to the property previously transferred by such individual to such trust. A rule similar to the rule of paragraph (4)(B) shall apply for purposes of this paragraph.".

(d) MODIFICATIONS RELATING TO WHETHER TRUST HAS UNITED STATES BENEFICIARIES.—Subsection (c) of section 679 is amended by adding at the end the following new paragraph:

"(3) CERTAIN UNITED STATES BENEFICIARIES DISREGARDED.—A beneficiary shall not be treated as a United States person in applying this section with respect to any transfer of property to foreign trust if such beneficiary first became a United States person more than 5 years after the date of such transfer.".

(e) TECHNICAL AMENDMENT.—Subparagraph (A) of section 679(c)(2) is amended to read as follows:

"(A) in the case of a foreign corporation, such corporation is a controlled foreign corporation (as defined in section 957(a)),".

(f) REGULATIONS.—Section 679 is amended by adding at the end the following new subsection:

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers of property after February 6, 1995.

SEC. 414. FOREIGN PERSONS NOT TO BE TREATED AS OWNERS UNDER GRANTOR TRUST RULES.

(a) GENERAL RULE.—

(1) Subsection (f) of section 672 (relating to special rule where grantor is foreign person) is amended to read as follows:

"(f) SUBPART NOT TO RESULT IN FOREIGN OWNERSHIP.—

"(1) IN GENERAL.—Notwithstanding any other provision of this subpart, this subpart shall apply only to the extent such application results in an amount (if any) being currently taken into account (directly or through 1 or more entities) under this chapter in computing the income of a citizen or resident of the United States or a domestic corporation.

"(2) EXCEPTIONS.—

"(A) CERTAIN REVOCABLE AND IRREVOCABLE TRUSTS.—Paragraph (1) shall not apply to any portion of a trust if—

"(i) the power to revest absolutely in the grantor title to the trust property to which such

portion is attributable is exercisable solely by the grantor without the approval or consent of any other person or with the consent of a related or subordinate party who is subservient to the grantor, or

"(ii) the only amounts distributable from such portion (whether income or corpus) during the lifetime of the grantor are amounts distributable to the grantor or the spouse of the grantor.

"(B) COMPENSATORY TRUSTS.—Except as provided in regulations, paragraph (1) shall not apply to any portion of a trust distributions from which are taxable as compensation for services rendered.

"(3) SPECIAL RULES.—Except as otherwise provided in regulations prescribed by the Secretary—

"(A) a controlled foreign corporation (as defined in section 957) shall be treated as a domestic corporation for purposes of paragraph (1), and

"(B) paragraph (1) shall not apply for purposes of applying section 1296.

"(4) RECHARACTERIZATION OF PURPORTED GIFTS.—In the case of any transfer directly or indirectly from a partnership or foreign corporation which the transferee treats as a gift or bequest, the Secretary may recharacterize such transfer in such circumstances as the Secretary determines to be appropriate to prevent the avoidance of the purposes of this subsection.

"(5) SPECIAL RULE WHERE GRANTOR IS FOREIGN PERSON.—If—

"(A) but for this subsection, a foreign person would be treated as the owner of any portion of a trust, and

"(B) such trust has a beneficiary who is a United States person,

such beneficiary shall be treated as the grantor of such portion to the extent such beneficiary or any member of such beneficiary's family (within the meaning of section 267(c)(4)) has made (directly or indirectly) transfers of property (other than in a sale for full and adequate consideration) to such foreign person. For purposes of the preceding sentence, any gift shall not be taken into account to the extent such gift would be excluded from taxable gifts under section 2503(b).

"(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations providing that paragraph (1) shall not apply in appropriate cases.".

(2) The last sentence of subsection (c) of section 672 of such Code is amended by inserting "subsection (f) and" before "sections 674".

(b) CREDIT FOR CERTAIN TAXES.—

(1) Paragraph (2) of section 665(d) is amended by adding at the end the following new sentence: "Under rules or regulations prescribed by the Secretary, in the case of any foreign trust of which the settlor or another person would be treated as owner of any portion of the trust under subpart E but for section 672(f), the term 'taxes imposed on the trust' includes the allocable amount of any income, war profits, and excess profits taxes imposed by any foreign country or possession of the United States on the settlor or such other person in respect of trust income.".

(2) Paragraph (5) of section 901(b) is amended by adding at the end the following new sentence: "Under rules or regulations prescribed by the Secretary, in the case of any foreign trust of which the settlor or another person would be treated as owner of any portion of the trust under subpart E but for section 672(f), the allocable amount of any income, war profits, and excess profits taxes imposed by any foreign country or possession of the United States on the settlor or such other person in respect of trust income.".

(c) DISTRIBUTIONS BY CERTAIN FOREIGN TRUSTS THROUGH NOMINEES.—

(1) Section 643 is amended by adding at the end the following new subsection:

"(h) DISTRIBUTIONS BY CERTAIN FOREIGN TRUSTS THROUGH NOMINEES.—For purposes of this part, any amount paid to a United States person which is derived directly or indirectly from a foreign trust of which the payor is not the grantor shall be deemed in the year of payment to have been directly paid by the foreign trust to such United States person.".

(2) Section 665 is amended by striking subsection (c).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION FOR CERTAIN TRUSTS.—The amendments made by this section shall not apply to any trust—

(A) which is treated as owned by the grantor under section 676 or 677 (other than subsection (a)(3) thereof) of the Internal Revenue Code of 1986, and

(B) which is in existence on September 19, 1995.

The preceding sentence shall not apply to the portion of any such trust attributable to any transfer to such trust after September 19, 1995.

(e) TRANSITIONAL RULE.—If—

(1) by reason of the amendments made by this section, any person other than a United States person ceases to be treated as the owner of a portion of a domestic trust, and

(2) before January 1, 1997, such trust becomes a foreign trust, or the assets of such trust are transferred to a foreign trust,

no tax shall be imposed by section 1491 of the Internal Revenue Code of 1986 by reason of such trust becoming a foreign trust or the assets of such trust being transferred to a foreign trust.

SEC. 415. INFORMATION REPORTING REGARDING FOREIGN GIFTS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6039E the following new section:

"SEC. 6039F. NOTICE OF LARGE GIFTS RECEIVED FROM FOREIGN PERSONS.

"(a) IN GENERAL.—If the value of the aggregate foreign gifts received by a United States person (other than an organization described in section 501(c) and exempt from tax under section 501(a)) during any taxable year exceeds $10,000, such United States person shall furnish (at such time and in such manner as the Secretary shall prescribe) such information as the Secretary may prescribe regarding each foreign gift received during such year.

"(b) FOREIGN GIFT.—For purposes of this section, the term 'foreign gift' means any amount received from a person other than a United States person which the recipient treats as a gift or bequest. Such term shall not include any qualified transfer (within the meaning of section 2503(e)(2)) or any distribution properly disclosed in a return under section 6048(c).

"(c) PENALTY FOR FAILURE TO FILE INFORMATION.—

"(1) IN GENERAL.—If a United States person fails to furnish the information required by subsection (a) with respect to any foreign gift within the time prescribed therefor (including extensions)—

"(A) the tax consequences of the receipt of such gift shall be determined by the Secretary, and

"(B) such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 5 percent of the amount of such foreign gift for each month for which the failure continues (not to exceed 25 percent of such amount in the aggregate).

"(2) REASONABLE CAUSE EXCEPTION.—Paragraph (1) shall not apply to any failure to report a foreign gift if the United States person shows that the failure is due to reasonable cause and not due to willful neglect.

"(d) COST-OF-LIVING ADJUSTMENT.—In the case of any taxable year beginning after December 31, 1996, the $10,000 amount under subsection (a) shall be increased by an amount equal to the product of such amount and the cost-of-living adjustment for such taxable year under section 1(f)(3), except that subparagraph (B) thereof shall be applied by substituting '1995' for '1992'.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting after the item relating to section 6039E the following new item:

"Sec. 6039F. Notice of large gifts received from foreign persons.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act in taxable years ending after such date.

SEC. 416. MODIFICATION OF RULES RELATING TO FOREIGN TRUSTS WHICH ARE NOT GRANTOR TRUSTS.

(a) MODIFICATION OF INTEREST CHARGE ON ACCUMULATION DISTRIBUTIONS.—Subsection (a) of section 668 (relating to interest charge on accumulation distributions from foreign trusts) is amended to read as follows:

"(a) GENERAL RULE.—For purposes of the tax determined under section 667(a)—

"(1) INTEREST DETERMINED USING UNDERPAYMENT RATES.—The interest charge determined under this section with respect to any distribution is the amount of interest which would be determined on the partial tax computed under section 667(b) for the period described in paragraph (2) using the rates and the method under section 6621 applicable to underpayments of tax.

"(2) PERIOD.—For purposes of paragraph (1), the period described in this paragraph is the period which begins on the date which is the applicable number of years before the date of the distribution and which ends on the date of the distribution.

"(3) APPLICABLE NUMBER OF YEARS.—For purposes of paragraph (2)—

"(A) IN GENERAL.—The applicable number of years with respect to a distribution is the number determined by dividing—

"(i) the sum of the products described in subparagraph (B) with respect to each undistributed income year, by

"(ii) the aggregate undistributed net income.

The quotient determined under the preceding sentence shall be rounded under procedures prescribed by the Secretary.

"(B) PRODUCT DESCRIBED.—For purposes of subparagraph (A), the product described in this subparagraph with respect to any undistributed income year is the product of—

"(i) the undistributed net income for such year, and

"(ii) the sum of the number of taxable years between such year and the taxable year of the distribution (counting in each case the undistributed income year but not counting the taxable year of the distribution).

"(4) UNDISTRIBUTED INCOME YEAR.—For purposes of this subsection, the term 'undistributed income year' means any prior taxable year of the trust for which there is undistributed net income, other than a taxable year during all of which the beneficiary receiving the distribution was not a citizen or resident of the United States.

"(5) DETERMINATION OF UNDISTRIBUTED NET INCOME.—Notwithstanding section 666, for purposes of this subsection, an accumulation distribution from the trust shall be treated as reducing proportionately the undistributed net income for undistributed income years.

"(6) PERIODS BEFORE 1996.—Interest for the portion of the period described in paragraph (2) which occurs before January 1, 1996, shall be determined—

"(A) by using an interest rate of 6 percent, and

"(B) without compounding until January 1, 1996.".

(b) ABUSIVE TRANSACTIONS.—Section 643(a) is amended by inserting after paragraph (6) the following new paragraph:

"(7) ABUSIVE TRANSACTIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this part, including regulations to prevent avoidance of such purposes.".

(c) TREATMENT OF LOANS FROM TRUSTS.—

(1) IN GENERAL.—Section 643 (relating to definitions applicable to subparts A, B, C, and D) is amended by adding at the end the following new subsection:

"(i) LOANS FROM FOREIGN TRUSTS.—For purposes of subparts B, C, and D—

"(1) GENERAL RULE.—Except as provided in regulations, if a foreign trust makes a loan of cash or marketable securities directly or indirectly to—

"(A) any grantor or beneficiary of such trust who is a United States person, or

"(B) any United States person not described in subparagraph (A) who is related to such grantor or beneficiary,

the amount of such loan shall be treated as a distribution by such trust to such grantor or beneficiary (as the case may be).

"(2) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) CASH.—The term 'cash' includes foreign currencies and cash equivalents.

"(B) RELATED PERSON.—

"(i) IN GENERAL.—A person is related to another person if the relationship between such persons would result in a disallowance of losses under section 267 or 707(b). In applying section 267 for purposes of the preceding sentence, section 267(c)(4) shall be applied as if the family of an individual includes the spouses of the members of the family.

"(ii) ALLOCATION.—If any person described in paragraph (1)(B) is related to more than one person, the grantor or beneficiary to whom the treatment under this subsection applies shall be determined under regulations prescribed by the Secretary.

"(C) EXCLUSION OF TAX-EXEMPTS.—The term 'United States person' does not include any entity exempt from tax under this chapter.

"(D) TRUST NOT TREATED AS SIMPLE TRUST.—Any trust which is treated under this subsection as making a distribution shall be treated as not described in section 651.

"(3) SUBSEQUENT TRANSACTIONS REGARDING LOAN PRINCIPAL.—If any loan is taken into account under paragraph (1), any subsequent transaction between the trust and the original borrower regarding the principal of the loan (by way of complete or partial repayment, satisfaction, cancellation, discharge, or otherwise) shall be disregarded for purposes of this title.".

(2) TECHNICAL AMENDMENT.—Paragraph (8) of section 7872(f) is amended by inserting ", 643(i)," before "or 1274" each place it appears.

(d) EFFECTIVE DATES.—

(1) INTEREST CHARGE.—The amendment made by subsection (a) shall apply to distributions after the date of the enactment of this Act.

(2) ABUSIVE TRANSACTIONS.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act.

(3) LOANS FROM TRUSTS.—The amendment made by subsection (c) shall apply to loans of cash or marketable securities made after September 19, 1995.

SEC. 417. RESIDENCE OF TRUSTS, ETC.

(a) TREATMENT AS UNITED STATES PERSON.—

(1) IN GENERAL.—Paragraph (30) of section 7701(a) is amended by striking "and" at the end of subparagraph (C) and by striking subparagraph (D) and by inserting the following new subparagraphs:

"(D) any estate (other than a foreign estate, within the meaning of paragraph (31)), and

"(E) any trust if—

"(i) a court within the United States is able to exercise primary supervision over the administration of the trust, and

"(ii) one or more United States fiduciaries have the authority to control all substantial decisions of the trust.".

(2) CONFORMING AMENDMENT.—Paragraph (31) of section 7701(a) is amended to read as follows:

"(31) FOREIGN ESTATE OR TRUST.—

"(A) FOREIGN ESTATE.—The term 'foreign estate' means an estate the income of which, from sources without the United States which is not effectively connected with the conduct of a trade or business within the United States, is not includible in gross income under subtitle A.

"(B) FOREIGN TRUST.—The term 'foreign trust' means any trust other than a trust described in subparagraph (E) of paragraph (30).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply—

(A) to taxable years beginning after December 31, 1996, or

(B) at the election of the trustee of a trust, to taxable years ending after the date of the enactment of this Act.

Such an election, once made, shall be irrevocable.

(b) DOMESTIC TRUSTS WHICH BECOME FOREIGN TRUSTS.—

(1) IN GENERAL.—Section 1491 (relating to imposition of tax on transfers to avoid income tax) is amended by adding at the end the following new flush sentence:

"If a trust which is not a foreign trust becomes a foreign trust, such trust shall be treated for purposes of this section as having transferred, immediately before becoming a foreign trust, all of its assets to a foreign trust.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. ARCHER] and the gentlewoman from Connecticut [Mrs. KENNELLY] each will control 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

GENERAL LEAVE

Mr. ARCHER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3286.

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

There was no objection.

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

Madam Speaker, today we are here to consider legislation that will help thousands of children who are waiting to be adopted.

In America today, there is no reason why any child should be denied a loving family. Unfortunately, there are almost 500,000 children languishing in foster care. There is little hope for many of these children when fewer than 1 in 10 will be available for adoption this year.

There are many parents who want to adopt but can't, because they either don't have the money to pay the adoption fees, or because a Federal regulation says they will not be good parents because their skin color is different from the child they want to adopt.

It's simply not right to deny a child the opportunity to grow up in a loving home because the child parents are not wealthy or of a different race.

For these reasons, I encourage my colleagues to support the Adoption Promotion and Stability Act of 1996. This legislation will help not only adopting parents economically with the $5,000 tax credit, but will also put an end to the practice of delaying adoption, often for years, until States can find racially matched parents for children waiting to be adopted.

The committee provision on interethnic adoption is an excellent complement to the tax credit in promoting adoption. Recent evidence shows that more than 40 States have laws, regulations, or practices that attempt to match adoptive children with families of the same race.

There are two obvious problems with this practice. First, it discriminates against children. During this floor debate, we will show that black children wait for adoptive placements for at least twice as long as white children. Consider the statistical situation faced by black children today: More than two-thirds of the children waiting to be adopted are black but less than one-third of the families waiting to be adopted are black but less than one-third of the families waiting to adopt are black. Given these mathematical facts, it is certain that if our society demands that children be matched by race with adoptive parents, black children will continue to languish in foster care. Many of them will never be adopted. This is truly an American tragedy.

The second problem with current practice is that it discriminates against parents whose race differs from the child they want to adopt because they may have to wait longer than other parents or may even by denied an adoption. This discrimination is especially terrible when the parent has served for a year or more as the child's foster parent. The committee has been informed of many cases, including a widely known case in my own State of Texas, in which foster parents who had formed a loving bond with a child of another race were denied the opportunity to adopt the child.

I can think of no better way to sum up the justification for our policy on

interracial adoption than by quoting Jessie Jackson. When asked recently on television by someone arguing that black children should be adopted only by black parents, Mr. Jackson simply asked his debating opponent: What color is love?

Kids need love—the kind of love that can be provided only in a stable family setting. All other considerations must give way to the paramount goal of our policy—every child must live in a loving family.

Let's make adoption easier and help find loving homes for hundreds of thousands of children in need.

I can't conclude without a reminder that the $5,000 adoption tax credit is part of the Contract With America. Republicans remain committed to fulfilling the promises we made to the American people, one important step at a time, and I'm pleased we are being joined by many of our Democrat colleagues.

Madam Speaker, there are many Members who have worked hard to bring this important legislation to the floor. I would particularly like to commend Representative SUSAN MOLINARI, the leader of our Adoption Task Force, for all her good work on this bill, and Chairman JIM BUNNING, who championed this cause in the Ways and Means Committee.

With Mother's Day just around the corner, I can think of nothing better than to allow thousands of women to become mothers for the first time by adopting needy children. Children, families, and our country will benefit greatly. Let's pass this important bill and make that promise a reality.

Madam Speaker, finally, I wish to point out a typographical error that occurred in the committee report—House Report 104-542, part 2—on this legislation. I wish to clarify that on page 21, in the eighth line after the heading "Explanation of Provision," the phrase "or otherwise discriminate" should not have appeared in the report, since this language was stricken from the text of the bill.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I am delighted, as so many have said before me, to support this $5,000 tax credit for families adopting children. Adoption costs can be really a great burden to a family who wants so much to have that baby or that child, and this legislation before us tonight makes that burden lighter. As has been said, this is a very good bill, one we are all very, very happy to support.

I would like to take this opportunity, Madam Speaker, to read some excerpts from the letter from our President of the United States, Bill Clinton. The President says about this bill that we are debating tonight:

I strongly support the adoption tax credit in this bill. It will alleviate the significant barrier to adoptions and allow middle class families for whom adoption may be prohibitively expensive to adopt children to love and nurture. It will encourage adoption for children with special needs. It will put parents seeking to build a family through adoption on a more equal footing with other families. I believe that the bill is consistent with the administration's policy and my longstanding goal to end the historical bias against interracial adoptions which too often has meant interminable waits for children to be matched with parents of the same race.

I just wanted to mention, Madam Speaker, that the President has been consistently a supporter of this legislation and made very clear how pleased he is about bringing it to the floor this evening.

I want to say though, Madam Speaker, that we have to admit that usually a healthy baby will be adopted, and this bill helps those adoptions as far as adoption expenses go. But one of the other things that this bill before us, this legislation, has done is to highlight the fact that there are also at the same time 72 percent of those children who are up for adoption, waiting for adoption in foster care, and many of these children have emotional and physical problems, or they have siblings and they all want to stay together and move to a new family together, or they are older children.

So what happens is this bill does not help them, because many of these children, if in fact adopted, the State will conduct that adoption and they will not have the opportunity for a credit as we are proposing tonight.

What I am saying, Madam Speaker, is, as the gentlewoman from Ohio [Ms. PRYCE] said this evening so often, this is a happy bill, this is a good bill, marvelous legislation, a bill that we can all come together and support. Having done that and congratulated ourselves for having brought forth this very, very good piece of legislation, I think we should also take this opportunity to commit ourselves to looking at those children who are waiting for adoption in foster homes, who are looking for families desperately to take them in and to love them, and that we all, as we bring this bill forward, commit ourselves to remembering those children, not just end tonight by passing this legislation, but to continue to work toward making it possible for these children to move to adoptive homes or in fact, as one of the speakers said tonight, make it easier and more possible for the loving foster care family to in fact adopt the children themselves.

Madam Speaker, I reserve the balance of my time.

Mr. ARCHER. Madam speaker, I yield myself such time as I may consume in order to enter into a colloquy with the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Madam Speaker, will the gentleman yield?

Mr. ARCHER. I yield to the gentleman from Maryland.

Mr. CARDIN. Madam Speaker, I appreciate the chairman yielding.

Madam Speaker, I rise in support of the $5,000 adoption credit. I would also like to engage the chairman in a colloquy about the definition of qualified adoption expenses under this legislation.

The legislation provides that qualified adoption expenses are reasonable and necessary adoption fees, court costs, attorneys fees, and other expenses that are directly related to the legal adoption of an eligible child. Is it your understanding that the legislation that qualified adoption expenses includes any reasonable and necessary expenses required by the State where the expenses occur as a condition of the adoption?

Mr. ARCHER. Yes, the gentleman is correct. The credit would be available for all reasonable and necessary expenses required by a State as a condition of the adoption. By way of example, expenses could include the cost of construction, renovations, alterations, or purchases specifically required by the State to meet the needs of a child as a condition of the adoption.

Mr. CARDIN. I thank the gentleman.

Mr. ARCHER. Madam Speaker, I ask unanimous consent that I may yield the remainder of my time to the gentleman from Kentucky [Mr. BUNNING] the chairman of the Subcommittee on Social Security, and that he be allowed to allocate that time.

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

There was no objection.

Mr. BUNNING of Kentucky. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in heartfelt support for this bill. Passing it today is the least we can do to help save some of the half million kids who are stranded in foster care.

When it comes to matters involving family, I usually hold fast to the position that Government should butt out and mind its own business. But, making adoption simpler and more affordable is one instance in which the Government can, and should, step in to make a difference.

I was pleased to see last weekend that the President endorsed our bill. Even though he twice vetoed transracial adoption reform as part of our welfare bill, and even though he previously sank the adoption tax credit when he vetoed the balanced budget bill, we welcome him to the fight.

Better late than never.

Last year when Congress was working on welfare reform, the President called me about transracial adoption and offered to help any way he could. I sincerely appreciated that, but, he could have really helped by not vetoing welfare reform.

By signing this bill, the President can still make a difference for kids who are stranded in foster care.

Better late then never.

Back in 1987 I know that Arkansas enacted a law that required race to be used in making adoptions. Section 9-9-102 of the Arkansas Code says that in placing a child of minority heritage, if the child cannot be placed with relatives, the court shall give preference to "a family with the same racial or ethnic heritage as the child * * *."

Now which Bill Clinton should we believe?

So I'm more than a little bit skeptical about the President's endorsement of our bill. But I have read his letter of support, and I am glad to see that he has converted.

Better late than never.

Madam Speaker, I think that many Members are aware that two of my daughters have adopted children of different races. I can personally attest to obstacles that they faced before bringing these children into our family.

These kids were lucky. They ran the gauntlet. Today they are not languishing in foster care, and our family is more blessed because of it.

For these two children, it was better late than never.

But, Madam Speaker, unless we pass this bill today, tens of thousands of kids will not escape the twilight of foster care. They will continue to suffer from discrimination, victims of race-matching.

Unless we pass this bill, their day will never come.

For them we won't even be able to say better late than never. It will always just be never.

The color of a child's skin should not be an impediment to adoption, and it's wrong that this is used to deny children the embrace of a loving home.

I urgently ask my colleagues for their vote on H.R. 3286.

Madam Speaker, I include for the RECORD chapter 9 of the Arkansas Code of 1987:

9-9-102. CONSIDERATION OF CHILD'S MINORITY RACE OR ETHNIC HERITAGE—RELIGIOUS PREFERENCE

(a) In all custodial placements by the Department of Human Services in foster care or investigations conducted pursuant to court order under §9-9-212, due consideration shall be given to the child's minority race or minority ethnic heritage.

(b) In the placement or adoption of a child of minority racial or minority ethnic heritage, in reviewing the placement, the court shall consider preference, and in determining appropriate placement, the court shall give preference, in the absence of good cause to the contrary, to:

(1) A relative or relatives of the child, or, if that would be detrimental to the child or a relative is not available;

(2) A family with the same racial or ethnic heritage as the child, or, if that is not feasible;

(3) A family of different racial or ethnic heritage from the child, which family is knowledgeable and appreciative of the child's racial or ethnic heritage.

(c) If the child's genetic parent or parents express a preference for placing the child in a foster home or an adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in subdivisions (b)(1) or (2) of this section, the court shall place the child with a family that also meets the genetic parent's religious preference. Only if no family is available as described in subdivisions (b)(1) or (2) of this section may the court give preference to a family described in subdivision (b)(3) of this section that meets the parent's religious preference.

□ 2145

Madam Speaker, I reserve the balance of my time.

Mrs. KENNELLY. Madam Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Madam Speaker, the gentlewoman from Connecticut [Mrs. KENNELLY] has been one of the real champions in reforming our foster care system and encouraging more adoptions.

Let me point out, I think people who have been watching this evening will see that there is bipartisan cooperation tonight in moving legislation that is very important to American families. This bill is supported by both the Democrats and Republicans, and I wish we could do that more on the floor of this House and get this type of working relationship where we can produce legislation that is very important to the American family.

This bill and the central part of this bill is to remove an impediment to being adopted from many children who are in foster care, and that impediment is a financial burden. It is very costly in our system to adopt children. Many parents are not able to do that because of the costs. So the central part of this bill is to remove that financial burden, to reduce it significantly on the outset, to make it possible for more children to be adopted.

Madam Speaker, I want to point out another feature of the bill, and that is special needs adoptions which are much more difficult children to place, that have disabilities, that are older, and it is more difficult to place these children in permanent adoption circumstances. This bill recognizes that and provides additional incentives for special needs adoption.

So this legislation has been, I think, worked on in the right way in our committee, in the Committee on Ways and Means, with input from many different groups. It is an important bill, the central feature of which I think will very much help to find more homes for children who are currently in foster care. I urge my colleagues to support this legislation.

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

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

Madam Speaker, I just want to set the record straight on something. I began my remarks by mentioning that the President of the United States had endorsed this bill, and it was mentioned that maybe he had come a little late to the party. That is far from true.

I would like to make it known, and I think it is obviously already part of the RECORD but I would like to say it tonight, that this administration, Mr. Clinton's administration, has worked hard to promote adoption in general and adoption of children with special needs in particular.

First of all, when the President became President, he first championed the Family and Medical Leave Act which enables parents to take time off to adopt a child without losing their job or their health insurance. We all, well, many of us strongly supported that.

The administration then supported the Multi-Ethnic Placement Act to help increase the number of adoptions by prohibiting discriminations based on ethnicity. We remain committed to that and enforcing the law that is about to become law before us tonight.

I also would like to remind Members this evening that as part of our 1993 deficit reduction package, a provision was signed into law that requires ERISA plans to provide the same health care coverage for adopted children as for biological children of plan participants.

This administration has worked for Federal support for adoption of children with special needs, and increased by 60 percent the number of children with special needs who have been adopted with Federal assistance.

So, Madam Speaker, I just really want to mention that the administration, the Clinton administration, has been here from the moment that Mr. Clinton became President of the United States.

I also want to take up one other issue, Madam Speaker, and that is my concern about one of the revenue raisers in this legislation. This bill would fully tax the subsidies provided by utility companies to businesses taking steps to conserve energy.

I am familiar with the legislation that is being eliminated by this bill because I happen to have been the author of it and worked on it for some years, and I was astonished that during a time when we are talking about the rising costs of energy, I do not think it makes sense to eliminate incentives to promote energy conservation.

The President, in this letter that I have been referring to, did mention that he was concerned about the same thing, and he suggested that he would be more than willing to work with the conferees on this bill as they eventually are appointed to see if another revenue raiser could be found instead of

this one. It was really very encouraging for conservation.

Madam Speaker, I would like to end by saying that Democrats, Republicans, anyone agrees that finding loving homes for needy children is a goal that government should take every opportunity to pursue, and in this regard, this bill does this tonight. I think everyone who has been involved in this legislation is very pleased it is on the floor tonight and that many more children will find loving homes.

Madam Speaker, I reserve the balance of my time.

Mr. BUNNING of Kentucky. Madam Speaker, I yield 3 minutes to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Madam Speaker, H.R. 3286 is intended to promote family values, avoid prolonged unnecessary litigation in adoptions and to get away from race-based tests in child placement decisions. I support families, but title III of the bill is antiIndian family legislation and fails to accomplish all three of these goals.

When the Resources Committee considered H.R. 3286, it voted on a bipartisan basis to strike title III of the bill because it fails to put an end to prolonged litigation over Indian child adoptions, will create new impediments to protect abused and neglected Indian children, and raises constitutional issues.

The Indian Child Welfare Act [ICWA] was enacted in 1978 to address a longstanding problem unique to Indian children. At the time, at least 25 percent of all Indian children were either in foster homes, adoptive homes, or boarding schools. Private and public welfare agencies were removing Indian children from their homes at unprecedented rates. And in many cases, where removal was warranted, agencies were ignoring available homes in Native communities. Many of these Indian children have grandparents, aunts and uncles who are willing and able to provide good homes, but were denied placement because they didn't know the children were in need of placement. As a result, Indian children were being removed from their tribal communities in a process the Chairman of the Select Committee on Indian Affairs called cultural genocide.

In my own region of interior Alaska, 80 percent of all Athabascan Indian children removed from their homes were placed in nonrelative/nonNative placements. Generally, the children came from remote villages and were placed in strange urban settings. While that rate has dropped to 40 percent today, still half of the children who were being removed from their tribal communities had been placed in homes outside the familiar environment of their villages and extended families.

It is difficult for me to explain the shock these children experience when they are uprooted from their villages and families and thrust into these unfamiliar surroundings. These children already suffer the heartache of separation from their families, and the difficulties which cause that breakup. ICWA remedies this situation and my message is that ICWA works to keep families together, and that is something that is worth saving.

I hear the concerns of the bill's sponsor over prolonged litigation which ties up some adoptions. But ICWA is not the problem. Many of you have heard of the Rost case. It is a tragic case. But it was caused by an attorney who tried to cover up the natural parents' tribal membership and purposefully avoided checking with the grandparents and extended family of the children to see if the family was available to adopt these children. The attorney in this case is now being sued for malpractice by the natural parents, the adoptive parents, and the Tribe. Unfortunately he inflicted untold sorrow on the Rosts, the grandparents of the children, and, ultimately, on the children themselves, as their fate remains in the courts.

Title III will actually compound the litigation problem. The proposed amendments would exempt from ICWA protection Indian children whose parents do not have social, cultural, and political ties to their tribe. This will have two disastrous affects. First, State courts will now have to hold hearings on whether an Indian child's parents have social, cultural or political ties to their tribe. The only people to benefit from this will be attorneys as they haggle over conflicting facts, trying to apply a vague subjective test, while the children languish in limbo.

Second, the amendments don't just apply to adoptions. ICWA is not the Indian Child Adoption Act; it also applies to custody proceedings for child abuse and neglect cases. Under ICWA, tribes often intervene in these cases to protect abused and neglected Indian children.

For example, the tribes in my region of Alaska intervened in New York to seek the return of an Indian child under ICWA. His mother was a heroin addict who died of AIDS, and the child was later abused in foster care. Today, that child is living with his extended family in a Yukon River village, far from the ravages of social decay which took his mother's life. In another case, an interior Yukon River village intervened in North Carolina to rescue a young girl who was adopted out to a family who sexually abused her, drove her into a mental hospital and then tried to adopt her baby to repeat the cycle. In a third case, another interior Athabascan tribe intervened in a Nevada case involving a 7-month old baby, who was physically abused by its drug-addicted non-Native mother. The baby languished in a Nevada receiving home with 20 other infants until the father's tribe was able to return the baby to Alaska. today, the child is with tribally licensed nonNative foster parents, who are specially trained to deal with drug-affected children, and live near the extended family's village.

The rescue of these children could not occur without ICWA, and under the proposed title III could not occur again, because in each case, the parents of the children had severed their ties to the tribes. In each case, however, the only hope that these children had for rescue was their tribe.

I am sure that, if enacted, title III will ultimately make one or more Indian children available for adoption. However, far more abused and neglected Indian children will needlessly languish in foster care, or worse yet, not receive needed child protection services while State courts determine whether ICWA will apply and protect an innocent abused or neglected child. This may be unintended harm, but it is harm all the same.

Finally, title III raises constitutional problems which were addressed in the original ICWA. In 1977, the Justice Department commented that early drafts of ICWA employed race-based tests for Indian status. Courts have generally held that distinctions based solely on race are constitutionally impermissible. However, courts have also held that distinctions based on tribal membership are based on the sovereign political status of Indian tribes who enjoy a government to government relationship with the Federal and State governments. The distinctions within ICWA are constitutionally permissible to the extent that they rely upon tribal membership or the eligibility for tribal membership. Distinctions which rely solely upon Indian descent and social and cultural ties to an Indian community are constitutionally suspect as a racially based test. Title III employs this latter category of tests, and may be constitutionally defective and are inconsistent with the other portions of the bill.

Finally, title III of H.R. 3286 is one more example of the Federal Government imposing its arbitrary will on our families without taking any input or advise from the people most directly affected by the decision. This bill is a response to lawyers and lobbyists from the adoption industry which have caused the problem. I have heard from countless tribes in the last 2 weeks, and not a single one has supported this measure. And neither does the Attorney General of the State of Nevada. We should listen to their message.

Therefore, I ask the Members of the House to support my amendment to strike title III. Title III may be well intended, but it will hurt children the rest of this bill is trying to help.

Mr. BUNNING of Kentucky. Madam Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Madam Speaker, if I could just say to the gentleman from

Alaska, my good friend, and he is one of my closest friends here because he and I fight the battle of property rights time and time and time again, and I just want to tell the gentleman how much I really respect him, but I would just say to him that we do not want to disrupt the 1978 legislation that the gentleman was so instrumental in passing. It was a good piece of legislation.

The problem is that there have been problems that have arisen since then. The gentleman has just spoken of several of them. All that we want to do is try to improve the bill just a little bit to keep these terrible situations from occurring.

I just have to say this, because my friend is so good as the chairman of that committee, but the gentleman will always have a parochial interest. We ran into that in the Committee on Agriculture where those that serve on the Committee on Agriculture could never bring themselves to bring about the end of subsidies for farmers in the agricultural industry. The gentleman is in the same boat.

Madam Speaker, I understand that. But the truth of the matter is, if we do not pass this legislation today, the status quo will remain for another 2, 3, 4, 5 years, because the gentleman knows he will never be able to get the legislation out of his committee. That is understandable. If I were on the committee and had the same parochial interests, I could not vote for it either.

So it is the question of doing it now. Let us improve it a little bit. I have the deepest respect for the gentleman from Alaska. He is one tremendous fighter, and he is out here fighting for his State and for his interests.

Mr. YOUNG of Alaska. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Madam Speaker, I understand that. The gentleman should keep in mind, although I will admit there have been mistakes by ICWA, this goes far beyond, as I have talked to the gentleman and the other Members, it goes far beyond just ICWA. This goes into the concept of the constitutionality of our responsibility to the American Indian tribes, and it is our responsibility.

□ 2200

When you transfer it to the State courts to make the decisions, then I think, very frankly, you have gone too far. I suggested that to you.

I will argue that case tomorrow before the amendment because what you have done is exceed ICWA. It gets into the whole concept of sovereignty and the constitutional role of the Congress to the American Indian tribes.

If you would strike that provision out of the bill, I would be much more sympathetic to what you are trying to do.

Mr. SOLOMON. Reclaiming my time, Madam Speaker, let me say that once the child has left the reservation, once they are then out into the rest of the United States, that is the problem we are dealing with, where a child has been given up by 2 parents, whether married or not, to an adoptive family. Then they are off the reservation. Those are the problems we need to deal with. It is not fair to years later take these children away. That is what happens.

Mr. YOUNG of Alaska. Madam Speaker, if the gentleman will continue to yield, I will agree with the gentleman. But that can be rectified by taking away the authority of the State court making the decision who is an Indian, who is not an Indian. That is the objection I have most of all.

Mrs. KENNELLY. Madam Speaker, I reserve the balance of my time.

Mr. BUNNING of Kentucky. Madam Speaker, I yield 5 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Madam Speaker, the gentleman from Texas, Mr. PETE GEREN, has raised a very important issue in regard to adoption in recent weeks. While he is unable to be here tonight, he and I share great concern about current IRS procedures which result in unnecessary financial burdens on adopting families by making it difficult to claim a dependent deduction for Federal income tax purposes for a newly adopted child in a timely manner.

It is my understanding that the Internal Revenue Service has assured us, Mr. GEREN and I, that it is committed to working with the Committee on Ways and Means and with my oversight subcommittee and with Mr. GEREN to develop as soon as possible an administrative solution that minimizes these burdens on adoptive parents while balancing processing and potential compliance considerations.

During our markup on H.R. 3286 in the Committee on Ways and Means, Treasury Assistant Secretary Samuels said that both the IRS and Treasury will work with our committee to develop appropriate administrative solutions. I appreciate Mr. GEREN's leadership on this matter and the IRS's willingness to give this problem the immediate and serious attention it deserves.

I would like to include for the RECORD a letter sent to the gentleman from Texas, Mr. PETE GEREN, by the Internal Revenue Service stating their intent to solve this problem and any additional remarks he would like to make thereto.

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC, May 9, 1996.

Congressman PETE GEREN,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN GEREN: Jim Feroli of your office asked me to address the issues you raised regarding the difficulties that some adopting parents face in obtaining a Social Security Number ("SSN") for their adoptive child and thus timely claiming the dependency exemption on their federal income tax return. I understand that this situation occurs in both foreign and domestic adoptions where the parents satisfy all of the dependency support requirements of section 152 of the Code but the adoption is not yet final.

Treasury and the IRS are currently looking into the SSN difficulties faced by such adopting parents. As you may be aware, Treasury Assistant Secretary Samuels told the House Ways and Means Committee last week at the Adoption Credit Bill mark-up that both IRS and Treasury will work with the Committee to develop any appropriate administrative solutions to minimize the burdens on adoptive parents while balancing IRS returns processing and potential compliance considerations. Nonetheless, I thought it would be helpful to explain to you our current understanding of the SSN issue.

With regard to foreign adoptions, the Social Security Administration ("SSA") told me that they will issue an SSN to adopting parents upon receipt of the Immigration and Naturalization Service ("INS") documentation required to legally bring a foreign child into the United States. If the adopting parents satisfy the support requirements for their adoptive child but the child does not yet qualify for an SSN (e.g., the parents do not have the appropriate INS documentation), the adopting parents will soon be able to obtain an Individual Taxpayer Identification Number ("ITIN") to claim the dependency exemption for the foreign adoptive child. ITINs are a new taxpayer numbering system that the IRS expects to implement by July 1996 for non-resident aliens unable to obtain SSNs. Individuals eligible to receive an SSN may not receive an ITIN.

With regard to domestic adoptions, the situation is more complex because an adoptive child may have an SSN as a result of actions taken by the child's birth parents, the state or an adoption agency. We are currently trying to assess when such SSNs are available to the adopting parents and when they are not available because of the privacy concerns of either the birth parents or the adopting parents. We also understand from the SSA that they will issue an SSN for a child to a state or an adoption agency which is acting on behalf of the adopting parents, but we have yet to confirm how often SSNs are issued in such situations. We are thus currently assessing different possibilities to resolve the potential problems adopting parents have in the domestic context, and we will certainly keep you informed of our progress.

I hope you find this information helpful. Please call me if you have any questions.

Sincerely,

JOHN M. STAPLES,
Assistant to the Commissioner.

Further, Madam Speaker, I would like to tell a small story. In the fall of 1954, Bertha and Harry Holt, Oregon farmer, attended a missionary conference in which they learned about the plight of Korea's war orphans, especially those that had been fathered by American GI's. The Holts, who already had 6 adolescent and young adult children, were so moved by what they saw and heard that they decided to start sending money to Korea to meet the needs of as many children as they

could. Over the months, they felt the tug of the plight of those children and decided to adopt several biracial GI babies. In fact, they decided to adopt not two or three but eight children.

At the time immigration law only allowed Americans to adopt two children from overseas. So a special bill was needed. Though Senator Neuberger introduced it promptly, no action was taken by the wee hours of the closing night of that session.

All seemed lost, when Senate passage happened. And in the House Representative Green had been promised the bill would be called up for action as soon as it won Senate approval. But that Saturday morning, the clerks could not find the bill and its accompanying report anywhere.

Mrs. Green started digging. And with the help of Speaker Sam Rayburn, they dug through the stacks of bills and reports that were flooding in from the Senate and finally, late in the afternoon, she found the bill. And before sundown it was passed and sent to the White House.

Several years later, haunted by the memory of the children who had been left behind, the Holts established an orphanage in Korea. From that humble beginning, the great tradition of intercountry adoption was established. As important as the tax credit provided by this bill is the provision related to transracial adoption, Madam Speaker, Harry Holt would be horrified to learn that American children languish in foster care in America today because they are of a different race than waiting parents. Rev. Jesse Jackson asked the critical question about transracial adoption, the question we should ask ours today: What is the color of love? Indeed, Madam Speaker, what is the color of love?

I want to commend my colleague, the gentleman from Kentucky [Mr. BUNNING], the gentlewoman from New York [Ms. MOLINARI], and the gentlewoman from Ohio [Ms. PRYCE] for their leadership in fashioning this legislation, and I urge my colleagues to support its passage.

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

Madam Speaker, I rise today in support of providing a $5,000 tax credit for families adopting children. The cost of adopting an infant can exceed $15,000 when you add up the legal fees, court costs, and charges assessed by adoption agencies. This is a heavy burden to bear for middle-income Americans who want to start a family.

However, we should be honest and say that healthy babies will be adopted with or without a tax credit. The children who are really waiting to be adopted are those with special needs, usually meaning they are older, or have emotional or physical problems, or represent a minority. Special needs children represent 72 percent of foster care children who are awaiting permanent adoption. Most of the benefits in the bill before us would not go to families adopting these children because their adoptions are conducted by the States, meaning there are few costs for which to claim a tax deduction.

I also want to express my concern about one of the revenue raisers in this legislation. The bill would fully tax the subsidies provided by utilities companies to businesses taking steps to conserve energy. During a time when we are all talking about the rising cost of energy, I don't think it makes sense to eliminate incentives to promote energy conservation. I understand the Clinton administration has offered to work with Congress to find a different revenue offset to pay for the bill, and I hope the majority will take the President up on that offer.

Madam Speaker, Democrats and Republicans agree that finding loving homes for needy children is a goal the Government should take every opportunity to pursue. In this regard, the bill before us is not perfect, but we should not allow the perfect to become the enemy of the good. I urge my colleagues to support this legislation to help promote adoption.

Madam Speaker, I include for the RECORD the following correspondence:

THE WHITE HOUSE,
Washington, May 6, 1996.

DEAR MR. SPEAKER: I am writing to express my strong support for The Adoption Promotion and Stability Act of 1996. Today, families seeking to adopt children face significant barriers, including high adoption costs, complex regulations, and outdated assumptions. I am committed to breaking down these barriers and making adoption easier. Promoting adoption is one of the most important things we can do to strengthen American families and give more children what every child in America deserves—loving parents and a healthy home. This legislation will help children in need of adoptive homes to be united with devoted parents.

This Administration worked hard to promote adoption in general, and adoption of children with special needs in particular. It championed the Family and Medical Leave Act which enables parents to take time off to adopt a child without losing their jobs or their health insurance. We strongly supported the Multi-Ethnic Placement Act to help increase the number of adoptions by prohibiting discrimination based on race or ethnicity, and we remain committed to enforcing that law vigorously. As part of our 1993 deficit reduction package, I signed into law a provision that requires ERISA plans to provide the same health coverage for adopted children as for biological children of plan participants. We have worked to preserve Federal support for adoption of children with special needs, and increased by 60 percent the number of children with special needs who have been adopted with Federal adoption assistance.

But together we can and must do more. I strongly support the adoption tax credit in this bill. It will alleviate a significant barrier to adoption and allow middle class families, for whom adoption may be prohibitively expensive, to adopt children to love and nurture. It will encourage adoption of children with special needs. It will put parents seeking to build a family through adoption on a more equal footing with other families.

I believe that the bill is consistent with the Administration's policy and my longstanding goal to end the historical bias against interracial adoptions, which too often has meant interminable waits for children to be matched with parents of the same race. The Administration also has some concerns regarding some of the provisions used to offset the cost of the bill and would like to work with the Congress on these provisions. In addition, we need to ensure that unnecessary provisions are not included in the legislation.

The Adoption Promotion and Stability Act is an important first step toward meeting the challenge of removing barriers to adoption. I look forward to working with you so that the dreams of the waiting children in this country to have permanent homes and loving families can become a reality.

Sincerely,

BILL CLINTON.

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

Mr. BUNNING of Kentucky. Madam Speaker, I yield myself the balance of my time, just to close, because we do not have anyone else to speak on behalf of our side.

I would like to congratulate the gentlewoman from New York, Ms. MOLINARI, the gentlewoman from Ohio, Ms. PRYCE, and all others who have participated in the Committee on Ways and Means, who participated in the transracial adoption portion of this bill and congratulate them for their very fine work in bringing this to the floor.

This is a happy day that we are doing this. This will advance bipartisan support for adoption, for adoption tax credits, for adoption of racial barriers to go down, in other words, that there be no racial barriers in adoption. I am very pleased to support this legislation.

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

The SPEAKER pro tempore (Mrs. MORELLA). Pursuant to the order of the House of today, further consideration of the bill will be postponed until tomorrow.

SPECIAL ORDERS

The SPEAKER pro tempore. (Mr. TAYLOR of North Carolina). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the Following Members will be recognized for 5 minutes each.

PLANT CLOSINGS AND AMERICAN JOBS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine [Mr. LONGLEY] is recognized for 5 minutes.

Mr. LONGLEY. Mr. Speaker, on Monday of this week, a chilling announcement was received by 500 employees of

the C.F. Hathaway Co. in Waterville, ME. When the Warnaco Co., which is a national holding company, which owns the C.F. Hathaway Co., in Waterville, made the following announcement, that following a comprehensive evaluation of their Hathaway men's dress shirt business, the Warnaco Co. had decided to cease manufacturing and marketing this brand. This decision will ultimately result in the sale of the business or the cessation of operations at those facilities were Hathaway shirts are produced, including the plant in Waterville, ME.

Mr. Richard Kelso, president of the Mid-State Economic Development Corp., in central Maine, said of the news that this was going to be a devastating blow because of the large number of workers involved and that unemployment in the mid-Maine area would soar from 7 or 8 percent, currently a full point above the Maine State average, to upward of 10 percent.

This is a significant and devastating blow to the Waterville, ME economy. While the Waranco Co., has indicated that it will cease manufacturing at the facility, they have, pursuant to State law, given the 500 employees 60 days notice of their intention to either terminate operations or, hopefully, to find a buyer for their operations. The Governor of our State, Governor King, has spoken to the company and has conveyed to the company his great concern over the welfare of those 500 workers and that he, on behalf of the State and the congressional delegation, was going to extend every effort to assist the Warnaco Co., in attempting to find a buyer. He and we and other Members of the delegation have all urged the company to continue their operations, hopefully until such time as we can find a buyer for the company.

Mr. Speaker, this is a tremendous economic loss or potentially a tremendous economic loss to central Maine. The C.F. Hathaway Co. is currently the oldest domestic shirt manufacturing company in the United States. It was founded in 1837, almost 160 years ago. The 500 workers today work at wages averaging $7 to $9 an hour. We all hear a lot of talk about the productivity of the American worker, and we are all very gravely concerned about the shift towards overseas and offshore production.

It is significant that just in the last 2 years, as the workers of this company became aware of the fact that Warnaco was concerned about its production costs, that they have managed to increase weekly output from just over 2,000 dozen shirts a week to more than 3,000 dozen shirts a week, an increase of over 40 percent. Just as importantly, the labor costs have decreased from about $125 a dozen shirts to $60 a dozen shirts.

What is even more startling to the people in my State and in my district is the fact that the Warnaco Co. also at the same time reported over $30 million in operating income on revenues of $206 million or net income of about $15 million after additional expenses.

This is the contrast that we face: American workers losing good American jobs, paying local taxes, supporting State and Federal Government, and yet confronted with the loss of their jobs even as the company that owns their production facility is making millions of dollars.

I would suggest that there is an issue here that we in this Chamber should be paying attention to. I hope to be investigating it further.

We need to take a very close look at the cost of doing business in this country and specifically evaluate the fact that 500 workers could be losing their jobs at the very same time that a company could be earning millions of dollars and in fact watching the stock price of the company rise even as they are losing their jobs.

□ 2215

I think this is a serious issue. I have called on the Warnaco Co. to extend every consideration to the State and to the Governor as he attempts to lead us in attempting to find a purchaser for the company, and I encourage and hope that they will extend that courtesy. The 500 workers who demonstrated a tradition of loyalty going back 160 years I hope are entitled to the same expressions of loyalty and courtesy from the company for which they worked and I think we can ask for no less.

HUD HOUSING IMPLEMENTATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. DOYLE] is recognized for 5 minutes.

Mr. DOYLE. Mr. Speaker, since we just completed consideration of the U.S. Housing Act, I believe it is appropriate that I rise this evening to discuss a public housing issue that is now being played out in western Pennsylvania.

In the suburban communities of Pittsburgh, which I represent in Congress, the U.S. Department of Housing and Urban Development, county housing authority, county government, and lawyers representing plaintiffs from a 1988 lawsuit are in the process of implementing a plan to provide public housing for those plaintiffs. And, while I am sure that lawyers could argue the merits of this case for days on end, my dispute is with the manner in which the implementation is being conducted.

In the last year, when decisions were made to purchase single-family houses in seven municipalities within two school districts, the elected officials and residents of these municipalities were not informed and not consulted. The first word of this plan to purchase single-family houses in six communities out of 100 eligible communities in Allegheny County, was this undated form letter notifying them that houses in their communities would be purchased for section 8 housing.

I became involved when the mayors of these affected communities wondered why they had not been brought into the decisionmaking process until it was too late, and then only for appearances. They were at a loss for what could be done about HUD forcing its will on their citizens. I suggested that they form an intermunicipal working group and offer an alternative plan to the proposal by the parties of the consent decree.

There are three basic problems with the path HUD is taking in my district: The lack of community notification and participation, the concentrated loss of tax revenues to the municipalities and school districts, and the extravagant use of taxpayer funds to provide public housing.

First, HUD has shown little interest in communicating with local officials during the decisionmaking process. HUD, and the other parties to this consent decree, deliberately contrived to purchase houses using national guidelines in an original price range between $74,500 and $104,500 for a single unit of housing. When asked only as recently as last week, the communities, where six of the homes were to be purchased, provided lists of more reasonably priced houses as alternatives for purchase. The community leaders are making a good faith effort that is certainly more of a commonsense approach.

By concentrating the first 18 of these 23 house purchases in three communities, the tax revenue losses due to the tax exemptions for section 8 housing were directed unfairly at a relatively small number of communities and only one school district. We proposed that the scattered-site distribution be made throughout a wider geographic area so any revenue losses would be a burden shared fairly among the entire region. After all, the consent decree calls for the public housing to be located throughout Allegheny County, not just a limited portion of the county. And that brings me to the third area that HUD disregarded in its implementation. By purchasing less expensive houses, the tax revenue losses would be more bearable by the local governments and this would be a fair way to treat the citizens who already live in those communities.

The case concluded with a judge's consent decree which requires HUD to acquire 100 units of public housing within Allegheny County to be maintained by the county's housing authority. This still left open the question of how the decree would be implemented.

After the judge's ruling in December 1994, the parties involved in the lawsuit

began making implementation plans, but they did not ask for any input from the communities involved. Some time before this past December, HUD decided that it would purchase 23 scattered-site single family houses in a small number of communities to begin implementing the decree. My observation is that there is a right way and a wrong way to implement such a consent decree. HUD and the others involved in this case have taken the wrong path and should go back and start over.

On Tuesday, HUD closed purchases on five of six houses, with prices of $57,500, $67,000, $73,000, $76,000, and $76,595. The people in these communities work hard to have homes and some work two and three jobs to pay for them. Most of the people who live in these communities cannot afford to buy homes at those prices. What kind of a message is HUD sending when they use $2.6 million of the taxpayers' funds to purchase 23 houses in 7 communities? Is this wise use of Federal funds? I don't think so.

Along with the local elected officials, I recommended that HUD help revitalize the housing stock in these communities by purchasing starter homes—homes that could be purchased for much less, and upgraded to improve the housing stock in those communities. This would be a win-win proposal and a commonsense approach to the problem.

I discussed this entire fiasco with Secretary Henry Cisneros recently and I thank him for listening. Now, I want him to act. This week I wrote this letter asking him to place the houses that HUD purchased this week back on the market. HUD needs to start over. And I am asking that he use the guidelines I just explained to implement the consent decree. If HUD is willing to purchase less expensive starter houses across a larger number of the 100 eligible communities and work with the community leaders to identify such properties, then we will solve this implementation challenge. We have been ready to offer alternatives and act in a cooperative spirit to assist HUD and the local housing authority in implementing this consent decree.

During the recent debate on H.R. 2406, the U.S. Housing Act, I discussed this issue with the Appropriations VA/HUD Subcommittee Chairman Jerry Lewis, and I have his assurance that he will work with me through the appropriations process to develop legislative language ensuring that this kind of reckless disregard for the communities and extravagant use of taxpayer dollars does not continue. Public policy on housing and on other local issues should be developed with public participation and by extending a hand of cooperation. We are prepared to cooperate and help create a better life for every citizen in western Pennsylvania.

SALUTE TO LT. COL. HAROLD COHEN ON HIS RECEIPT OF DISTINGUISHED SERVICE CROSS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. CHAMBLISS] is recognized for 5 minutes.

Mr. CHAMBLISS. Mr. Speaker, I rise tonight to salute a remarkable man who is the subject of a remarkable story. Harold Cohen is a native of Spartanburg, SC. He is the son of a Russian immigrant.

In 1942 Harold Cohen entered the Army of the United States of America as a private. Two and a half years later Harold Cohen was a major in the U.S. Army and a battalion commander. Ultimately Harold Cohen received the rank of lieutenant colonel in the U.S. Army.

Colonel Cohen was a close personal friend and a colleague of Creighton Abrams. He and General Abrams served together as a part of General Patton's 3d Army. General Abrams was commander of the 37th Tank Battalion while Colonel Cohen commanded the 10th Armored Infantry Battalion.

It has been said of Harold Cohen as follows:

> Often in the advance, Cohen's infantrymen would ride on Abrams' tanks. Cohen himself, remembered his men, was in constant motion. He sped up and down the column in a mud-splattered Jeep, pleading, coaxing and cursing. His high-pitched voice with his rich southern accent could be heard from great distances. Abrams as a tanker was impressed that infantry leaders like Cohen could motivate their men to move forward under fire with nothing but their OD shirts for protection and he often did so.

Harold Cohen became a real World War II hero. For the exemplary service that Harold Cohen rendered to his country, Harold Cohen received four Silver Stars, three Bronze Stars, three Purple Hearts, the Legion of Merit, the French Croix de Guerre, and awards from Poland, England, Czechoslovakia, and Luxembourg.

But the highest recognition of Harold Cohen was yet to come. Harold Cohen mustered out of the Army after the war and became a successful businessman in Tifton, GA. Creighton Abrams went on to become Chief of Staff of the U.S. Army.

Dr. Lewis Sorley, who is a resident of Potomac, MD, wrote a book called "Thunderbolt." "Thunderbolt" included a long history of the life of Creighton Abrams.

During the course of writing that book, Dr. Sorley discovered that during the latter part of World War II, Harold Cohen was recommended for the Distinguished Service Cross by his men for bravery performed by Harold Cohen during an event that took place on February 25, 1945. The paperwork on this particular recommendation for the award of the Distinguished Service Cross for Harold Cohen unfortunately became lost during the process of the end of World War II.

Dr. Sorley pursued the matter after he discovered this. He went to the U.S. Army, told them what had happened and thanks to his diligence, Harold Cohen today received the Distinguished Service Cross from Gen. Dennis Reimer, who is the current Chief of Staff of the U.S. Army.

The receipt today was very special, because Harold's wife Bettye; Harold's children Marty and Peggy; their grandchildren, Anna, Rachel, Michael, and Alan were also present.

I would like to take just a minute to read the citation that was presented to Harold Cohen today.

> The President of the United States, authorized by an act of Congress dated July 9, 1918, has awarded the Distinguished Service Cross to Lieutenant Colonel Harold Cohen, United States Army Retired, for extraordinary heroism in action. Lieutenant Colonel Harold Cohen distinguished himself by extraordinary heroism on February 25, 1945, when the situation became untenable during his battalion's attack upon Brake, Germany. Small arms, artillery and direct fire came from all directions. Colonel Cohen took a position of high ground in plain view of the enemy. Oblivious to all danger and constant fire that fell all about him, directed tank fire and lifted friendly artillery fire that was falling too close. His personal bravery, inspiring leadership and tactical skill retained the initiative and gained the important objective. Lieutenant Colonel Harold Cohen's quick heroic actions and personal courage reflect great credit on him and the United States Army.

Harold Cohen heads up my military academy appointment committee. I am very proud that Harold Cohen and his wife Bettye are my good friends.

There are two people who tonight are not with us, Gen. George Patton and Gen. Abe Abrams, who are very proud of Harold Cohen. They rolled over tonight and smiled as Harold Cohen received the Distinguished Service Cross from General Reimer. They are proud of you, Harold, as am I.

BILL PASSES HOUSE INCREASING PENALTIES FOR WITNESS AND JURY TAMPERING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I want to take this opportunity to thank you for your support this week of legislation which I brought forward through the Committee on the Judiciary.

I wish to thank the gentleman from Illinois [Mr. HYDE], chairman; the gentleman from Florida [Mr. MCCOLLUM], chairman of the Subcommittee on Crime; the gentleman from Michigan [Mr. CONYERS], ranking member; and the gentleman from New York [Mr. SCHUMER], subcommittee ranking member. Each of them played a part in making sure legislation which I introduced and unanimously passed this

week which calls for additional penalties for witness intimidation, as well for juror tampering and juror intimidation.

This legislation was the outgrowth of an article that was part of a series in the Wall Street Journal which outlined a few years ago the fact that some of our Federal defendants saw fit to use self-help and intimidation on witnesses and jurors to get out of the substantive crime for which they were charged, and they had rather do that because the law actually provided at that time the disincentive to use the tampering and risk maybe being found guilty of tampering, and they were, but they were found not guilty because of self-help, an illegality, of the major charge. Our legislation this week will change all that.

From now on, hopefully with the Senate's approval and the President's signature, our legislation this week will make sure that the penalties will be equal, the substantive events and the offense as well to tamper with witnesses and jurors.

I know that this will do a lot for us across the country. My own District Attorney Michael Marino from Montgomery County, PA, who endorsed legislation early on and also helped us receive the endorsement of the Pennsylvania District Attorneys Association had outlined very well that this legislation would very much help him prosecute criminals because witnesses and jurors would feel more secure.

In our neighboring county in Philadelphia, District Attorney Lynn Abraham had for a long time desired this kind of legislation because she has had difficulty getting the high conviction rate she wants for homicides. While her office does an excellent job, they are plagued with a problem of witness and juror intimidation in their cases.

Legislation like this and similar legislation to be passed in the 50 States for the State courts will go a long way for us in helping to make sure that prosecutions proceed, that justice prevails, and that those who are charged with crimes cannot use self-help any longer to exculpate themselves from those crimes and interfere with the court system.

□ 2230

I also wish to note this week that this was an excellent week for our crime victims because three other bills were passed.

Megan's bill, by DICK ZIMMER of New Jersey; that legislation will require the registration of known sex offenders.

And, as well, legislation from DICK CHRYSLER of Michigan, that is going to add additional penalties for those who would commit violent crimes against children or violent crimes against seniors. They will in fact receive greater sentences than the Federal statutes call for today.

And, finally, legislation from ED ROYCE of California. This was a quest of his constituents, many of whom had come forward to him and especially one witness who appeared this week at the Capitol, explaining to us in very poignant terms about the problems of stalking in her State, the threats to those who are stalked and how we need tough Federal laws to prevent this crime and strong, stiff sentences for those who would commit. ED ROYCE's bill this week will for the first time put teeth into the law, discourage stalking, and make sure that those who commit such heinous crimes will have to answer for them.

So I am happy to congratulate my colleagues on both sides of the aisle for their bipartisan effort to help us fight crime, improve public safety, and make sure that our courts are in fact free of the intervention by those who would destroy the system, create threatening situations for victims, I think destroy the public's confidence in our own law enforcement. But these bills this week have made a difference.

Mr. Speaker, I thank my colleagues for their support, and I thank the Speaker and my colleagues for your indulgence tonight.

REPUBLICAN BUDGET FOR FISCAL YEAR 1997

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for one half of the time remaining before midnight as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I know that the hour is late, but I would like to address the Speaker and my colleagues tonight because today, in fact yesterday but we received more information today, the Republican leadership unveiled their budget, their budget for the next fiscal year. Very upsetting to me and I think particularly to senior citizens throughout this country, once again we see that the budget is very heavily dependent on cuts in Medicare and Medicaid, primarily once again to pay for tax breaks for the wealthiest Americans.

I think that we know that in 1995, all of last year, we went through a series of efforts with the Republican leadership budget to try to oppose what Speaker GINGRICH and the Republican leadership were trying to do to Medicare. They repeatedly came up with budget initiatives that would have cut Medicare and Medicaid severely, again primarily to pay for tax breaks, and again those tax breaks primarily to wealthy Americans.

I had hoped because of the battle that ensued, that was largely taken up by Democrats against this proposal, that we would not see it raise its ugly head again. But in fact it has, and yesterday and today and I am sure over the next few weeks we are going to see again an effort to basically use the budget and use the cuts in Medicare and essentially pay for the Republican-proposed tax breaks on the backs of senior citizens.

Now, I know I am going to hear over and over again from the Republican side that that is not really what is happening here, what we are really trying to do is somehow protect Medicare, or that somehow the level of cuts that are being proposed by the Republican leadership are not that different from some of the things that the President or some of the Democrats have proposed over the years.

But I would point out that there are major changes in the Medicare and Medicaid program that are being proposed by the Republican leadership, so that it is not just a question of dollars, it is also a question of what the Medicare and Medicaid programs are going to be like. I would venture to say that they are going to be radically different from what seniors expect and have seen in Medicare over the last 30 years. In fact, I would say that the every nature of these changes in Medicare basically destroys the Medicare program and makes it into something which is very different and very radical from what we have today.

I am not surprised by that, because one of the points that I kept stressing throughout the Medicare debate last year was that the Republican leadership really does not like Medicare, really does not care whether Medicare is changed or negatively impacted because many of them never supported Medicare from the beginning.

I would cite a quote that was made by the likely Republican candidate for President, who said, and I quote: "I was there fighting the fight, voting against Medicare, one out of 12, because we knew it would not work," in 1965 when he was then a Congressman here in the House of Representatives. That statement was made by the Republican Presidential candidate just last October 24, 1995.

Similarly, we have the Speaker, the Republican Speaker of the House of Representatives. He made another interesting comment which is very similar, if you will, back in October, on October 26, 1995. He said, "We do not get rid of it," referring to Medicare, "in round one because we do not think that that is politically smart and we do not think that is the right way to go through a transition period. But we believe it is going to wither on the vine because we think people are voluntarily going to leave it."

Well, that was a statement that was made by Speaker GINGRICH again in October of last year. But what we are seeing here, and I think that it is really summed up by the Speaker's statement, is that the changes that are

being proposed once again in this budget that we have received over the last couple days, the changes that are being proposed in Medicare by the Republican leadership will ultimately force seniors out of the traditional Medicare program that they are used to. In fact the program, the Medicare as we know it, essentially or eventually does wither on the vine and disappear as an effective and quality health care program for the average American.

Mr. Speaker, I could go on and cite some of the other Republican leaders. Representative DICK ARMEY from Texas, who is the majority leader, made similar types of statements. But I think that I would rather get into the whole issue of what they plan to do it and how they intend to change Medicare and Medicaid so that they are negatively impacted.

Before I do that, though, I just wanted to cite several reasons really why massive Medicare and Medicaid cuts are harmful, and it really goes back to the original purpose of the Medicare program.

The reason why Medicare was started by President Johnson back in the early 1960's was because of the concern over the fact that many senior citizens simply did not have health care. They were living in poverty. They could not afford private insurance. They could not afford to pay out of pocket for the health care needs that they had.

What we did back in the early 1960's was to essentially make sure that all senior citizens would be guaranteed health care, that everyone, when they got older and over 65, would know that they were guaranteed a certain level of health care. That is what Medicare is all about. But the massive Medicaid cuts, the massive Medicare and Medicaid cuts will basically increase old-age poverty and turn this all around.

Half of all the senior citizens right now have incomes of less than $17,000 a year. Medicare and Medicaid cuts will increase out-of-pocket health care expenses for seniors, and the result is a massive increase in old-age poverty to the extent that seniors will spend the little money that they have to pay for health care. If it is not covered by Medicare or certain things are not covered by Medicare and they have to spend more out of their pocket, they go further and further into poverty.

Mr. Speaker, it is also true that cuts in Medicare and Medicaid will reduce access to health care and result in an increase in sickness and misery. Particularly hard-hit will be Medicaid nursing homes where already minimal staff will be cut back to skeleton crews. I think a lot of us forget that the Medicaid programs, which is primarily a program for poor people, the majority of the money is spent for senior citizens in nursing homes. So if they cut back severely on the Medicaid program, they negatively impact nursing home care.

Medicare cuts also mean less access to doctors because Medicare, Medicaid pay less for physician services than private insurance companies. Many doctors are simply refusing to accept more Medicare and Medicaid patients. In rural areas, poor areas and areas with large numbers of senior citizens, access to health care will be further restricted by too steep Medicare and Medicaid cuts.

Massive Medicare cuts also mean increased cost shifting to younger people. The elderly use the same nurses, physicians and x-ray machines as everyone else. Right now Medicare is paying health care providers substantially less than the health plans covering the working population. The difference in public and private reimbursement rates has shifted from the elderly to younger patients.

So lest any of the young people feel, "Well, what does it matter to me if Medicare is negatively impacted or Medicaid," they need to know that what essentially happens is that the hospitals and the health care providers shift the cost to younger people, so they ultimately will suffer.

Medicaid cuts particularly harm poor children. One out of every four children in America is in poverty. Medicaid is the primary health insurance system for America's poor children. Medicaid cuts mean that poor children will have even less access to health care.

Medicare cuts also harm the disabled. More than 4.2 million seriously disabled Americans have their health care needs met by the Medicare system. Hundreds of thousands of very seriously disabled Americans are taken care of in Medicaid nursing homes. Cuts in Medicare and Medicaid will do serious harm to the primary health care systems of America's most disabled.

I think, most important, the level of Medicare and Medicaid cuts that the Republican leadership has proposed will force many hospitals to close. We made this point during the debate last year in 1995. It is just as true now with the cuts that are being proposed by the Republican leadership now. Hospitals depend on Medicare and Medicaid for approximately 45 percent or more of total revenue. If Medicare and Medicaid are cut back, many hospitals will be forced to close and consolidate their patient base. The result will be less access to American medical care and fewer jobs in areas that may already have depressed economies.

Mr. Speaker, I think lastly, and I would like to mention this because I think it goes against what the Republican leadership has said from the beginning, the Republican leadership in the beginning of 1995 talked about and tried to implement their Contract With America. But what we were saying as Democrats throughout that debate is that the Congress cannot make a new Contract With America if it is not willing to make good on the old Contract With America, which is Medicare.

The contract said that working Americans would be taxed their entire working lives in exchange for known and specified benefits in old age, and that contract was broken in 1995 by the Republican leadership. I believe it is broken once again today with the level of Medicare cuts and the changes in the programs that are being discussed or being proposed by Speaker GINGRICH and the other Republican leaders.

Now, let me get into a little analysis of exactly what we received yesterday and today as part of this new Republican budget for 1997. Again, a lot of this is just based on press conferences or press materials. But what was presented by the Republican leadership repeats many of the extreme policies that were proposed in the fiscal year 1996 budget which was vetoed by President Clinton last December.

It maintains the skewed priorities of the early Republican budget: large tax cuts paid for by excessive cuts in Medicare and Medicaid. Medicare is cut by $168 billion over 6 years. The numbers have changed slightly, but the impact on people and hospitals is the same as last year's budget. The implications for health care delivery, seniors will have less choice, Many of the hospitals will close, and doctors and hospitals will be able to do balanced billing. That is where they simply charge Medicare recipients more than what Medicare pays.

The Republicans claim that their cuts of $123 billion—of this $168, $123 billion is in part A, which primarily pays for hospitals and health care institutions—the Republicans say that these cuts are necessary to preserve the solvency of the Medicare Trust Fund through the year 2006. In fact, the President's budget proposal, which he unveiled earlier this year, extends the life of the trust fund through 2006 without such deep reductions.

□ 2245

Republicans are clearly using funds cut from Medicare to pay for part of their tax breaks, just as they did in 1995. Now when you go to Medicaid as opposed to Medicare, Medicare being primarily a program for seniors regardless of income, Medicaid primarily for poor people regardless of age, Medicaid spending in this new Republican budget is cut by $72 billion over 6 years. They block grant Medicaid. It is this idea of sending the money back to the States in a block grant, cutting the amount of money that the States get, because Medicaid, the States have to match what the Federal Government puts up. So if you block grant the money and send the Federal dollars back to the States, you reduce the amount that the States are going to get and you basically say look, you do what you what with it, without any strings attached.

What that means is that Medicaid, as we know it, which entitles certain people, certain poor people, to health care benefits, children, pregnant women, certain people were just automatically eligible because of Federal guidelines, well, with this block grant approach, where the States basically get less money but are free to spend the money as they please, essentially you are eliminating the guarantee of coverage to a lot of low income children, to a lot of nursing home residents, because what the States will do is they will say okay, we are getting less money, we cannot afford to pay as much State money as we used to, and, therefore, we will just say that certain categories of people are not eligible for Medicaid, or even if they are we will not provide certain services.

So the whole block grant approach to Medicaid essentially means a lot of people will not have coverage who have it now, and if they do have coverage, the types and amounts of services will be severely impacted.

In Medicaid, the proposed cuts of the Republican leadership are $18.5 billion deeper than the reductions proposed by President Clinton. But more important, Republicans appear to be proposing a change in the State match rate which could ultimately produce cuts in total Medicaid funding of more than $250 billion through the year 2002.

I will get into that a little more, in a little more detail later, but essentially right now, the Medicaid program is whatever Federal dollars are put up, the States have to match them essentially 50–50 to achieve a dollar that is spent on Medicaid patients. What the Republicans are proposing to do is to say we will give you more Federal dollars and you do not have to match as much in State dollars. But the point is that the overall amount of money that would be available for Medicaid patients is less, and hence you get the interest in the States in actually spending less or disqualifying certain people who are now eligible for Medicaid.

Now, I wanted to get into a little on Medicare again, what changes are really being made and how radical the Republican changes are to the Medicare program for senior citizens. There are basically three aspects of the current Medicare program for seniors that have existed since it began under President Johnson that are now threatened by the Republican proposal that has been unveiled.

Right now, Medicare offers beneficiaries, seniors, unlimited choice of doctors and hospitals. They can go to any hospital or doctor they want. It offers protections against balanced billing, in other words, limitations on what doctors can charge you beyond what Medicare pays, and, third, guarantees coverage of all Medicare benefits for the premium established by law.

So if you are eligible for Medicare under current law, you are entitled to certain benefits. Well, all these protections are at risk under the budget and under the proposals the Republicans are putting forward.

First of all, let us talk about this unlimited choice of doctors and hospitals. What they are going to do, what the Republicans are proposing to do, is push more and more and eventually most senior citizens into HMO's or managed care systems, where you do not have a choice of doctors or hospitals. The way they do that is through very tight budget caps. They basically put a cap on the overall amount of money that is available in the current fee for service system, where you choose your own doctor. So they say if you go into an HMO or managed care, more money is going to be available for reimbursement to hospitals or to physicians than if you stay in this current system where you choose your own doctor or hospital. So essentially seniors get pushed, if you will, into the HMO's, into the managed care systems, because that is where the money is.

The second thing that I mentioned is this existing protections against balanced billing. Under current law, seniors are protected from balanced billing, in other words, where the doctors want to charge more than what Medicare provides, and the same with hospitals. Hospitals under current law may not charge seniors one penny more than their allowed fee. Doctors may not charge beneficiaries more than 50 percent above the fee that Medicare pays.

But what they are essentially doing under the Republican plan that is proposed is that doctors and hospitals could charge seniors any amount they want for Medicare services if the senior stays in the traditional fee for service system. So if you want a choice of doctor and hospitals, and you stay in the traditional system, then they can charge you whatever they want over and above Medicare. If you move into the managed care and the HMO, that would not be the case, but again, one more incentive to move to managed care, to HMO, where you do not have your choice of hospital or physician.

The last thing, as I said, under current Medicare law there is guaranteed coverage of all Medicare benefits for the premiums, and so if you know you are in Medicare you get certain benefits under the law. But all of a sudden the Republicans have come up with a new idea called medical savings accounts, and what this does is, this is an untested idea, MSA's, essentially what we are doing here is using senior citizens as guinea pigs for this untried new proposal. Under the Medicare savings accounts proposals, the voucher——

Mr. KINGSTON. Will the gentleman yield?

Mr. PALLONE. My time is limited. I have to go with the time I have. I am sorry, I cannot yield.

Under the medical savings accounts proposal, basically you are going to get a Medicaid voucher that could be used to buy a catastrophic health insurance policy with a high deductible, it might be as high as $10,000. Any difference between the cost of that policy and the voucher amount would be placed in a tax-favored medical savings account. So if you just want to use your Medicare money, if you will, or a voucher, to have a high deductible account, you can do that. But then if you get sick, of course, you have to pay that out of pocket.

But the problem is that only the healthiest and the wealthiest seniors could afford to gamble with this kind of high deductible policy. Those individuals who buy the MSA's, the healthier and wealthier people, will be outside the traditional pool, so we believe the average cots eventually of those remaining in Medicare would increase. Again, these are significant changes, I believe, and I think it is self-evident, in the Medicare program as we know it.

So that is what we are hearing from the Republicans. Again, they were talking about these proposals last year, and they are coming up again now in the context of the budget.

Let me talk about the changes in the Medicaid program, the program that is primarily for low income individuals. Right now 36 million Americans receive Medicaid Benefits. 26 million of them are poor children and adults. But, again, when you talk about Medicaid, the majority of the money is spent on nursing home coverage for senior citizens.

So I want seniors to understand that even though Medicaid is for low income seniors, most of the money goes to pay for nursing home care for seniors, many of whom have spent the amount of money they saved for nursing home coverage and then have to go on to what we call Medicaid coverage to pay for the nursing home care.

What we are concerned about here is when you block grant Medicaid under the Republican proposal, and you basically leave it up to the States to decide what to do, large groups of seniors citizens may no longer be eligible for nursing home care, or, if they are eligible for nursing home care, the level of services that is going to be provided to them under Medicaid will be significantly reduced.

Basically states could opt to drop the number of patients they cover, which would cause the number of uninsured Americans to swell, and, if that happens, the Urban Institute predicts that 4 to 9 million Americans will lose health insurance coverage, and every American could feel the effect of these cuts as states are forced to raise other

taxes or as insurance companies raise premiums to make up for the increased costs.

So essentially what we are saying is even though you might say to yourself, what does it matter to me if low income people are no longer eligible for Medicaid, it does not have any impact on me, but it could easily have impact if states decide to continue coverage for those individuals because they feel an obligation to, and, therefore, you state taxes or other taxes could rise as a result of the fact that there is a shortfall in the Federal dollars.

I just wanted to read a quote, if I could, because I thought it was such a good one, from the Washington Post back in December, December 12 of last year, when this whole battle over Medicaid was on the floor of the House and was being considered for the last time in a significant way.

What the Post said, on Tuesday, December 12, about the Medicaid block grant, they said:

> The Republicans want to go to a system of block grants, cut projected Federal spending sharply, cut what the States must put up to get their Federal funds, and largely let the States decide how and on whom the money will be spent. This would pretty well eliminate the Federal guarantee that the needy, young, and elderly could count on a certain level of care. Medicaid is not just a major Federal cost and major source of aid to state and local governments. It is an insurer of last resort in the health care system. Medicaid needs to be preserved to protect the vulnerable. The alternative is even more people uninsured. The poor, the States and hospitals and other institutions that serve the poor would all be stranded. This fight is not just about the Federal budget and the Federal role. It is about that.

I need to stress that, Mr. Speaker. We are not just talking about the budget here. I bristle every time I hear that Medicare and Medicaid have become the subject of the battle over the Federal budget, because the bottom line is that this whole Republican proposal to cut Medicare and Medicaid is strictly budget-driven. They are not out to preserve and protect Medicare and Medicaid, they are trying to save money, and they are trying to save money primarily to pay for these tax breaks for wealthy Americans.

I believe very strongly that the whole Medicare and Medicaid debate and any changes to it, any changes to those programs, should be considered outside of the whole budget debate and should be considered separately, but they are not. The Republican leadership constantly brings it up in the context of the budget debate.

I see that my colleague from Ohio, is here and I would certainly like to yield to him.

Mr. KINGSTON. Did the gentleman find some time now to yield, now that we are yielding?

Mr. PALLONE. You have your time on the Republican side of the aisle, after I am done.

Mr. KINGSTON. I will be happy to yield back to you.

Mr. PALLONE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I appreciate the leadership the gentleman has shown in this issue, not just this year but last year. This is sort of "There you go again with the Gingrich budget," or "The same old song," or whatever that we saw in 1995, last year, we saw the same kind of budget, Medicare cuts, Medicaid cuts, student loan cuts, cuts in environmental protection and environmental laws, all in order to pay for tax breaks for the richest people in the country.

Clearly with this budget, it is simply not much different this year than last year. Last year the American people rose up and said no to Medicare tax cuts for the wealthy, no to Medicaid cuts and student loan cuts of $5 billion in order to give tax breaks to the wealthy, and this year the Gingrich crowd, Gingrich extremists, are basically doing the same thing, trying to sneak in the back door while some of these other issues are going on, trying to sneak in the back door in making these cuts so they can give major tax breaks to the wealthiest people in the country.

The real key I think is what you said, Mr. PALLONE, that they talk out of both sides of their mouth. Speaker GINGRICH himself said that we are trying to save Medicare, yet a year ago, some 6 or 8 months ago, speaking to a group of insurance executives, who stand to make a whole lot of money under the Gingrich Medicare plan, he said, "We do not get rid of Medicare in round 1 because we do not think that is politically smart."

Then he goes on to say, "We believe under our plan Medicare is going to wither on the vine." That is clearly what he thinks about it.

Then the Speaker says, "We are going to save Medicare. This plan is to save Medicare." Obviously it is not. This plan is to weaken Medicare, because he did not believe in it in the first place. As you said, the same with the Senator DOLE, that he saw the same thing, that he was against Medicare 30 years ago as a young House Member, and now that he voted against it then, he led the fight then, he does not want to see that kind of thing happen today.

ANNOUNCEMENT OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). The Chair would remind all Members that remarks in debate may not include personal references to Members of the Senate.

□ 2300

Mr. BROWN of Ohio. Mr. Speaker, does that mean I cannot mention Speaker GINGRICH?

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Members of the Senate.

Mr. BROWN of Ohio. Mr. Speaker, I apologize for that.

At the time about 30 years ago, then Congressman DOLE said that Congress——

Mr. KINGSTON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from New Jersey [Mr. PALLONE] yield for a parliamentary inquiry?

Mr. PALLONE. I do not, Mr. Speaker. We are just doing special orders. There is no parliamentary inquiry.

Mr. BROWN of Ohio. I would say compliments to Mr. PALLONE on his leadership, not just last year but it seems that we are having the same debate this year. Last year the voters said no to the Gingrich plan of Medicare cuts and Medicaid cuts and draconian student loan cuts in order to give a tax break to the wealthy.

This year it is the same old song. It is coming back saying let us do it again. Last year, Speaker GINGRICH shut the Government down in order to try to get his Medicaid cuts and Medicare cuts and student loan cuts and weakening environmental laws in order to give tax breaks to the rich. He shut down the Government trying to get his way, and clearly the voters and the people of this country said that is not the way it ought to be. He gave up and now he is trying it again.

I cannot believe that we are going to have to go through this same debate. I hope that Speaker GINGRICH is not going to go so far this year that he threatens a Government shutdown to make Medicare wither on the vine and in order to get Medicare and Medicaid and student loan cuts, because clearly the country does not want to see this health care program—30 years ago, 50 percent of the elderly in this country had no health insurance. Today, only 1 or 2 percent have no health insurance. It has been a success.

We have to get costs under control, but we do not let the program wither on the vine. And on student loan cuts, it makes no sense because we as a nation have to compete globally. We cannot see middle-class students charged $5,000 per student more for a 4-year college education in order for Speaker GINGRICH to take that money from the cuts in student loans and giving it to tax breaks for the rich. It is not to balance the budget, but to give tax breaks to the wealthiest people in the country.

Mr. PALLONE, I applaud your work in opposing this budget rerun as we had a year ago that ended up in a Government shutdown trying to get tax breaks for the richest Americans and gutting the programs that matter to our parents and grandparents and to students.

Mr. PALLONE. I thank the gentleman from Ohio [Mr. BROWN] for joining in this debate tonight. If I could just inquire, because of the way the time was split, we have approximately 15 minutes left?

The SPEAKER pro tempore. Yes.

Mr. PALLONE. OK. Thank you, Mr. Speaker. I wanted to, if I could, comment on a couple of things that the gentleman from Ohio said, because I think they are really crucial. One is this concern that you have, which is extremely legitimate, over the fact that the number of uninsured, the number of people that have no insurance in this country continues to rise.

We know that that was one of the major reasons why President Clinton sought to address the health care crisis, if you will, in the last Congress because the number of people that have no health insurance in this country, and we are talking about all kinds of people, primarily working people, continues to go up.

One of the impacts, if you will, of cuts in Medicaid, is that the number of uninsured will go up even more so because Medicaid traditionally, and really progressively over the last 20 years, has been expanded to cover more and more people. One of the major concerns that I have about this Republican proposal that was unveiled today is that by discouraging the States essentially from matching, actually, I think not even allowing them or not expecting them, I should say to match the Federal Medicaid dollars to a 50–50 basis, what you do is actually have the amount of money that is spent on Medicaid decreased significantly, Federal and State dollars.

That is going to mean that a lot of children and elderly who are now insured and covered by Medicaid will not be covered anymore, and therefore will increase the ranks of the uninsured. I yield again to the gentleman.

Mr. BROWN of Ohio. Medicaid cuts across a broad section of people. It is poor children. It is also the elderly in nursing homes and it is also hospitals similar to the one I visited in Cleveland some months ago called Health Hill Hospital. It is a hospital where young people typically from under 18, not young children, who have been in a car accident or had some major traumatic injury, often head injuries, and their medical bills are $5,000 or $10,000 a month. They are often from middle-class families, but no middle-class family can pay that kind of medical cost, nor does their insurance very often cover that for more than a few months or a year or so.

It is things like that that can happen to all kinds of middle-class families and those major cuts in the Medicare for the elderly and Medicaid for so many others are so troublesome. But it is not just the dollars with Medicaid, it is also from the Gingrich plan last year in Medicaid. It took away the standards for nursing homes that President Reagan and the Congress in the mid-1980s enacted in response to oversedation of nursing home patients, in response to problems of safety in nursing homes where some older people were either, as I said, oversedated or restrained in their beds, and it took away these standards that both parties agreed to in the 1980s. And that is what is so troublesome.

There is consensus that Medicare and Medicaid makes sense for almost all of the American people. Almost all of us agree to that, both parties in the 1980's and both parties in the 1970's and both parties in the 1960's when they were created. Yet today this extreme Gingrich faction that is running this Congress says we want to not only cut these programs and let them wither on the vine; we want to take away the safety standards in nursing homes that mean so much to older people to make their lives a little better in the last 1 or 2 or 5 or 10 years of their lives and to take away the protection that people that your age, Mr. PALLONE, and my age have if our parents are in nursing homes that we will not go bankrupt in order to keep them in a nursing home to do that, or that we will not have to choose between do I put my mom and dad in a nursing home or do I pay for a children's education? Particularly with the student loan cuts.

To put Americans in that position where 40 or 50-year-old adults have to make choices between their parents or their children or where the protection is taken away, if in 20 years or so or 30 or 40 years I have to put my wife, or I would have to go in a nursing home, would my wife not even be able to live in the house that we live in at present? That sort of situation simply does not make sense.

Surely, again, we have to get these costs under control, but we do not let these programs wither on the vine and we do not take away this health care system that has worked for so many people in this country and today their lives are better. People that paid their taxes and raised their children and played by the rules and signed a covenant, they expect after paying into Medicare all of these years that they will have that health program for themselves and their family.

Yet Speaker GINGRICH want its to wither on the vine and not see that program anymore. I do not think it makes any sense. I do not understand why they want to rerun this debate that clearly the American people rejected in 1995 and are going to reject this year as long as people know about it and they cannot sneak it in the back-door.

Mr. PALLONE. Exactly. I just wanted to point to two surveys that were done, one involving the Medicaid safety net for children and the other for nursing homes. And just very quickly this is from an article that was in the Washington Post last November that says, "Medicaid safety net for children could be imperiled." It was a report by the Journal of the American Medical Assocation. It said, "From 1992 to 1993, an estimated 3 million children lost private health insurance as people lost jobs or employers stopped providing health insurance."

But until now, increases in Medicaid coverage resulting from past legislation, congressional legislation, that broadened eligibility under Medicaid basically offset the fact that a lot of people lost their jobs and their children are no longer covered by health insurance. For example, they said that in 1988, 66 percent of all children under age 18 had health insurance based on the employment of a family member and 16 percent were covered by Medicaid, but in 1994, the share with employer base health insurance had propped to 59 percent and the Medicaid to 26 percent. So even though people were losing health care coverage for their children because they were losing their jobs in the last five or 6 years, because of the expansion of Medicaid coverage for children under Federal guaranteed entitlement status. Most of those children continued to be covered by health insurance under Medicaid, but now if we block grant this to the States that will not be the case anymore.

Another study, this is from the New York Times back in November 1995, that pointed out how the Republican budget would create a shortage of nursing home beds for the elderly, and it says an array of advocates are warning that the Republican budget would put extraordinary strains on the Nation's patchwork system for paying for nursing homes. The chief threat comes from the Republican cuts to Medicaid. Critics say the changes proposed by the Republicans could diminish the availability of nursing home beds for all but the richest Americans, as well as its quality of care within those institutions and the amount of assistance available for care at the nursing home and would come apart when the over 85 population is projected to grow by 40 percent.

Again, the same way the number of children who did not have private health insurance was growing, the number of seniors who need nursing home beds is growing, and here we are at the time when these populations and needs are growing and those people would become uninsured and not have coverage. We are talking about block granting and providing less money to the States for the very coverage where there is more need. What you are pointing out is exactly on point.

The other thing that I wanted to mention that you talked about is this whole notion that somehow the Republicans, GINGRICH and the others, are

saying what we are really doing here is protecting Medicare because it is going to go insolvent and so we have to implement these cuts in order to make Medicare solvent 5 or 6 years from now.

Again, I would say nothing could be further from the truth. I mean, these cuts are not being implemented in order to protect Medicare. These cuts are being implemented to give the tax breaks for the wealthy. And the President in his budget resolution, in his budget that he proposed earlier this year, guarantees the life of the Medicare Trust Fund for at least a decade. His budget proves that the Republican Medicare cuts, the damaging changes that we have talked about, are not necessary to balance the budget. There is over $120 billion remaining in the trust fund and there is no imminent danger that claims will not be paid. And although the trust fund did not perform as well as projected in 1995, the difference between the actual and projected performance was within the typical margin of error and has been incorporated into budget projections.

Every year minor adjustments were made to make sure that the trust fund would remain solvent for the next decade. Democrats continued to do that. The President did that back in 1993. His health care reform would have expanded the life of the trust fund significantly. This is just an excuse, and I know you mentioned that. And I would not be surprised if our colleagues on the other side are going to suggest this again later tonight, that somehow GINGRICH and they are protecting the trust fund from insolvency. It is not true.

Mr. BROWN of Ohio. It is so important that Americans not be fooled by GINGRICH saying that we just want to protect Medicare by the next round of speakers trotting out their articles from conservative, generally pro-Republican newspapers, saying they just want to protect, whether it is the Washington Post or the Washington Times, that typically support the Republican agenda, the Wall Street Journal, to say that we are just trying to save Medicare. The Medicare cuts are for tax breaks for the wealthy, as have you said over and over, Mr. PALLONE, and as the voters clearly, and the public clearly understands from last year, when GINGRICH tried to do this before.

And it is clear that the Gingrich crowd here, the far right of the Republican Party that has supported all of this and pushed all of this, they have never believed in Medicare. They voted against it 30 years ago. Last fall the presumptive nominee of Speaker GINGRICH's party has said, "I was fighting the fight 30 years ago because we knew Medicare would not work." Speaker GINGRICH last fall himself said, "We just want it to wither on the vine. We cannot politically afford to get rid of it in round one, because the public will not stand for it."

They have never cared about Medicare. They voted against Medicare for 30 years, most not the middle of the Republican Party. But because that was the consensus, that Democrats and Republicans alike realized that the public supports Medicare, because that far right of the Republican Party that Speaker GINGRICH is so close to and that really runs things, and particularly the freshmen, all of them have clearly shown their opposition to Medicare year after year after year after year and that part of the party clearly does not support it.

They still do not support it. They will trot out newspaper articles showing how responsible they are, but it is obviously tax breaks for the rich and watch Medicare wither on the vine. That is what they are about. That is what they want to do.

They have a Washington Post article they will use, a newspaper that supported the Gingrich agenda time after time. It has a reputation of once being a more moderate paper with an editorial board made up of people that are conservative and do not support these programs, but representing the far right of that party.

Speaker GINGRICH's comments about Medicare that he wants to see it "wither on the vine" and "it is tax breaks for the rich" tell the whole story. They are simply not interested in saving this program but in gutting this program and in seeing it wither away.

Mr. PALLONE. I agree. I know our time is almost over here, but again if it were really true that they were concerned about the Medicare program, they would deal with it separately from the budget. They would not use the cuts in Medicare and Medicaid as a reason, if you will, or as the basis for these tax breaks that are provided in this new budget that they are trotting out. And even more important, they would not make the changes, the substantive changes in the Medicare program and the Medicaid program that we talked about this evening.

What they are doing is trying to push seniors into managed care, to deny them the choice of their doctors or their hospitals. They are including these balanced billed provisions that will force seniors to pay more out of pocket for the health care. All of these major structural changes in Medicare are being implemented and those are being done under the aegis or with the excuse that somehow they are trying to preserve Medicare as we continue, and it is just the opposite.

□ 2315

Mr. BROWN of Ohio. The medical savings accounts that the Speaker has extolled, the virtues, over and over and over again, as an idea of a big insurance company, major contributors to the Speaker that salivate over the prospect of getting to write all this insurance for a Medicare program that is withering on the vine. It means major income to them, major costs to senior citizens to pay for a tax break for the wealthy.

Mr. PALLONE. In fact, the Congressional Budget Office has clearly indicated that medical savings accounts will actually cost more money to the Federal Government. So if you are talking about trying to save money, that clearly is not the way to go.

I want to thank the gentleman again for being here tonight.

THE REPUBLICAN BUDGET

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under the Speaker's announced policy of May 12, 1995, the gentleman from Georgia [Mr. KINGSTON] is recognized for the balance of the time remaining before midnight as the designee of the majority leader.

Mr. KINGSTON. Mr. Speaker, I want to say to my friend from Ohio over here that if the Washington Post is a conservative newspaper, then the Grateful Dead is a country and western band.

I also, in fact, before he leaves, I was going to ask Mr. PALLONE about one of these quotes that I had because I thought this was interesting, April 24, "well, let me tell you, Members, that this trust fund is not broke." I cannot believe that a Member of the House would say that, contrary to all the evidence. But it is interesting.

I want to make this point because I asked our Democrat colleagues three times if they would yield, three times was denied, and one reason that I think my good friends would not yield any time is they wanted to have free rein of one of their most specious mistruths that I hear them say. That is the quote that the Speaker said that Medicare was going to wither on the vine, when they know, because we have pointed out to them that that was in reference to HCFA, the Health Care Financing Administration in Washington, and that the Democrat Party has notoriously and maliciously misconstrued that quote.

The reason why they would not yield time is because it is easy to run your mouth about something or talk about something when there is no one there to challenge you. If either one of them wanted to come to the floor right now and debate this, I control the time, I will be happy to yield to them so that they can talk about it. But otherwise, Democrats can continue to throw softballs back and forth to each other. Then Republicans can come down here and throw softballs back and forth to each other. And do you know who loses? The American people.

I think it is much better to have a truthful and honest dialogue than just this one-sided aren't we great, let's polish off our halos, let's convince the C-

SPAN audience. As long as you are here, I will yield time to my friend, Mrs. SEASTRAND from California, and the gentleman from Maryland, Mr. EHRLICH. We are going to talk about this.

Let me yield to the gentlewoman from California [Mrs. SEASTRAND].

Mrs. SEASTRAND. I just wanted to say, you have the quote of our colleague who has just spoken and he mentioned that it was the Washington Post, that the Washington Post was favorable to Republicans. I just would say, I have some quotes here from the New York Times and also from the Santa Barbara News Press, which is owned by the New York Times.

I would like to point out, the Santa Barbara News Press did not endorse my candidacy for Congress. The point is that new government data, this is February 5, 1996, New York Times, it says, new government data show Medicare's hospital insurance trust fund lost money last year for the first time since 1972, suggesting that the financial condition of the Medicare program was worse than assumed by either Congress or the Clinton administration.

And I have here a clipping from the Santa Barbara News Press, owned by the New York Times, that says, big, bold letters, Medicare trust fund loses $4 billion, Clinton administration downplays apparent miscalculations, but new data certain to fuel high stakes political debate over the solvency.

Mr. KINGSTON. I have two other sources that confirm the same thing. Here is the Washington Post, that great conservative newspaper which has endorsed every Democrat who has run for office for the President since the paper's existence, but it says here, Medicare is nearer to the red, that the Clinton trustee, who last April 3 predicted it was going to go bankrupt in 2 years, miscalculated. And then this other chart shows what the actual trust funds are for the fiscal year 1996, right now losing over $4 billion, $4.2 billion, year to date. This chart is actually as of April 23, 1996, this comes from the New York Times, which, again, is not any kind of a conservative propaganda sheet by anybody's stretch. But this is fact. And what is so amazing is we still have the Democrat party and leadership in absolute denial.

Mr. EHRLICH. Mr. Speaker, if the gentleman will yield, it is a pleasure to participate in special orders with the gentleman from Georgia and the gentlewoman from California. We had a great special order last week.

I have to tell you, just as observation as a freshman coming here from the State legislature, 8 years in Annapolis, where obviously C-SPAN does not televise the proceedings and the parties do not fight like this and the PAC's are not there and the high stakes are not there, but I have to tell you, the debate in Annapolis was so honest. People dealt with facts.

My best friends in the committee I sat on in the State legislature were people who did not agree with myself philosophically, but we would fight over facts and then would go out and have lunch.

I come here and I watch episodes like we just observed and it is really interesting. I guess my question to you is a rhetorical question.

Why cannot folks on the other side simply debate with respect to facts? Why can they not say, look, EHRLICH, look at you Republicans, Medicare should increase 10 percent a year. If it grows 7 percent a year, it is not good enough. At least they would be intellectually honest. We could have a real give and take.

I suspect the fact you were not allowed into the conversation, no time was yielded to you, was they know that is the case. They know a 7-percent increase per year, as the Republican budget proposal proposed, is no cut.

But look at the terminology, look at the words they use. And you just saw a great example of it here. The half-truths, the innuendo, the term "extremist," one of my favorite terms these days. I guess an extremist is in this House these days those who come to Washington with a philosophical orientation who believe certain things, who have principles and who do not compromise those principles but actually believe that Members of Congress should bring those principles on this floor.

Of course, compromise is part of the political game. We all know that. But you have fundamental beliefs and principles that should drive you as an adult politician and we are adult politicians. It is a great honor to stand here tonight and talk to the American people, but why do they have to turn to the rhetoric, the half-truths and the innuendo every time.

Mr. KINGSTON. let us look at this, because here we have a trust fund that has lost $4.2 billion a year to date on Medicare. Here we have the Clinton appointed Medicare trustees last April saying that it would be broke in 6 years. Then what do we have? We have the minority Democrat leader, DICK GEPHARDT, saying, the Republicans are saying this because the report will have solvency problems that there is a great emergency, this is a hoax.

That was said on Meet the Press, July 30, 1995. Another one, great DICK GEPHARDT again: It is a big lie to say that Medicare is in trouble.

These are people who are paid $134,000 a year. They ought to know what the truth is.

Mr. Speaker, on the time, I did not get that courtesy from our Democrats who just spoke, but I offered them some of our time to defend this statement.

Let me tell Members that this trust fund is not broke.

Well, let me tell the gentleman who just spoke, here is the chart. I do not know what you call it when you have more money going out than you do coming in. But back home on Main Street America, when that happens to American families, that is called going broke.

Mrs. SEASTRAND. I guess this is just proof that the Members from the other side of the aisle have been in control of this House for 40 years, and we are now suffering the consequences of those 40 years with a $5 trillion debt. I guess it is just telling us that perhaps it is their misunderstanding of how you take money in and you only spend what you have, and I guess it is the old standby that that is why we are in trouble because they just do not get it. We were spending more than we were taking in. I think this is just a proof of it.

If the gentleman does not understand that 4.2 billion is a trust fund in trouble, then that explains 40 years of recklessness in this House.

Mr. EHRLICH. Mr. Speaker, I really have a caveat to your observation because these folks are obviously very intelligent. I am not sure it is a misunderstanding. I think it is an understanding. What they understand is, if you go to this floor often enough and use quotes out of context and use words like extremist and use arguments that are not based in fact, but if you repeat those arguments time and time and time and time again, every night, on TV, on radio, on the floor of this House, some people will buy your argument. Some people will. They understand that. I really think that is a logical extension of your remarks.

Mr. KINGSTON. On our truth meter here tonight I have three lies real quickly. Two we have dealt with. One is misconstruing the Speaker's quote, which was an outright deliberate misrepresentation, a lie, as we would say back home. No. 2, saying that a fund that is losing money does not have financial problems. Then No. 3, saying that the new Republican budget cuts Medicare, when the Republican budget that has just been introduced this year actually increases Medicare spending from, and I have the exact number with me, it goes up to $305 billion from $190 billion.

So here the Republican budget increases Medicare spending from 190 to 305 billion and we have heard people as recently as 20 minutes ago saying this is a cut.

Mrs. SEASTRAND. That is almost a 70 percent increase.

Mr. KINGSTON. We are going from about $5,000 per individual.

I notice that the gentlewoman from California has a beautiful picture of her mother there.

Mrs. SEASTRAND. I decided to bring a picture of my mom because I sometimes think that people think that we

on this side of the aisle were hatched. We have moms. We have dads. We have grandparents. We have children. And we are concerned.

I just grabbed my mom's picture because I was listening to the working in my office and listening to the debate or I should say the discussion earlier this evening. I could not believe my ears. I just grabbed a picture of mom to say that this is my mom, and she desperately depends on Medicare. She is concerned about what is happening on the House floor and what is going to happen with the President. Are we going to save Medicare?

I just brought down a picture of Mom so that we can take a look at her while we will have this discussion.

Mr. KINGSTON. For Mother's Day you can tell her that the Republican proposal for Medicare increases her benefits from $5,000 to $7,000 and saves the fund from going broke by giving her more options. Those options, as we all know, put more competition in there, give your mother a little bit more to choose from than a Blue Cross, Blue Shield policy.

Mr. EHRLICH. Mr. Speaker, just one observation, I think, forms that background for this discussion. Short-term political calculations have ruled this House.

By the way, it is a bipartisan. Republicans have made their share of mistakes, we all know that. But short-term political calculations have ruled this House for decades. By that I mean, let us not tell the American people the facts. Let us hide the deficit. Let us hide the problems of Medicare.

If we just repeat what people want to hear rather than the truth, we will get reelected. Of course, traditionally that is the way you get reelected. It is so refreshing to be with folks who have come to Congress in the last year and a half, some on the other side of the aisle, relatively few, who are willing to tell the truth to the American people because in my view, that is what defines leaders.

I do not think it takes any particular talent to be a politician. Any of us can go hire a pollster, read the poll results and tell people what they want to hear. There is no particular talent in doing that. But to have the courage of your convictions, to have principle, to have political guts to go tell the American people, look, folks, we have to do something, your mother depends on Medicare. Your mother wants to hear the truth. Your mother want to hear a party with ideas, a party with a plan to save Medicare.

□ 2330

They do not want to hear fear and fear and fear mixed with a little generational warfare, a little class welfare. "Let's scare some of the seniors. Let's scare some of the folks at the lower end of the economic scale. Let's talk about the rich people."

I would love for them to define rich one day. That defines politicians. What defines leaders in my view are folks with principles and ideals, willing to bring their case to the American people. That is why it is fun to be with the Members here tonight.

Mr. FOX of Pennsylvania. If the gentleman will yield, I first want to thank the gentleman from Georgia [Mr. KINGSTON] for having this special order and taking the time to speak out on these important issues along with the gentlewoman from California [Mrs. SEASTRAND] and the gentleman from Maryland [Mr. EHRLICH]. Your points are well taken tonight that you have made about Medicare.

The Republican Party has led the way in making sure that we roll back the 1993 unfair Social Security tax. The same party, the Republicans, also allow seniors to earn more than $11,280, actually up to $30,000 over the next 5 years. The same Republican Party is also looking out for seniors on Medicare. We want to make sure that there is more money there for health care services.

What we have done in our proposal which is not yet the law is going to make sure we remove $30 million in fraud, waste and abuse. It is also going to make sure that medical education for interns and residents, the indirect costs, is on a line item that is protected but not part of Medicare because we need health care for seniors, it just goes to seniors. Also reducing our paperwork costs from 12 percent to 2 percent. All of those things that we have been working for will make sure that Medicare will be solvent, protected and expanded for this generation of seniors and the ones to follow.

Mr. EHRLICH. If the gentleman will yield for a question, I agree with everything you said but you just took about a minute and a half to lay out principles, facts and bills and proposed statutes.

Our problem is, though, that is a poor soundbite. You just talked about facts, about real bills. Is it not easier to scare the American people, to use fear as a political weapon? To say, "Those people want to cut Medicare"? Boom. Three seconds. It is tough, is it not?

Mr. FOX of Pennsylvania. That has been our problem up till now, but I think by having this special order that the gentleman from Georgia [Mr. KINGSTON] has reserved for tonight and by bringing together I think some of the sharpest minds we have in Congress like yourself and the gentlewoman from California we are able to hopefully get the message out that we are trying to take the extra time, the extra effort to explain what is happening and the fact that we need the American people's support to make sure this proposal is in fact passed.

Mrs. SEASTRAND. If the gentleman will yield, you commented about you would hope that one day they would define rich. I served in the State assembly in California. When we talked about giving the working family, the taxpayer out there, Dad and Mom, a tax break, we would hear the same cries from the floor of the assembly. I just have a feeling that you probably heard it in your service to your State about the rich.

I would like to quote the gentleman from Missouri [Mr. GEPHARDT], the House minority leader, in a press statement made on May 7. I quote, and we heard it earlier from the colleagues that preceded us.

"But the Republicans thought it was better to lavish more tax cuts on their wealthy special interest supporters."

You had asked, can we define rich? I would like to run through some of those rich, wealthy special interest supporters that I voted for and that you voted for, some of the things that we want to see for them.

How about taxpayers with income below $100,000? Eighty percent of the GOP tax cuts go to people making less than $100,000 while 61 percent to those earning between $30,000 and $75,000.

How about the small business owner? That is what makes up the majority of jobs on the central coast of California. We have a pro-job, capital gains tax relief that will affect middle-class business owners.

There was an IRS analysis of 1993 tax returns, and that analysis found that 77 percent of tax returns reporting capital gains were filed by taxpayers with incomes less than $75,000. Again, maybe that is rich to some people. Families with children. The $500 tax credit per child applies to families with incomes below $110,000, and that is joint return, or $75,000 single.

Or how about married couples who claim the standard deduction, mostly those with incomes less than $50,000. Our tax package corrects the current problem of a married couple filing jointly who pay more in taxes than if they were unmarried and filing separately.

We hear a lot about the destruction of the family and we want to help families. Again, maybe this is their definition of rich, married couples who are making less than $50,000.

The other two, families who want to adopt a child. Families with incomes below $75,000 would qualify for the maximum credit of $5,000 to defray adoption expenses. Last, families who care for their elderly parent at home, they would receive a $1,000 elder care deduction. So I rest my case. Those are the rich that the other side of the aisle talk about all the time.

Mr. KINGSTON. I think it is also important to note that just about everybody in working America buys gasoline and we have a President who has bragged about, "I feel your pain." I believe he feels people's gas pain, too, because he caused it, with an additional 4

cents per gallon gas tax. Every time you fill up with 10 gallons, you pay 40 cents more because of the 1993 Bill Clinton gas tax.

I represent a rural area. Folks have to drive a long way to get places. It hurts them disproportionately. I know out west people are hurt disproportionately. Working people, the people with lower incomes, have a higher percentage hit. This is a 30 percent gas tax increase. The average gas tax right now per gallon is 38 cents. That is the combination of Federal and State. Are we saying now that only wealthy people buy gas?

Mrs. SEASTRAND. If the gentleman will yield, George Stephanopoulos was in Santa Barbara this last weekend. He admitted that he really does not fully understand this situation because he only lives a few blocks from the office, the White House.

Those that live here on Capitol Hill and work here in the administration obviously do not understand what our folks in our rural areas of the world have to do. They have to drive a distance, from work to their home, or to the grocery store, or to the gas station. In some instances they make a 100-mile round trip and maybe more. Yet that was quite an interesting comment because they just do not get it here in Washington, D.C. about how all the rest of us live.

Mr. KINGSTON. It is a complex problem, buying gas. I could see why Mr. Stephanopoulos could not follow it. "You mean people actually fill up the gas tank and drive to work?"

That would be revolutionary over there on Pennsylvania Avenue.

Mr. EHRLICH. If the gentleman would yield, this is coming from a man who said about this President, for this President, "Words are actions," which is an interesting thing to say when you think about it. Because words are not actions. Words are cheap. Words are really cheap in this town.

It is really nice and a pleasure to serve with people for whom words have meaning. Candidate Bill Clinton, 1992. "I oppose Federal excise gas tax increases."

Words should have meanings. I want to debate those folks on the other side with respect to words and facts, because words should have meanings. The reason people are so skeptical and cynical about politics and about this floor and about this institution is that they see comments like, for this President, "Words are actions." Words should have ramifications, words should have meanings, even in an election year, even in this town, even on this hill.

Mr. FOX of Pennsylvania. If the gentleman will yield, just as a corollary or an adjunct to what you are saying, in 1992 when the President ran, he said he wanted a middle class tax cut, to end welfare as we know it and a balanced budget amendment. We sent him all 3, he vetoed all 3. That goes right back to what you are talking about.

Mr. EHRLICH. Absolutely. Eloquent rhetoric. We all sat on this floor and watched the master politician. I hate being called a politician. I know you all hate it, too. Because politicians tell people what they want to hear. I know you three and I know a lot of people who sit in these chairs every day do not tell people what they want to hear, they tell people what they believe and what they think is best for the future of the country. As I have said earlier, that distinguishes politicians from leaders. Leaders lead. Politicians hire pollsters to tell them what they think the American people want to hear.

Mr. KINGSTON. Another great example of this is the minimum wage. It sounds great. "Let's give people 90 cents an hour more. It won't hurt them."

Yet if you look at what an increase in the minimum wage has done over the last increases, it decreases the number of jobs that are out there. This will cost Americans over 250,000 jobs. There are some interesting statistics on the minimum wage when we look at it.

Only 2 percent of the people get minimum wage over 30 years old on an average. Thirty-nine percent of the people making minimum wage are teenagers. Sixty-six percent of the people making minimum wage are part-time workers. And on an average, an employee who starts at minimum wage today, in one year has a salary of $6.05 an hour.

When you look at this and think that if you increase the minimum wage, you eliminate the number of jobs, you are going to increase the cost of groceries or services, goods and whatever it is that the retail stores sell, it is not a winner for the taxpayer, it is not good for the job seeker, it is not good for the teenager, it is not good for the employees, and it is not good for middle class America. Even though it is politically expedient to say, "Yeah, let's give them a raise."

But the thing is, we have offered a gas tax cut, $500 per child tax credit, lower taxes on income taxes and things like this. You can put more real dollars in the pockets of American workers without expanding the size of government and government mandates.

Mr. EHRLICH. If the gentleman would yield for a brief moment, words are cheap. Words mean nothing. Bill Clinton, February 6, 1993.

Raising the minimum wage is the wrong way to raise the incomes of low-wage earners.

Should the American people not get to believe what politicians say at some time? Or are we just going to allow pollsters and poll-driven politicians to drive the agenda in this country so that short-term political calculations that get you elected contribute to the $5 trillion in debt we suffer from in this country and the inability of this Congress to show the political guts to dive head-on into the real problems facing the society today. Is that not what leadership is all about?

Mrs. SEASTRAND. If the gentleman will yield, I would like to quote also that famous quote at the fund-raising dinner that the President stated on October 17 where he said, "I think I raised your taxes too much, also."

I want to remind the gentleman here that as of yesterday, working families across this Nation are going to be providing for their own needs. Prior to yesterday, they worked for government, whether it was the local entity of government, State government or the Federal Government. They now have the freedom to work for their home, to pay for their cars, to pay for their children's education, for their clothes and such.

Words are cheap. Because here we have the President admitting that he taxed Americans too much and yet we have to fight the battle to reduce taxes in this town.

Mr. KINGSTON. Wait a minute. I want to make sure I understand. You are saying that May 8 was Tax Freedom Day and you are saying from January 1 to May 8, that all the income earned in that period of time went to the government? Is that what you are saying?

Mrs. SEASTRAND. One hundred twenty-eight days.

Mr. KINGSTON. I thought that day was back in April. April 15. Why are we in May?

Mrs. SEASTRAND. The gentleman probably knows the answer to that. It is the fact that government is growing and taking more and more and with such increases, such as we saw in 1993 with the gas tax, and the other increases for many other programs here in Washington, DC.

This place represents Washington values and not the values of American families. But that is right. One hundred twenty-eight days, the average working man and woman work to pay for taxes at all levels of government. It is pretty amazing.

Mr. FOX of Pennsylvania. If the gentleman form Georgia will yield further, just to add to what the gentlewoman from California [Mrs. SEASTRAND] said, that is all the taxes that take it up to May 8. But adding up all the Federal, State and local regulations, you actually get into July before you start receiving a dollar you can keep.

I think what this 104th Congress has done, we have really, with the Republican majority, been able to derive some things that the gentleman from Maryland [Mr. EHRLICH] talked about earlier which will give us permanent change. We passed a balanced budget for the first time since 1969; we passed the line-item veto which is now the law so we can cut out pork-barrel legislation just to get Congressmen or Senators reelected; we ended unfunded

mandates where we tell local governments, "You have got to pay for this just because we passed a bill on to you"; and we passed regulatory reform. By doing that, we hope that Americans will be able to keep more of their paycheck instead of sending so much to Washington to go to more waste and programs that have already taken care of this.

□ 2345

Mr. KINGSTON. Are those things passed into law or are they sitting over in the Senate?

Mr. FOX of Pennsylvania. Well, the line-item veto was passed into law. The unfunded mandates, that is in the law. Regulatory reform is going to wait for the conference committee of the House and Senate. And balanced budget went to the President already twice, so I think the third time will be the charm and hopefully we will get the President to sign the balanced budget.

Mrs. SEASTRAND. If the gentleman would yield, we talk about taxes that we pay to May 8 and then talk about regulations that would cost us until July. The gentleman from Georgia was pointing out about the tax increase that all of us suffered as of 1993, and I just would say that if we repeal the gas tax and get that signed into law, we are going to save low- and middle-income families almost $70 a year. If we take a nationwide average, that is $48 in everyone's pocket by savings on what they are putting in the tank.

Mr. EHRLICH. If the gentlewoman would yield, here we are talking about for the most part, with the exception of the gas tax repeal, intangible benefits. Five trillion dollars in debt, does anyone know what that looks like? The regulatory burden that our small business folks suffer from, we pay for a good at the market or at the store but we do not think about the regulatory burden. It adds to the consumer price of the good, but we do not think about it.

Is it not always easier to run a 30-second attack ad? "Those Republicans, the class warfare, they will not raise the minimum wage. They do not want to put a few more cents into your pocket." Never mind the folks, the marginal workers, minority workers, unskilled workers, disabled workers who will lose their jobs when we raise the minimum wage. They do not talk about that. Inconvenient. Bad sound bite.

How about the class warfare? It is very frustrating, although I am really personally not as frustrated. As I go back to my district on weekends and some weeknights and talk to folks, they get it. People are not stupid.

Seniors are not dumb. I refuse to believe that most seniors in this country buy what we just heard an hour ago. Seniors are the most sophisticated group in this population. Your mom is smart. My parents are smart. They know what is going on. They can read the newspaper. They can add the numbers up. They understand why we are in the fiscal crunch we are in.

And to run a campaign based on fear and fear alone, the gentlewoman from California just whispered to me before we went on the floor here. She said, where is their idea? Where is their plan?

Mrs. SEASTRAND. Where is the plan?

Mr. EHRLICH. There is no plan. It is fear. Fear wins elections. Class warfare wins elections. If they can get that woman making $18,000 a year to be jealous of that woman or that guy making $24,000 a year, guess what, they got a vote in the other column. Class warfare works.

Remember the speeches during the 1992 campaign? Well, that trickle down speech, that trickle down speech is capitalism. We are a capitalist society. We want people to have a piece of the American pie. We want to grow the American pie, not turn class against class, grandchildren against grandparents.

I cannot wake up every day and come to this House thinking that fear will dominate American politics and that class warfare will dominate American politics and that half truths will dominate American politics after the 1996 election.

Mrs. SEASTRAND. If the gentleman would yield, I do not know about you, but I get quite a few letters from seniors in the district, and they say, "We know that there is a problem. Please fix it so that we can have something for our children and our grandchildren." You are right, our seniors are not dumb, and I think when they are presented with the facts, they understand.

Many of those seniors lived during the depression, my mom did, and went through some very hard times, and they do not want to really see those hard times for their grandchildren. They want to have the hopes and dreams, and you are right, we want to expand opportunities for everyone. We do not want to expand those bureaucracies, and we want to be honest with people to find honest solutions to problems that are facing us. But you are right, fear does sell for that quick fix before an election.

I am glad to stand here with gentlemen that want to face some hard polls sometimes. The figures do not always come out, but we have a job here to try and tell people why something may be bad policy, like the minimum wage, and how it is going to destroy jobs for the very people that we want to help.

The gentleman is right, fear does sell things, but in the long run, I am going to be able to face myself and look myself in the mirror if I can be honest and true with the American voters, honest and true with my mom and honest and true with the voters across America.

Mr. EHRLICH. If the gentlewoman would yield for just a second, I ask that the gentleman from Georgia throw that "medigoguery" article back up. I think too often as Republicans we get skittish and defensive about big-city newspapers who in a very real philosophical sense do not support us most of the time.

So when big-city newspapers, like the Washington Post and the Baltimore Sun papers and other major papers, the New York Times, around the country have the courage of their convictions to tell the American people the truth, like this editorial, I would ask the gentleman to read some of the pertinent parts of this editorial.

This is what those folks you heard an hour ago do not want the American people to hear, and I would yield to the gentleman from Georgia.

Mr. KINGSTON. Well, what this editorial had to do with was when we introduced our plan to save and protect Medicare and the Democrats started demagoguing it through fear because, as Mrs. SEASTRAND said, they had no plan of their own. So what this does is says the Democrats, what they are doing is pretty crummy stuff. They are engaged in demagoguery big time and it is wrong, and it goes on to say that the Republicans have a plan, the Democrats do not. The Republican plan is gutsy and the Democratic TV ads are just scare tactics.

I think the sad thing here is that we are in a debate right now where, frankly, neither side is gaining because neither side has credibility, because the American people hear us, they think well, they have a good point. Then they hear the Democrats, they say, well, I did not know that. After a while they do not know who to believe. That is why I was so disappointed tonight when the Democrats would not yield us time to have a dialogue, and I was further disappointed when we tried to yield time to them.

But we have to have a dialogue back and forth that puts America center stage, not Republicans and not Democrats but America, what is good for your mother, what is good for mine, and also what is good for my children and your children.

Let me yield to the gentleman from Pennsylvania [Mr. FOX], and I know we have to wrap it up.

Mr. FOX of Pennsylvania. One of the things we are also doing for seniors is to make sure with Social Security—we are the ones leading the charge, the Republican majority—to make sure that $358 billion owed to the Social Security Trust fund, through our line-item veto and other cost-cutting measures from real waste in the government, goes back and we make sure those funds are restored.

Prior congresses have taken money from the Social Security Trust Fund.

We want to make sure it gets restored so the Social Security Trust Fund will forever be solvent and be working. We are also working to make sure there are in-home services for our seniors so they live longer, independent and at home before they have to go to any other skilled care. We are also working on that.

Seniors have done so much to make sure we have the opportunity to be here, and we appreciate their getting back to us about suggestions on making sure that we save some important programs but eliminate the waste and making sure the country truly gets its money's worth.

Mr. KINGSTON. I think we need to wrap it up.

Mrs. SEASTRAND. Well, I just would say it is a pleasure talking, and I guess we will have to be down here every evening trying to make the points and trying to tell the American people that we sincerely want to preserve Medicare, to save it for our moms, our dads, our grandparents, and for our children who are depending on us to do so for the future.

□ 2353

It is a pleasure being with you this evening.

Mr. EHRLICH. It is a pleasure being with everybody. Demagogues hate facts, but truth usually wins out.

Mr. KINGSTON. Mr. Speaker, I heard a similar quote that said ignorance and bliss is easy. Let me just say that I think it is important for all of our constituents to call us, to write us, to get involved, to come to town meetings and so forth. We are in a huge national debate. We have a budget that has a deficit of about $140 billion to $150 billion. We have a $5 trillion debt. We cannot pass this legacy on to our children, and we will not even be able to do, because the day of reckoning is coming sooner than that.

I will close with one story I tell many, many times, you have all heard it, a story about a guy crossing the road. He gets into the middle of the road, and a car comes whizzing around the corner. All of a sudden, the man jumps out of the way, the car swerves to the same direction. The man jumps to the right, the car swerves to the right; the man jumps to the left, the car swerves to the left. Back and forth. At the last possible minute, the man jumps out of the way, and the car pulls up next to him. The driver rolls down the window, and it is a squirrel, and he says, "It ain't as easy as it looks, is it?"

I think that is the situation we are in in the United States of America right now. We have got a lot of problems, and it is not going to be easy, and it is not going to be something where you can just stay at home and say this is what ought to happen. We all need to be involved in this. But we are America, and Americans have always risen to the challenge, and we will get through these problems today.

Thanks for being with us.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DICKEY (at the request of Mr. ARMEY), for today after 6:00 p.m. and for the balance of the week, on account of attending his daughter's college graduation.

Mr. HOUGHTON (at the request of Mr. ARMEY), for today until 5:30 p.m., on account of official business.

Mrs. FOWLER (at the request of Mr. ARMEY), until 11:30 a.m. today, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. MEEHAN, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. DOYLE, for 5 minutes, today.

Ms. BROWN of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. LONGLEY) to revise and extend their remarks and include extraneous material:)

Mr. WOLF, for 5 minutes, on May 10.

Mr. CHAMBLISS, for 5 minutes, today.

Mr. LONGLEY, for 5 minutes, today.

Mr. BARR of Georgia, for 5 minutes, today.

Mr. FOX of Pennsylvania, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following members (at the request of Mr. PALLONE) and to include extraneous material:)

Mrs. MINK of Hawaii.

Mr. WYNN.

Mr. STARK.

Mr. MILLER of California.

Mr. LAFALCE.

Mr. FAZIO of California.

Mr. RANGEL.

Mr. HOYER.

Mr. HAMILTON.

Mr. POMEROY.

Mr. LANTOS.

Mr. JOHNSON of South Dakota in three instances.

Mr. GORDON in 10 instances.

Mr. SERRANO.

Mr. PICKETT.

Mr. KANJORSKI.

Mr. KLECZKA.

(The following Members (at the request of Mr. LONGLEY) and to include extraneous material:)

Mr. DORNAN in three instances.

Mr. GOODLING.

Mr. STUMP.

Mr. TORKILDSEN.

Mr. CALLAHAN.

Mr. FORBES.

Mr. HAYWORTH.

Mr. CRANE.

Mr. HOSTETTLER.

ADJOURNMENT

Mr. KINGSTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 55 minutes p.m.), the House adjourned until Friday, May 10, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2895. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Sheep and Wool Promotion, Research, Education, and Information: Certification and Nomination Procedures for the Proposed National Sheep Promotion, Research, and Information Board (Board) (Docket No. LS-94-015A) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2896. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Sheep Promotion, Research, and Information Program: Rules and Regulations (Docket No. LS-95-010) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2897. A letter from the Administrator, Foreign Agricultural Service, transmitting the Service's final rule—Agreements for the Development of Foreign Markets for Agricultural Commodities (RIN: 0051-AA24) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2898. A letter from the Comptroller General of the United States, transmitting a review of the President's fifth special impoundment message for fiscal year 1996, pursuant to 2 U.S.C. 685 (H. Doc. No. 104-209); to the Committee on Appropriations and ordered to be printed.

2899. A letter from the Deputy Secretary of Defense, transmitting the Department's report on assistance to the Red Cross for emergency communications services for members of the Armed Forces and their families, pursuant to 10 U.S.C. 2602 note; to the Committee on National Security.

2900. A letter from the Under Secretary of Defense (Acquisition and Technology), transmitting certification that the standard missile 2 block IV major defense acquisition program is essential to the national security; has no alternative that would cost less; its new estimates are reasonable; and its management structure is adequate, pursuant to 10 U.S.C. 2433(e)(1); to the Committee on National Security.

2901. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense

Federal Acquisition Regulation Supplement; Cost Reimbursement Rules for Indirect Costs—Private Sector (DFARS Case 96-D303) received May 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

2902. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Educational Assistance: Technical Amendments (RIN: 2900-AH59) received May 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

2903. A letter from the Secretary of Defense, transmitting the Secretary's certification that the current Future Years Defense Program fully funds the support costs associated with the Longbow Apache program, pursuant to 10 U.S.C. 2306(i)(1)(A); to the Committee on National Security.

2904. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize consent to and authorize appropriations for the United States contribution to the fifth replenishment of the resources of the African Development Bank, pursuant to 31 U.S.C. 1110; to the Committee on Banking and Financial Services.

2905. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize consent to and authorize appropriations for a United States contribution to the interest subsidy account of the successor [ESAF II] to the Enhanced Structural Adjustment Facility of the International Monetary Fund, pursuant to 31 U.S.C. 1110; to the Committee on Banking and Financial Services.

2906. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the U.S. contribution to the 10th replenishment of the resources of the International Development Association, pursuant to 31 U.S.C. 1110; to the Committee on Banking and Financial Services.

2907. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the 82d annual report of the Board of Governors of the Federal Reserve System covering operations during calendar year 1995, pursuant to 12 U.S.C. 247; to the Committee on Banking and Financial Services.

2908. A letter from the Assistant to the Board, Federal Reserve System, transmitting the Reserve's final rule—Section 23A of the Federal Reserve Act—Definition of Capital Stock and Surplus (Docket No. R-0902) received May 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

2909. A letter from the Assistant to the Board, Federal Reserve System, transmitting the Reserve's final rule—Securities Credit Transactions; Review of Regulation T, "Credit by Brokers and Dealers." (Docket No. R-0772) received May 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2910. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting copies of the original reports of political contributions for the following: Arlene Render, of Virginia, (Republic of Zambia); Stanley N. Schrager, of Illinois, (Republic of Djibouti); Alan R. McKee, of Maryland, (Kingdom of Swaziland); John F. Hicks, of North Carolina, (State of Eritrea); and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on International Relations.

2911. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on the efforts to train and equip the Federation of Bosnia and Herzegovina military as part of an initiative to enhance regional stability; to the Committee on International Relations.

2912. A letter from the Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rules—(1) Groundfish of the Bering Sea and Aleutian Islands Area; Rock Sole/Flathead Sole/"Other Flatfish" Fishery [Docket No. 960129019-6019-01; I.D. 041296A], (2) Groundfish of the Bering Sea and Aleutian Islands Area; Atka Mackerel in the Central Aleutian District [Docket No. 960129019-6019-01; I.D. 041296B], and (3) Groundfish of the Gulf of Alaska; Deep-water Species Fishery by Vessels using Trawl Gear [Docket No. 960129018-6018-01; I.D. 041296C] received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2913. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Pacific Coast Groundfish Fishery; Closure and Trip Limit Reduction [Docket No. 951227306-5306-01; I.D. 043096A] received May 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2914. A letter from the Administrator, Environmental Protection Agency, transmitting the Agency's study to determine whether liners or other secondary means of containment should be used to prevent leaking or to aid in leak detection at onshore facilities used for bulk storage of oil and located near navigable waters, pursuant to Public Law 101-380, section 4113(b) (104 Stat. 517); to the Committee on Transportation and Infrastructure.

2915. A letter from the Secretary of Transportation, transmitting the Department's report on the functions of the Interstate Commerce Commission, pursuant to Public Law 103-311, section 210(b) (108 Stat. 1689); to the Committee on Transportation and Infrastructure.

2916. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Great Lakes Pilotage Methodology (RIN: 2105-AC21) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2917. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Audits of State and Local Governments (RIN: 2105-AC44) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2918. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Fire Island Lighthouse Fireworks Display, Fire Island, NY (RIN: 2115-AA97) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2919. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Boating Safety Parade; Charleston, SC (RIN: 2115-AE46) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2920. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Saginaw River, MI (RIN: 2115-AE47) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2921. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulation: World's Fastest Lobster Boat Race, Moosabec Reach, Jonesport, ME (RIN: 2115-AE46) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2922. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Key West Super Boat Race; Key West, FL (RIN: 2115-AE46) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2923. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Hazardous Materials Transportation Regulations; Compatibility with Regulations of the International Atomic Energy Agency (RIN: 2137-AB60) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2924. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Harvard-Yale Regatta, Thames River, New London, CT (RIN: 2115-AE46) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2925. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Sensenich Propeller Manufacturing Company Inc. Models M76EMM, 76EMMS, 76EM8, and 76 EM8S( ) Metal Propellers [Docket No. 95-ANE-03; Amendment 39-9583; AD 69-09-03 R3] (RIN: 2120-AA64) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2926. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AlliedSignal, Inc. LTS101-600 Series Turboshaft Engines [Docket No. 95-ANE-12; Amendment 39-9609; AD 96-10-04] (RIN: 2120-AA64) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2927. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737 Series Airplanes [Docket No. 96-NM-84-AD; Amendment 39-9611; AD 96-10-06] (RIN: 2120-AA64) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2928. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Standards; Transport Category Rotorcraft Performance (RIN: 2120-AB36) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2929. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Rotorcraft Regulatory Changes Based on European Joint Aviation Requirements (RIN: 2120-AF65) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2930. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; John Day, OR—Docket

No. 96-ANM-002 (RIN: 2120-AA66) (1996-0016) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2931. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Camp Guernsey, WY—Docket No. 96-ANM-5 (RIN: 2120-AA66) (1996-0018) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2932. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model MD-11 Series Airplanes [Docket No. 96-NM-77-AD; Amendment 39-9612; AD 96-10-07] (RIN: 2120-AA64) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2933. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Exemption, Approval, Registration and Reporting Procedures; Miscellaneous Provisions (RIN: 2137-AC63) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2934. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Lifesaving Equipment (RIN: 2120-AA64) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2935. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the Administrator's determination that it is in the public interest to use other than competitive procedures for the acquisition of hardware, software, and integration services necessary to implement the integrated financial management [IFM] system, pursuant to 10 U.S.C. 2304(c)(7); to the Committee on Science.

2936. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Medical; Nonsubstantive Miscellaneous Changes (RIN: 2900-AH95) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

2937. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Medicare and Medicaid Programs; Conditions of Coverage for Organ Procurement Organizations [OPOs] (RIN: 0938-AE48) received May 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); jointly, to the Committees on Ways and Means and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the property calendar, as follows:

Mr. HYDE: Committee on the Judiciary. H.R. 2604. A bill to amend title 28, United States Code, to authorize the appointment of additional bankruptcy judges, and for other purposes (Rept. 104-569). Referred to the Committee of the Whole House on the State of the Union.

Mr. SOLOMON: Committee on Rules. House Resolution 430. Resolution providing for consideration of the bill (H.R. 3230) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1997, and for other purposes (Rept. 104-570). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONO (for himself, Mr. MCCOLLUM, Mr. SMITH of Texas, Mr. BARR, and Mr. FLANAGAN):

H.R. 3422. A bill to amend chapter 1 of title 9 of the United States Code to permit each party to certain contracts to accept or reject arbitration as a means of settling disputes under the contracts; to the Committee on the Judiciary.

By Mr. CAMPBELL (for himself, Mr. MCINTOSH, Mr. CLINGER, Mr. PACKARD, Mr. BONO, Mr. UPTON, Mr. HORN, Mr. SCARBOROUGH, Mr. LARGENT, Mr. CASTLE, and Mr. ZELIFF):

H.R. 3423. A bill to provide that an individual may not serve more than two terms as a member of any independent regulatory commission, and to authorize an individual to continue to serve as a member of an independent regulatory commission for not more than 1 year following the expiration of the term of the individual; to the Committee on Government Reform and Oversight.

By Mr. JOHNSON of South Dakota (for himself and Mr. POMEROY):

H.R. 3424. A bill to amend the Agricultural Marketing Act of 1946 and the Packers and Stockyards Act, 1921, to provide for increased regulation of slaughterhouses; to the Committee on Agriculture.

By Mr. KLECZKA (for himself, Mr. STARK, Mr. GIBBONS, Mr. JACOBS, Mr. PALLONE, Mr. CARDIN, Mr. MATSUI, Mr. LEWIS of Georgia, Mr. COYNE, Mrs. KENNELLY, Mr. MCDERMOTT, Mr. NEAL of Massachusetts, Mr. PAYNE of Virginia, Mr. RANGEL, Mr. MCNULTY, Mr. LEVIN, Mr. FORD, and Ms. MCKINNEY):

H.R. 3425. A bill to amend the Internal Revenue Code of 1986 to require health insurance coverage and group health plans that provide coverage of childbirth to provide coverage for a minimum inpatient stay following childbirth; to the Committee on Ways and Means.

By Mr. KLUG (for himself, Mr. STARK, and Mr. NUSSLE):

H.R. 3426. A bill to amend title XVIII of the Social Security Act to apply standards to outpatient physical therapy provided as an incident to a physician's professional services; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NETHERCUTT (for himself, Mr. HOSTETTLER, Mr. CRANE, Mr. MCINTOSH, and Ms. DUNN of Washington):

H.R. 3427. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes; to the Committee on Ways and Means.

By Mr. OXLEY:

H.R. 3428. A bill for the relief of certain former spouses of employees of the Federal Government; to the Committee on Government Reform and Oversight.

By Mr. SAXTON:

H.R. 3429. A bill to amend the Safe Drinking Water Act to provide for annual consumer confidence reports regarding contaminants in drinking water; to the Committee on Commerce.

By Mr. UPTON (for himself and Mr. FARR):

H.R. 3430. A bill to amend the Internal Revenue Code of 1986 to eliminate the requirement that States pay unemployment compensation on the basis of services performed by election workers; to the Committee on Ways and Means.

By Mr. WHITFIELD (for himself, Mr. OXLEY, Mr. STEARNS, and Mrs. COLLINS of Illinois):

H.R. 3431. A bill to amend the Armored Car Industry Reciprocity Act of 1993 to clarify certain requirements and to improve the flow of interstate commerce; to the Committee on Commerce.

By Mr. WICKER (for himself, Mr. TAYLOR of Mississippi, and Mr. PARKER):

H.R. 3432. A bill to designate certain locks and dams of the Tennessee-Tombigbee Waterway; to the Committee on Transportation and Infrastructure.

By Mr. FORBES:

H. Con. Res. 173. Concurrent resolution expressing the sense of the Congress that a postage stamp should be issued in recognition of the services rendered by this Nation's volunteer firefighters; to the Committee on Government Reform and Oversight.

By Mr. NEUMANN:

H. Con. Res. 174. Concurrent resolution establishing the congressional budget for the U.S. Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002; to the Committee on the Budget.

By Mr. MARKEY (for himself, Ms. PELOSI, Mr. BRYANT of Texas, and Mr. SPRATT):

H. Res. 429. Resolution expressing the sense of the House of Representatives with respect to the compliance of the People's Republic of China with its intellectual property rights enforcement agreement with the United States and its accession to the World Trade Organization; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. WATT of North Carolina and Mr. CONDIT.

H.R. 103: Mr. HALL of Texas and Mr. QUINN.

H.R. 303: Mr. CONDIT, Mr. THOMPSON, and Mr. TORKILDSEN.

H.R. 350: Mr. DICKEY.

H.R. 351: Mr. BEREUTER, Mr. BAKER of Louisiana, Mr. BARR, and Mr. HOKE.

H.R. 598: Mr. ALLARD, Mr. LAFALCE, Mr. BARR, Mr. BALDACCI, Mr. EDWARDS, and Mr. SPENCE.

H.R. 820: Mr. COBURN, Mr. LIGHTFOOT, Mr. ALLARD, Mr. FOLEY, Mr. CHAPMAN, Ms. WOOLSEY, Mr. ROTH, and Mr. BENTSEN.

H.R. 911: Mr. HAYWORTH and Mr. WILLIAMS.

H.R. 957: Mr. CAMPBELL.

H.R. 972: Mr. BARCIA of Michigan.

H.R. 1003: Mr. BAKER of California.

H.R. 1046: Mr. SISISKY.

H.R. 1090: Mr. WATTS of Oklahoma.

H.R. 1110: Mr. NEUMANN.

H.R. 1136: Ms. MCKINNEY, Mr. MOAKLEY, Mr. NEAL of Massachusetts, and Mr. DOOLEY.

H.R. 1423: Mrs. LOWEY.

H.R. 1462: Mr. HOBSON, Mr. FIELDS of Texas, Mrs. MALONEY, Mrs. SEASTRAND, Mr. WOLF, Mr. BEREUTER, Mr. JACOBS, Mr. OWENS, Mr. WILSON, Mr. LAFALCE, Mr. BUNN of Oregon, and Mr. NADLER.

H.R. 1483: Mr. CLEMENT, Mr. BISHOP, and Mr. DOYLE.

H.R. 1484: Mr. HASTINGS of Florida.

H.R. 1666: Mr. EHLERS.

H.R. 1701: Mr. LUTHER.

H.R 1733: Ms. WOOLSEY and Mrs. SMITH of Washington.

H.R. 1776: Mr. PORTMAN, Mr. ZIMMER, Mr. VISCLOSKY, Mr. PICKETT, Mr. MYERS of Indiana, and Mr. BORSKI.

H.R. 2026: Mr. DEUTSCH, Mr. GEJDENSON, Mr. FRAZER, Mrs. FOWLER, Mr. FRANKS of Connecticut, Mr. SAM JOHNSON, Mr. KINGSTON, Mrs. MYRICK, and Mr. SPENCE.

H.R. 2065: Mr. KLINK.

H.R. 2144: Mr. KLUG.

H.R. 2270: Mr. BAKER of Louisiana, Mr. ENGLISH of Pennsylvania, Mr. BLILEY, Mr. DUNCAN, Mr. TAUZIN, and Mr. GILLMOR.

H.R. 2335: Mr. EHLERS, Mr. WATTS of Oklahoma, Mr. LEWIS of Georgia, Mr. LINDER, Mr. CRAPO, Mrs. VUCANOVICH, Mr. HANCOCK, Mr. NEUMANN, Mrs. CHENOWETH, Mr. JEFFERSON, Mr. BARR, Mr. EHRLICH, Mr. YOUNG of Alaska, Mr. WISE, and Mr. ISTOOK.

H.R. 2500: Mr. ROGERS, Mr. CHRISTENSEN, and Ms. GREENE of Utah.

H.R. 2530: Mr. LUTHER.

H.R. 2582: Mr. OXLEY and Mr. EWING.

H.R. 2604: Mr. HORN.

H.R. 2701: Mrs. MEEK of Florida.

H.R. 2705: Ms. MILLENDER-MCDONALD, Mr. BALDACCI, Mr. BISHOP, Mr. COYNE, Mr. GUTIERREZ, Ms. JACKSON-LEE, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MASCARA, Mr. MORAN, Mr. SCOTT, and Mr. HOLDEN.

H.R. 2820: Mr. ROBERTS.

H.R. 2927: Mr. NEY and Mrs. CUBIN.

H.R. 2943: Mr. PORTER.

H.R. 3079: Mr. HUTCHINSON.

H.R. 3119: Mr. WATTS of Oklahoma, Ms. SLAUGHTER, and Mr. PICKETT.

H.R. 3142: Mr. WELLER, Mr. BAKER of Louisiana, Mr. SHAW, Mr. BROWDER, Mr. WILLIAMS, Mr. ZIMMER, and Mr. EDWARDS.

H.R. 3173: Mr. FLANAGAN, Mr. DIXON, and Mr. GORDON.

H.R. 3187: Mr. DEFAZIO, Mr. NADLER, Ms. RIVERS, Mr. FILNER, Mr. PAYNE of New Jersey, Mr. OBERSTAR, Miss COLLINS of Michigan, Mr. CUMMINGS, and Mr. WYNN.

H.R. 3195: Mr. FIELDS of Texas and Mr. HOEKSTRA.

H.R. 3226: Mrs. THURMAN, Mr. BARRETT of Wisconsin, and Mr. LIPINSKI.

H.R. 3244: Mr. FAZIO of California.

H.R. 3246: Mr. STOKES.

H.R. 3250: Mrs. KELLY, Mr. WISE, Mr. PORTER, Ms. PELOSI, Mr. HINCHEY, and Mr. NUSSLE.

H.R. 3275: Mr. BAKER of Louisiana.

H.R. 3305: Mr. NEY and Mr. GRAHAM.

H.R. 3310: Mr. COBLE and Mr. DUNCAN.

H.R. 3324: Mr. ENSIGN and Mr. HOEKSTRA.

H.R. 3338: Mr. POMBO.

H.R. 3348: Mr. FOX.

H.R. 3354: Mr. PETERSON of Minnesota and Mr. STUMP.

H.R. 3383: Mr. BOEHLERT.

H.R. 3392: Mrs. SCHROEDER, Mr. OBERSTAR, Mr. HASTINGS of Florida, Mr. BECERRA, and Mr. BALDACCI.

H.R. 3396: Mr. ISTOOK, Mr. DORNAN, Mr. STOCKMAN, Mr. DEAL of Georgia, Mr. BURTON of Indiana, Mr. PETRI, Mr. COLLINS of Georgia, Mr. NEY, Mr. COOLEY, Mr. HILLEARY, Mr. FUNDERBURK, and Mr. NORWOOD.

H.R. 3398: Mrs. KELLY, Ms. RIVERS, Mr. HYDE, Mr. FLANAGAN, and Mr. PALLONE.

H. Con. Res. 10: Mr. BARR and Mr. DINGELL.

H. Con. Res. 139: Mr. BOEHLERT.

H. Con. Res. 151: Mr. EVANS.

H. Con. Res. 154: Mr. FLAKE, Mr. LEVIN, Mrs. LOWEY, and Mr. MEEHAN.

H. Con. Res. 169: Mr. FUNDERBURK, Mr. PETRI, Mr. STUMP, Mr. ROHRABACHER, MR. FOLEY, Mr. BUYER, Mr. PORTMAN, Mr. HASTERT, Mr. SKEEN, Mr. BAKER of Louisiana, Mr. DORNAN, Mr. WELDON of Florida, Mr. SCHIFF, Mr. SCHAEFER, Mr. CAMPBELL, Mr. FRANKS of New Jersey, Mr. EHRLICH, Mr. MANZULLO, Mr. CLINGER, Mr. CRAPO, Mr. MCKEON, Mr. KING, Mr. LARGENT, Mr. LAHOOD, and Mr. WHITFIELD.

H. Res. 30: Mr. BILIRAKIS, Mr. REGULA, and Mr. CAMPBELL.

H. Res. 49: Mr. MANZULLO.

H. Res. 348: Mr. HILLEARY, Mrs. KELLY, and Mr. BARR.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2086: Mr. GREEN of Texas.

EXTENSIONS OF REMARKS

MEXICO AT A CRITICAL JUNCTURE

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. RICHARDSON. Mr. Speaker, I am taking this opportunity to share with my colleagues a brilliant analysis of the political and economic crisis in Mexico. The essay discusses the multiple causes that triggered the Mexican crisis, explains the measures that the Mexican Government has implemented to overcome the crisis and offers insights of the position our Government should adopt to help this troubled developing nation to flourish again.

This report was written by C. Allen Ellis—a well-known international specialist who has demonstrated outstanding leadership and diplomatic skills and whose opinion is respected in our country, Mexico and in the international financial circles. Among the multiple duties of his professional life, Mr. Ellis has served as an advisor to senior political, diplomatic, and financial authorities of the United States and Mexico. He also participated in the North American Free Trade Agreement process as advisor to key members of the United States Congress, the Government of Mexico, and Mexico private sector interests. And most importantly, Mr. Ellis is an active member of the North American Institute, an international think tank based in the heart of my district in Santa Fe, NM. I believe that my colleagues will benefit greatly from Mr. Ellis' report.

MEXICO AT A CRITICAL JUNCTURE

(By C. Allen Ellis)

THE 1994–1995 CRISIS

The years 1994–1995 were two of the most turbulent years in Mexico's modern history since the Revolution of 1910. An indigenous uprising in the southeastern state of Chiapas, which could represent a flashpoint for the vast number of our southern neighbor's rural and urban poor, continued to fester. Luis Donaldo Colosio, the presidential candidate of the country's dominant political party for 65 years, the Partido Revolucionario Institucional ("PRI"), was assassinated March 23, 1994 as he initiated his campaign, and a possible conspiracy and its participants is an issue which the judiciary and law enforcement branches of the government have been unable to resolve to date.

A relatively unknown substitute and politically inexperienced PRI candidate, Ernesto Zedillo Ponce de León, was elected President September 1, 1994, in what observers and participants alike concluded was a model democratic election in Mexico.

The above dramatic events, along with a continuing rise in international interest rates, and a massive acceleration in Mexico's balance of trade and current account deficits, resulted in a growing erosion of confidence by foreign and Mexican investors alike in Mexico and in its capital market, which the bulk of capital flows earlier had found attractive, notably in the form of "Tesobonos", short-term, high-yielding, essentially dollar-denominated instruments.

The Government of Mexico's reliance on "Tesobonos" and on escalating short-term internal financing to meet its short and long-term financial needs, was compounded by the failure of the outgoing administration of President Carlos Salinas to address the challenging issue of an over-valued currency. The international financial community would have accepted a devaluation prior to its leaving office, given its confidence in Mexico's outgoing political leadership and financial authorities, but the decision was made to avoid this unpalatable choice.

President Ernesto Zedillo and his inexperienced political and financial team were thus confronted, three weeks after taking office, with the fateful necessity to devalue. It was, inevitably, a failure, given its having to be attempted before the new administration had established its political and financial credibility compounded by its handling of the devaluation proper.

The result of the above-described confluence of events was a crisis year 1995 in which Mexico experienced its worst recession since 1932 with a fall in its gross domestic product of 6.9% inflation in excess of 50%, its currency devalued by a third against the dollar, at least 15,000 business failures, additional millions of unemployed or underemployed and a shattering loss of confidence by the Mexican people at all levels of society in the workings of their traditional political system and in their political and economic governance.

Fortunately for Mexico, and in the national self-interest of our own country, President William Clinton, his financial team and the Federal Reserve Board were joined by the international financial community and key members of both parties in our Congress in approval of timely and massive financial assistance to Mexico. This was in response to the economic stabilization program adopted by President Zedillo and Treasury Secretary Guillermo Ortiz, in close consultation with Secretary Robert Rubin and his team at Treasury working in tandem with the international financial agencies.

THE PRESENT ECONOMIC SCENARIO

At the recent Mexican Bankers Convention held March 15–16 the mood of the assembled banking representatives and senior government officials was realistic, if not somber. It was in striking contrast to the prior gathering in October 1994 where outgoing President Carlos Salinas presided and lauded his Treasury Secretary for his abilities and loyalty.

President Zedillo in his address to the 1996 assemblage reiterated that the economic austerity program of his administration would be continued. Treasury Secretary Ortiz thereafter described the slowing in the fourth quarter of 1995 of the economy's free-fall in the second and third quarters. He predicted that a slow recovery, and fall in Mexico's continuing inflation, would begin in the second quarter of 1996, making possible achievement of the 3% growth rate target for the year with moderating inflation.

However, the assembled Mexican and foreign bankers remained particularly troubled by the continuing crisis in the banking system where prevailing interest rates of 40% and higher, similar bad debt levels as a percentage of loans, and a growing non-payment mentality by borrowers, even when able to repay, were of increasing concern.

Our country's 1995 trade deficit of $15.4 billion with Mexico was the first year since 1990 that imports exceeded exports, and was principally due to Mexico's deep recession, the devaluation of its currency and our own booming demand. Our exports to Mexico, in a total of $46.3 billion, were down approximately 9% from their 1994 level but still 11% higher than in 1993, the year before NAFTA took effect. Despite earlier dire forecasts by Ross Perot and others of the effect NAFTA would have on employment, the Department of Labor has reported that between January 1994 and February 1996 it certified for assistance 58,600 workers whose loss of jobs could be attributed to NAFTA, far fewer than had been predicted.

PRESIDENT ERNESTO ZEDILLO AND HIS POLICIES.

President Zedillo has begun his six-year term to end in the year 2000 embarked on a program to open and democratize Mexico's one-party political system, reform the authoritarian nature of its presidency, enhance the role of the legislative and judicial branches of government, and decentralize its federal-state relationships, all the while confronting Mexico's shattered economy and banking system. He has chosen a herculean course which, if successful, could dramatically change Mexico and result in its political modernization.

Many Mexicans, particularly among traditional political figures and their counterparts in the private sector, question whether this is the right course for Mexico and do not believe President Zedillo and his team have the experience, political skills and public support to accomplish the fundamental transformation involved. Notwithstanding there appears to be a gradual realization that President Zedillo, given his resolute and stubborn nature, will stay his present course. However, to assure the long-term success of this program his administration and he must develop greater political support at all levels within Mexico.

The importance of Mexico to our own country merits increasing appreciation here, not only as our partner with Canada in NAFTA, but as proof the world's leading industrial democracy and a troubled developing nation, with which it shares a 3,000 mile border, can address their many common problems and prosper together.

IN HONOR OF ZUBERI McKINNEY

HON. DOUGLAS "PETE" PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. PETERSON of Florida. Mr. Speaker, on March 6, 1966, Zuberi McKinney, the beloved

son of the U.S. Army Sgt. Maj. Gene C. McKinney, died as a result of a tragic automobile accident in Tallahassee, FL. Zuberi was 18 years old and attending his first year of college at Florida A&M University. Sergeant Major and Mrs. McKinney are long time residents of the Second Congressional District of Florida which I serve.

I lost my 17-year-old son several years ago in an accident very similar to that experienced by the McKinney family and know only too well the pain a family suffers having sustained a loss of this magnitude. It is a pain that never goes away, however there is comfort in that loved one's memory.

Today, Mr. Speaker, I wish to enter into the RECORD the words of Zuberi McKinney's parents as they celebrate Zuberi's 19th birthday. The composition speaks for itself in terms of compassion and grief, but it also speaks eloquently of a strong, close, loving family. A family whose bonds cannot be broken even in death.

IN HONOR OF ZUBERI MCKINNEY

Our Dear Son,

You've heard us say to you many times how we will always be proud of you and love you, No Matter What.

Today Dad and I were reminiscing about the Earthly life you have had and we have had because of you.

Sometime in September, 1976, we were told we would be parents approximately May 10, 1977. Who would have believed on May 10, in less than an hour from the time we arrived at the Frankfurt Hospital you were born!

We had researched our chosen names and daddy's name won because of a boy baby.

Zuberi Aswad. An African name from the Swahili language. Zuberi meaning Strong and Aswad meaning Black.

You grew quickly and learned lots. The first song you learned was, "Yes Jesus Loves Me."

Looking back over eighteen years you accomplished a great deal here on Earth. Your rambunctious sports years started at age three when you played on the Rowdies Soccer Team. You were skiing downhill at age five. You played football, baseball, tennis, percussion instruments in the band, piano, was on a swim team and played lots and lots of basketball, ending up on the Heidelberg Varsity Basketball team.

You were very inquisitive as a student and often challenged teachers, including us as parents. That was good . . . at times.

You always made friends easily and always had lots of them. We always noticed the characteristics of the ones you chose to keep as your Closest friends. They were always mannerable, had a great sense of humor, had a goal in life and most importantly as you once said, "Couldn't be broke all the time."

You got to live a very adventurous life on two continents. Visiting many different countries and states. Experiencing almost every mode of travel possible. You always believed in fun. You had it and we enjoyed having fun with you.

We are very unhappy right now because we miss your earthly flesh and we cry out because of earthly feelings. But we Thank God that He chose us to be your parents. We Thank God that He chose you to prepare our place in Heaven. Because we know you'll get the best. And we Thank God for this prayer:

Now I lay me down to sleep
I pray the Lord my soul to keep
If I should die before I wake
I pray the Lord my soul to take.

You slept with us sixteen days before the Lord took your soul to shine down on us from Heaven.

The Guardian Angel we placed over your heart was kissed by ours and we will wear it representing we will Never Ever part from you.

We'll talk to you daily from now until Eternity.

Love you forever,

MOM AND DAD.

HONORING THE HENDERSONVILLE VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Hendersonville Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, and well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

BENJAMIN BURROUGHS, HAWAII'S 1996 RESPECTEEN WINNER

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mrs. MINK of Hawaii. Mr. Speaker, as part of the Lutheran Brotherhood's Speak For Yourself program, over 15,000 students nationwide wrote to their Members of Congress on various public policy issues. Benjamin Burroughs, an eighth grader from my district, was chosen as the Hawaii State winner of the letter writing contest. In his thoughtful letter regarding persons with disabilities, he drew from his brother's experience with autism. He effectively argued that Congress should strengthen the Individuals with Disabilities Act and increase public awareness on the issue.

Benjamin is only 14 years old, but he wrote an excellent letter on a complex topic. I applaud his concern and willingness to take action an a matter that directly affects his family. Benjamin attends Kahuku High and Intermediate School. I join with his parents, Lonia and Jeffry Burroughs of Laie, HI, to congratulate Benjamin on an outstanding effort. The text of his letter is as follows:

January 30, 1996.

HON PATSY MINK,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE MINK. I believe that with the new conservative Republican swing, there is a pressing problem that is like firecracker with a lit fuse waiting to burst. These legisaltors intend to put more power with the individual states and less with the federal government. This scares me because it is highly likely that some states will cut funding for the education of people with disabilities. In 1981 when federal law required education for children with mental diabilities from ages 3-5, states were given ten years to comply. Many states complied quickly but many did not. An example of this was South Carolina who waited until the last minute of the deadline to comply.

Early childhood intervention is a must. It is statistically proven that if children with disabilities are taught at an early age, they will be better able to function in society. If persons with disabilities are not taught early so that they can become productive members of society then they become financial burdens on society. It pays to intervene early.

My brother is autistic and if power goes to the states, a worst-case scenario would be that he couldn't go to school altogether. There are two major things that you can do as a representative to solve this problem. First, influence other legislators to sustain the Individuals With Disabilities Education Act [I.D.E.A.] and to maintain current federal mandates protecting the rights of persons with disabilities. Second is to require a module in every Guidance/Health class in High School that will increase the overall education of everyone about persons with disabilities.

I think that if these two things are done then my brother and thousands of persons with disabilities will be able to have a good education and a better life.

Sincerely,

BEN BURROUGHS.

HONORING THE VISION IMPAIRMENT CENTER TO OPTIMIZE REMAINING SIGHT [VICTORS] OF KANSAS CITY, MISSOURI

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. STUMP. Mr. Speaker, it is a distinguished pleasure to announce to you that Mr. Joseph Maino, O.D. will receive the Olin E. Teague Award today on behalf of the Vision Impairment Center To Optimize Remaining Sight [VICTORS] team of Kansas City, MO.

VICTORS is a Department of Veterans Affairs special medical program designed to provide optimum low vision rehabilitation services to veterans with visual impairments. The team members evaluate, diagnose, and rehabilitate

veterans from a six-State area: Nebraska, Iowa, Kansas, Missouri, Oklahoma, and Arkansas. More than twenty medical centers and outpatient clinics refer blind and visually impaired veterans to the program. The center has helped more than 1,500 veterans since it first opened in 1979. The team members' continuing creativity and dedication results in innovative methods and tools to combat the effects of severe vision loss. For this reason, our Nation's veterans live better and more fulfilling lives.

The Olin E. Teague Award is the highest honor the VA awards in the field of rehabilitation. It is presented annually to a VA employee, or group of employees working as a team, whose achievements have been of extraordinary benefit to veterans with service-connected disabilities.

Mr. Speaker, the name Olin E. Teague is synonymous with exemplary service to the Nation's veterans and is the reason this award bares his name. The late Congressman Teague served on the House Veterans' Affairs Committee for 32 years, 18 of those years as its distinguished chairman. He set the standards by which we can best serve all veterans.

It is with pleasure that on behalf of my colleagues and myself, I offer our deep appreciation to the VICTORS team form their concern, dedication, and innovation in meeting the special needs of veterans. We congratulate them for the excellence of their work and for the distinguished award they will receive.

REPUBLICAN BALANCED BUDGET PROPOSAL PART II

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Ms. JACKSON-LEE of Texas. Mr. Speaker, the Republican leadership, just in time for Presidential election year politics is talking about a balanced budget again. This is déjà vu for the American voter who well remembers the campaign promises of Ronald Reagan who predicted that he could balance the Federal budget by cutting taxes and increasing spending. Candidate George Bush called that budgetary slight of hand "Voodoo Economics."

The results of two Reagan terms was a budget deficit which for the first time in any country's history used the term trillion to quantify the extent of the deficit.

I would assume that there is a campaign commercial spot for every stage of this upcoming budget drama that the Republican majority is planning.

Medicare, Medicaid, education, and welfare are on the top of the list for cuts right now, but I think that we can find ways to be fair and just when we make budgetary reduction decisions without shutting the Federal Government down.

I would hope that this next attempt to seriously deal with this Nation's budget deficit will include compassion for the poor, our children and the elderly.

We should not play election year politics with this country's budget.

HONORING THE JENNINGS CREEK VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Jennings Creek Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee fire training school in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

SHOULD A FEDERAL BUILDING BE USED FOR ILLEGAL PURPOSES?

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. DORNAN. Mr. Speaker, the following article describes an event that should never have taken place in a Federal building. Even worse, after this vulgar event occurred, a followup recovery brunch was held in another Federal building—our own Rayburn building.

Mr. Speaker, I hope all of our colleagues will pay close attention to the following.

GOP: CHOOSING SIDES IN THE CULTURE WAR?

(By Marc Morano)

An all night homosexual "circuit" party called Cherry Jubilee's "Main Event" took place in Washington, D.C. on April 13, 1996. The dance party featured public nudity, illicit sexual activity and evidence of illegal drug use. The sponsors of the gay festivities included a GOP congressman and a host of corporations. A Federal building, the Andrew W. Mellon Auditorium, played host to the dance and was the backdrop for the illegal activity. The sponsors included Gay Republican Rep. Steve Gunderson of Wisconsin, corporate America including American Airlines, Snapple, Lite Beer, Starbucks Coffee, and Ben & Jerry's Ice Cream. The "Main Event" was followed by a "Capitol Hill Recovery Brunch" on Capitol Hill in the Rayburn House Office building. Rep. Gunderson (R–WI) secured the Rayburn building for the "recovery brunch". All the net proceeds of the Jubilee weekend were to be distributed between Whitman-Walker Clinic and Food & Friends.

The Mellon Auditorium is a Federally owned building complete with classical ornate columns across the street from the Museum of American History on Constitution Ave. The "Main Event" was being described by the City Paper in Washington as "New York style gay 'circuit' party . . . usually drug infested." It was with this information that I proceeded on assignment into the gay world for an undercover investigation into the activities that occurred in a Federal building. My inquiry revealed that the Cherry Jubilee's "Main Event" featured a multitude of illegal activity.

The Jubilee's "Main Event" tickets were very hard to come by. The event sold out, which left a scramble for ticket scalpers outside the entrance. Several thousand men attended, most between the ages of 25–35 years old. Well over 90% were white, with only a few African-Americans and Asians present. Many of the men who attended were of obvious affluence. Limousines and even a Rolls Royce lined Constitution Avenue as the party goers arrived.

The clothing was very trendy with skin tight black jeans, and tank tops. The bartenders wore bright neon underwear and nothing else. Many of the men arrived with leather and rubber pants and neon rubber loin cloth underwear only. Most of the shirts came off as the men headed for the dance floor.

Body piercing was ubiquitous with piercing in nipples, navels and ears. Chains and dog collars were also prevalent. In addition, cross dressing was a common sight, as a heavy presence of transvestites and other "transgendered" men attended. Men with wigs and dresses in heavy makeup strolled through the auditorium. Several pairs of lesbians attended as well, parading around in very skimpy clothing.

There were no signs of aggressive behavior, as most attendees greeted each other with open mouthed kisses. No fights or altercations occurred throughout the night. The terms "fags" and "girls" were frequently used by the men to refer to themselves.

Overall the men were generally very neat, with meticulous hair and clothing. There were few if any men who could be described as overweight. In fact, the overwhelming majority had bodies sculpted from weight lifting. Beer and bottled water were the beverages of choice, while apples, bananas and oranges were in plentiful supply. The image of young active health conscious men, drinking bottled water and consuming fruit is a study in contrast. The reckless lifestyle inherent in the gay experience results in a notably reduced life span. The life expectancy of a homosexual male is estimated to be no more than 41 years old, regardless of AIDS. The homosexual communities credo seems to be "Die young and leave a pretty corpse."

As the constant thump, thump, thump of the techno music heated the crowd, the dancing became increasingly lewd and suggestive. As the night wore on, the dancers began simulated sexual gyrations. The dance floor became a torrent of intense groping and stroking. Some couples dancing on table tops, mimicked anal sex through their clothing while others pantomimed oral sex. At one point while dancing on a table top, one

of the lesbians lifted her bra and exposed her breasts. Meanwhile, several inflated condoms were batted about like volleyballs.

At about 4 a.m., two men proceeded to engage in illicit sexual behavior in the main auditorium. One man lowered his head onto the crotch of another man and began to perform oral sex. This act occurred just off the dance floor in full view of the crowd. No one seemed to be fazed by it one bit.

The restroom stalls at the Mellon Auditorium were constantly being occupied by two men at a time. Gropes and groans could be heard emanating from the stalls with double occupancy. Stall doors would open and two men would nonchalantly exit. A battle between security and the party goers erupted over the restroom lights. Security was then forced to designate officers in the restrooms to ensure the lights remained on. The officers on duty did not look pleased with this assignment.

Every conceivable isolated spot became a dilemma for security. Security officers had to diligently watch the outside courtyard stairwell in the smoking area. The steps led to a dark alley on the side of the building where many of the men were congregating. The progression of couples heading into the darkness of the alley eventually forced security to intervene. Orange cones were erected to close the area off, as a security officer was assigned to stand watch. Public urination was common as the men relieved themselves outside and even in front of the building facing Constitution Avenue.

Despite signs posted everywhere stating, "Use or possession of illegal substances strictly forbidden", evidence of illegal drug use was present. Snorting could be heard throughout the evening in the bathroom stalls. At one point a straw fell onto the bathroom floor from inside a stall. There was also clandestine exchanges of money and substances in dark corners of the dance floor throughout the night.

This was not the first time that the Mellon Auditorium played host to a gay event. During the "1993 March on Washington for Lesbian, Gay and Bi Equal Rights and Liberation", the Mellon Auditorium was host to the officially sanctioned "The National S/M Leather Fetish Conference." The 1993 Gay March was designed to show America that gays are in the mainstream of society and just like everybody else. The S/M event featured members of the hardcore dominant and submissive homosexual community. Interviews I conducted at the time with participants revealed men who viewed pain as pleasure and total domination as an ideal. The participants paraded around the Mellon auditorium in dog collars, chains, and had piercing in every conceivable body part. Virtually nude men who were "submissive" were being led around on leashes by their "dominant" partners or "masters".

The 1993 S/M conference at the Mellon Auditorium also featured a slide show presentation, show casing an example of some of the "mainstream" aspects of the gay lifestyle. A series of graphic photos depicting various sexual acts were prominently displayed. One photo featured a man "fisting" another man. "Fisting" is the practice of inserting a fist as far up the anus as is possible. The image on the screen defied human anatomy. The arm was inserted up to the elbow. Participants at the event pondered the series of photos as though viewing priceless artwork.

The 1993 S/M conference also featured sexually explicit magazines and paraphernalia to help fully experience the S & M lifestyle. One tract titled "The guide to safe S/M" cautioned that consuming fecal matter was a "high risk activity" for the transmission of the HIV virus, but maintained that urinating in the mouth was a "low risk activity". Several publications on display advocated pedophillia.

In order to procure a Federal building for any type of event, a maze of paper work must be filled out and adherence to strict regulations must be met. Despite the flaunting of public nudity, illicit sexual activity, illegal drug use and pornography at both of these homosexual events, law enforcement never intervened. Contrast this with the controversy that inevitably follows when someone attempts to erect a nativity scene in a public building.

The 1966 Cherry Jubilee weekend proves that the homosexual agenda is advancing in Washington. The use of two Federal buildings during the Cherry Jubilee weekend in Washington reveals how successful the homosexual lobby has been in "mainstreaming" their agenda. Voters, consumers and stockholders should hold the government and corporations accountable when they underwrite events like Cherry Jubilee. The voters need to ask which side of the "Culture War" the Republican party is on and what real change the so called "GOP Revolution" has wrought. The GOP leadership on Capitol Hill needs to explain how an event which featured illicit sexual activity, public nudity and evidence of illegal drug use was allowed to occur in a Federal building.

LEGISLATION TO AMEND THE PACKERS AND STOCKYARDS ACT OF 1921

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. JOHNSON of South Dakota. Mr. Speaker, as you know, our Nation's cattle producers face an extraordinary combination of devastatingly low cattle prices and a fed cattle market that has had its competitive nature potentially compromised. With the price of fed cattle even lower than during the Great Depression—when adjusted for inflation—it is critical that Congress and the administration act to improve the competitive nature of cattle markets and the prosperity of our producers.

I am pleased today to introduce legislation that will give the administration legal authority to enact the following reforms:

One, direct the Administrator of the Grain Inspection, Packers and Stockyards Administration to develop and implement rules that prohibit noncompetitive captive supply. These should address potential limitations on packer ownership and feeding of slaughter cattle and formula arrangements in which price is not determined competitively. Cattle producers from across the Nation, including the thousands who have recently offered testimony to Secretary Glickman's Advisory Committee on Agricultural Concentration, have clearly identified noncompetitive captive supply as harmful to producers.

Two, direct the Secretary of Agriculture to devise and implement regulations that require mandatory reporting of the prices and terms of sale for slaughter liverstock—and the meat and byproducts of such slaughter—purchased by packers who have greater than 5 percent of the market for a given species. This information would be reported to USDA and be made public on an immediate basis. As we move toward an information-based society, the maxim that "knowledge is power" is especially true for our farmers and ranchers.

Three, direct the Secretary of Agriculture to develop rules that require the reporting of export sales of meat to USDA on a weekly basis. This action would help to ensure that all market participants have the opportunity to a level playing field in regard to information about the market.

Mr. Speaker, I am certain that you and the rest of my colleagues share my concerns regarding the concentration in agricultural processing that is ripping through rural American and the potential that this concentration may in fact deny competitive markets for independent producers. I ask my colleagues to join me in making possible these much-needed reforms.

IN SUPPORT OF H.R. 3401, THE BREAST CANCER RESEARCH STAMP ACT

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. FAZIO of California. Mr. Speaker, earlier this week I introduced legislation which would provide additional funding for breast cancer research. This innovative idea would authorize the U.S. Postal Service to issue a special first class stamp to be priced at 1 cent above the cost of normal first-class postage. The additional penny would be earmarked for breast cancer research. If only one quarter of the first class letters in the country were sent with this stamp, breast cancer research would receive about $120 million in additional funds.

The special issued first class stamp would be an entirely voluntary method for interested postal patrons to contribute to breast cancer research. The stamp would deliver a first-class letter as well as provide the satisfaction of contributing to a cause that saves lives.

Since 1960, nearly 1 million American women have died of breast cancer. That number is higher than all of the battlefield casualties that America has suffered this century. Moreover, the overall mortality rate for breast cancer has not changed much despite advances in pharmaceutical, radiological, and surgical interventions.

Given the intense competition for Federal research dollars in a climate of shrinking budgets, the Breast Cancer Research Stamp Act would allow anyone who used the Postal Service to contribute to research which will one day result in a cure for breast cancer. Any funds generated by sale of the breast cancer research stamp will supplement—not replace—current appropriations for Federal breast cancer research.

We need to find a cure for breast cancer now. I believe that the Breast Cancer Research Stamp Act is an inventive response to

an extremely serious health crisis. I urge my colleagues to support this important legislation.

AMERICA DESERVES TAX RELIEF

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. PACKARD. Mr. Speaker, this week, America's families finally began to work to provide for their own needs. For the first 128 days of this year, America's families worked to provide for the government.

Since President Clinton took office in 1993, his tax and spend policies have forced taxpayers to work another 6 days to pay their taxes—that is a week's paycheck that they cannot use for their families. The average American will spend more time working to pay his tax bill than he will spend working to provide for food, clothing, and shelter combined. Under the Clinton administration, the rate of growth of real median family income has been zero percent. America's families deserve better.

My Republican colleagues and I believe American taxpayers are taxed too much. If the President and his colleagues are serious about providing tax relief for hard-working families, they will take a first step and join us in our effort to repeal the 4.3-cent gas tax hike. Already, the President is threatening to veto such a measure—just like he vetoed tax relief for American families when he took his veto pen to the Republican balanced budget bill.

I guess the President and his colleagues just like taxes. They have not made an honest effort yet, to bring taxes to a reasonable level and give families back their own money. In fact, just 2 days ago, a colleague of the President brought the other body to a standstill during an attempt to repeal the Clinton tax, saying, "We are simply going to shut this place down." The President and his colleagues will stop at nothing to keep America's tax dollars.

Mr. Speaker, it is time for Americans to earn more and keep more of what they earn. I urge the President and his friends to join my Republican colleagues and I and give American families the tax relief they deserve.

HONORING THE FARMINGTON VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Farmington Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

100 CLUB OF BUFFALO

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. LAFALCE. Mr. Speaker, Friday, May 17, 1996, will mark the 12th annual 100 Club of Buffalo and Buffalo Bisons Baseball/Law Enforcement, Fire and EMS Appreciation Day at North AmeriCare Park in Buffalo, NY.

This spectacular event will feature law enforcement, fire, and EMS vehicles, a Buffalo Bisons baseball game and a fireworks display. This fundraising event is yet another example of the 100 Club of Buffalo's continuing commitment to provide services to the members of law enforcement, fire, and EMS agencies, and their families, throughout western New York.

The 100 Club of Buffalo Inc. was founded in 1957 by former Buffalo Police Commissioner Frank Felicetta to provide financial assistance to families of public servants killed or seriously injured in the line of duty. The organization was only the second of its kind in the Nation and was called "Felicetta's Fellows" until it was incorporated in 1962 as the 100 Club of Buffalo Inc.

Over the last four decades, this independent, nonprofit and nonpartisan organization has grown to serve law enforcement, fire, and EMS officials in a variety of ways. The 100 Club has provided over $1.5 million in assistance to more than 60 family members of fallen law enforcement and fire personnel, has sponsored more than 100 candidates to the FBI Academy and has provided tuition assistance and seminar training to more than 500 law enforcement and fire personnel. Moreover, the 100 Club has recognized public servants and private individuals for acts of heroism. In addition, the 100 Club has sponsored more than a dozen training seminars for law enforcement and fire personnel and provided more than 90 grants to assist injured police and firefighters.

The 180 members of the 100 Club of Buffalo reflect why Buffalo is the City of Good Neighbors, a community which recognizes as well as cares for those who make major sacrifices to protect it. They deserve our most sincere thanks, commendation, and best wishes for continued success.

ARMORED CAR INDUSTRY RECIPROCITY IMPROVEMENT ACT OF 1996

HON. ED WHITFIELD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. WHITFIELD. Mr. Speaker, today I am pleased to introduce the Armored Car Industry Reciprocity Improvement Act of 1996. This legislation represents a major improvement to legislation originally enacted in 1993 which provided reciprocity among the States for weapons licenses issued to armored car crews.

Armored cars and their crews annually carry billions of dollars in currency, important documents, and other valuables. In fact, the Federal Government is one of the largest users of armored car services in the Nation, transporting hundreds of millions of dollars annually in currency, food stamps, and other negotiable documents. Because of the value of their cargo, armored cars remain a ripe target for crime and their crews must be armed to protect themselves and their cargo.

In order to address the problems arising from differing requirements among the States for weapons licenses, the Congress passed the Armored Car Industry Reciprocity Act in 1993. This statute granted reciprocity for weapons among the States, so long as the issuing State met certain minimum training standards and required criminal background checks, much like a driver's license. While this act has improved the flow of interstate commerce by reducing the need for armored car crews to obtain licenses in every State in which they might conceivably operate, we have found certain problems in the original act which need to be addressed if the law is to have its full effect.

The Armored Car Industry Reciprocity Improvement Act of 1996 makes several changes to the original act. It would:

Grant reciprocity for the weapons license and all other necessary licenses so long as the armored car crew member has met all requirements in his or her primary State;

Require FBI criminal background checks only for the granting of an initial license, and permits the State agency to use whatever means they deem best to check backgrounds for renewal applications; and

Eliminate the requirement that renewal applications be reissued annually.

These changes are primarily technical in nature, and result from the fact that, while the Congress was considering the original bill, many States changed their weapons licensing schemes.

Nothing in this legislation would make it easier for a criminal to obtain a weapon or circumvent State or Federal gun control laws. It simply allows the brave men and women who serve as armored car crews to worry about their job—protecting valuable cargo—rather than worrying about various States' licensing requirements and paperwork.

The original legislation was supported by groups as diverse as the National Rifle Association and the International Chiefs of Police, and groups such as Handgun Control International had no objection to its passage. Since

these changes simply are designed to improve the functioning of the original act, it is my belief that we can expect similar support for this measure.

Mr. Speaker, I urge my colleagues to support this important legislation when it comes to the floor.

FISCAL YEAR 1996 BUDGET

HON. PETER G. TORKILDSEN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. TORKILDSEN. Mr. Speaker, I rise today to support the final piece of the fiscal year 1996 budget—the first downpayment on a 7-year balanced budget. This conference report is the product of months of negotiations and many compromises. It cuts discretionary spending by $23 billion and sets the stage for the balanced budget this Congress promised to deliver.

A major victory in this package is language I sponsored to repeal the discriminatory ban on HIV-positive military personnel. The so-called HIV-discharge law was inserted into the fiscal year 1996 Defense authorization bill over the objections of the Pentagon, veterans groups, and many distinguished Members of the House and Senate. With the repeal of this provision in the conference support, I urge all my colleagues to cast a vote for simple fairness, commonsense, and all men and woman who serve our country with honor and distinction.

In addition, this budget plan restores over $2 billion in Federal education funding. The original House-passed spending bill contained deep cuts in title I, School-to-Work, Goals 2000, and other key programs. The conference report restores much of the education funding needed to maintain a commitment to America's children and I urge my colleagues to remember that a vote for this bill is a vote for educational opportunity.

Finally, due to extensive good-faith negotiations, this bill is a win for our environment. It does more to protect endangered species than the original House version, and eliminates a provision allowing oil drilling at the Tongas National Forest—the world's largest temperate rainforest. And under the final compromise, the National Park Service retains management authority of the Mojave Desert National Preserve—as outlined in the California Desert Protection Act Congress passed in 1994.

Overall, Mr. Speaker, this budget package is the right thing to do for our children and grandchildren who deserve our best efforts to give them a deficit-free future. This plan is the first concrete step in honoring this commitment and I urge all Members of the House to support final passage.

CONGRATULATIONS TO THE NATIONAL ASSOCIATION OF LETTER CARRIERS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. STARK. Mr. Speaker, I rise today to recognize the National Association of Letter Carriers who will be holding their annual "Food Drive" Day this Saturday, May 11, 1996. I would especially like to recognize those letter carriers in California's 13th Congressional District who have worked so diligently over the past few years to make this food drive such a great success.

The National Association of Letter Carriers' Food Drive Day began as a pilot program in just 10 cities in 1991. It has since grown into one of the largest one day food collection drives in our entire nation. Since 1993, letter carriers across the country have joined in a nationwide effort to make the second Saturday in May, "National Letter Carriers' Food Drive" Day.

This program has been a tremendous success. The first nationwide drive, in 1993, gathered 11 million pounds of food. In 1994, 32 million pounds of food were collected and in 1995 almost 45 million pounds of food were donated by postal patrons nationwide. This Saturday, letter carriers will pick up food donations as they deliver the mail. To participate, one leaves canned or non-perishable food next to one's mail box or takes it to the nearest Post Office. All of the food items collected that day are then delivered to local food banks.

Mr. Speaker, in the Bay Area, almost 300,000 people—half of them children—need emergency food. I urge you and my colleagues to join me in acknowledging the National Association of Letter Carriers for their efforts to help those who are less fortunate. I also urge anyone who can to participate in this Saturday's National Association of Letter Carriers' Food Drive.

HONORING THE FIVE POINT VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Five Point Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

NUCLEAR NONPROLIFERATION AND SOUTH ASIA

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. JOHNSON of South Dakota. Mr. Speaker, I have long advocated the importance of the U.S. role in responsible trade in conventional arms and nuclear technologies, and I feel strongly that, as the world's remaining superpower, the United States can and should set an international example of positive political change through monitoring trade in nuclear technologies. Since the collapse of the Soviet Union, I believe that stopping the proliferation of nuclear weapons should be our highest priority in international relations. I am a strong supporter of the Nuclear Nonproliferation Treaty [NPT] and its member nations. The NPT has helped prevent dramatic increase in nuclear weapon-capable states. I was encouraged by last year's indefinite extension of the NPT by consensus over 175 nations, and I actively encourage the recognition of nonproliferation at every level as the key to global security.

Since its implementation in 1970, however, many nations that have remained outside of the NPT have concentrated on the buildup of their own nuclear capabilities. These threshold nuclear states view the NPT as discriminatory, because the treaty divides the world into the nuclear haves and have nots and, as they see it, unfairly places nonnuclear nations at a strategic disadvantage relative to the nuclear states. At the same time, several of these nations have stated that, without significant steps toward reducing stockpiles for all member nations, the NPT cannot be the foundation for an end to the arms race and complete nuclear disarmament.

Nowhere is this attitude more alarming that in South Asia. Regional religious and political history, particularly with India and Pakistan, has encouraged heightened military unease in the region, and an association of nuclear capability with regional dominance. Pakistan, a nation of 130 million, has long feared being overwhelmed militarily by India, with its population of over 900 million. Historical alliances and relations with nuclear and nonnuclear nations elsewhere in the region have contributed to forcing these two countries in a race toward

nuclear weapon capacity. I believe the nuclear arms race saps the strength of any developing country, and I have repeatedly expressed my concern about the nuclear direction in which these two nations have been headed. The future of our national, as well as global, security depends more than anything on our ability to restrain the proliferation of weapons of mass destruction and to enhance the breadth of opportunities for every citizen of the world.

IN SUPPORT OF HOUSE RESOLUTION 416

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. KIM. Mr. Chairman, I rise today in support of House Resolution 416, the resolution to establish a select subcommittee of the International Relations Committee to investigate the United States role in Iranian arms transfers to republics of the former Yugoslavia. As a member of International Relations Committee, I feel it is our duty to the American people to closely examine the Clinton administration's foreign policy decisions, especially those of such questionable intent.

As we all know, in September 1991, the United Nations imposed an international arms embargo on the area comprising the former state of Yugoslavia. The United States, under the leadership of President Bush, supported the passage of U.N. Security Council Resolution 713 as means to stem the flow of arms to the warring parties. When President Clinton took office in January 1993, his administration proposed lifting this multilateral embargo in order to help the besieged and poorly armed Bosnian military forces. After failing to gain international approval for lifting the arms embargo, the Clinton administration decided instead to abide by this resolution and even began helping enforce it.

Over the next 2 years, the Clinton administration consistently and repeatedly voiced its opposition to lifting the arms embargo by arguing that such a shift in policy would result in a pullout of European peacekeepers involved in the United Nations Protective Force (UNPROFOR) operation. In addition, the administration claimed that lifting the embargo would enrage our allies, endanger U.N. forces, necessitate further United States military deployments and weaken other international sanctions against Iraq, Libya, and Serbia.

During those 2 years, this Congress voted twice to unilaterally lift the embargo on Bosnia, in response to a growing sentiment among the American people. Unfortunately, the Clinton administration continued to resist these efforts through vetoes. The irony is, however, that while the Clinton administration publicly opposed a lifting of the embargo, it tacitly allowed arms into Bosnia from, of all countries, Iran.

The sad truth is this administration did not inform Congress of its decision to turn a blind eye, the news media did! According to the press, in April 1994, the Clinton administration was approached "with the idea of opening an Iranian arms pipeline through Croatia into neighboring Bosnia." National Security Advisor Anthony Lake and Deputy Secretary of State Strobe Talbott then presented the proposal to President Clinton who, on April 27, 1994, formally signed off on the idea. If this is not the epitome of hypocrisy, I don't know what is.

According to Clinton administration's own Department of State, Iran remains atop the list of countries that sponsor terrorism throughout the world. Iran is also considered one of the most egregious violators of human rights. Now I ask you, how can a President, who allegedly stands against terrorism and human rights violations allow one of the worst violators of basic United States foreign policy to obtain a foothold in Bosnia? In addition, if President Clinton was so worried about endangering U.N. forces when he opposed lifting the embargo, how can he explain allowing Muslim extremists to deliver arms into a country where U.S. forces are now stationed? Does he believe U.S. forces are less important than U.N. forces? I should hope not.

Once again, the Clinton administration has apparently mastered the art of flip-flopping on foreign policy. These questions that remain, however, are more serious than just U.S. credibility abroad. The most important of which is—did the administration violate U.S. law by allowing these transfers to occur? This, and many other questions, need to be answered to this Congress and the American people. That is why I strongly support House Resolution 416 which will establish a temporary select subcommittee to investigate this behind-the-door activity and determine what actions must be taken if U.S. laws were violated. It is unfortunate that it comes to this, but without congressional oversight into the actions of executive agencies and the President himself, every law is at risk of being broken. In that regard, I urge my colleagues to support the passage of House Resolution 416.

TRIBUTE TO DOREEN "PAM" STENEBERG

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. MILLER of California. Mr. Speaker, I rise today on behalf of myself and a number of my colleagues to recognize Doreen "Pam" Steneberg of El Cerrito, CA, on the occasion of her naturalization as a U.S. citizen on Tuesday, May 14, and in celebration of her 60th birthday on Wednesday, May 15, 1996.

Pam is an incredible woman and humanitarian. She is foremost a loving mother and wife, whose unswerving commitment to her family is only rivaled by her infinite dedication to our Nation's children with disabilities. Learning of her own daughter's developmental disabilities in the early 1970's, Pam was thrust into a movement which now credits her as one of its driving forces. Ever acquiring expertise in the morass of our special education and related services systems, Pam quickly found herself guiding other families through the bureaucracies which she herself had been forced to traverse on behalf of her daughter. This intimate understanding and insight uniquely positioned her to be an effective agent for change, and through this realization was born an advocate.

Pam is as driven by the disability movement as the movement is driven by her. Whether in her professional capacity as the parent advocate with the Disability Rights Education and Defense Fund, Inc., or in her numerous volunteer roles—president of the National Parent Network on Disabilities, chair of the California Developmental Disabilities Area Board V, to name just two—Pam's enthusiasm is ever present. I know that I am not the lone Member of this Chamber to have been overwhelmed and captivated by the fiery person passion which lies just beneath her diminutive stature and refined British accent.

Pam is a truly remarkable woman, and I am deeply honored and proud to call her my friend, and now the newest voter in my congressional district. Mr. Speaker, I invite all my colleagues to join me in saluting Pam Steneberg, welcoming her a citizen of the United States, and wishing her a very happy birthday.

THE IMPORTANCE OF STRONG UNITED STATES-INDIA RELATIONS

HON. JOHN LINDER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. LINDER. Mr. Speaker, I wish to bring to the attention of Members of the House the op-ed piece written by William Safire that appeared in the May 2, 1996, New York Times. In his essay, Mr. Safire points out the significance of the recent elections in India and the importance of strong United States-India relations. As a member of the Congressional Caucus on India and Indian-Americans, I gladly submit Mr. Safire's article for the RECORD.

WASHINGTON.—In 1975, when Indira Gandhi assumed dictatorial control of India and threw her opponents in jail, President Ford asked his U.N. delegate, Daniel P. Moynihan, what to make of that.

"Look at it this way, Mr. President," said Moynihan with a courtler's irony. "Under your Administration, the United States has become the world's largest democracy."

When Mrs. Gandhi later confidently stood for election, India's voters threw her out. Freedom was back, and the U.S. happily became the world's second-largest democracy.

This week, with dignity, honest balloting and relatively little violence, 400 million of India's citizens—65 percent of eligible voters, higher than here—go to the polls to select candidates from 500 political parties. It is the most breathtaking example of government by the people in the history of the world.

Americans don't hear a whole lot about it. President Clinton is busy being campaign manager for the Labor party in Israel's May 29 election, in effect telling Israelis to vote for Shimon Peres or else.

When he is not intervening shamelessly in Israel's political affairs, Mr. Clinton is barnstorming with Boris Yeltsin, trying to help him defeat Yavlinsky's reformers and Zyuganov's Communists in Russia's June 16 election. Washington is also headquarters for

the Clinton campaign for the U.S. Presidency, where he beefs up beef price to consumers while pouring strategic oil on troubled motorists. But in all the campaigning, no mention is made of India, where voters outnumber those in Israel, Russia and the U.S. combined.

As a result of this uncharacteristic White House for bearance, television coverage here about the biggest election has been next to nil. Not only do Americans not know for which Indian candidate to root, but hundreds of millions of voters are forced to go to the polls ignorant of Mr. Clinton's preference.

Why? Do nearly 900 million Indians not matter? American lack of interest is not new; a former Foreign Minister of India, one of Nehru's acolytes, told a U.S. envoy: "We would far prefer your detestation in your indifference."

One reason is that India strikes a holier-than-thou diplomatic pose, remaining nonaligned when there is no longer one side to be nonaligned against. Year after year, India is near the top of the list of nations that consistently vote against the U.S. in the United Nations.

We're wrong to let that overly irritate us. China votes against us, too, and unbalances our trade and secretly ships missiles to rogue states and jails dissidents and oppresses Tibet and threatens Taiwan and (cover the children's eyes) pirates our CD's—but we care more about what happens in China than what happens in India.

That's a mistake. Contrary to what all the new Old China Hands and other Old Nixon Hands tell you, India will draw ahead of China as a superpower in the next century.

Yes, China's economic growth rate has doubled India's, and China's Draconian control of births will see India's population exceed China's soon enough, to India's disadvantage. But China does not know what an election is. Despite the enterprise and industriousness of its people, despite the example of free Chinese on Taiwan and the inspiration of the dissident Wei Jingsheng, jailed in Beijing, China is several upheavals and decades away from the democracy India already enjoys.

Without political freedom, capitalism cannot long thrive. Already the requirements of political repression are stultifying the flow of market information in China, driving wary Hong Kong executives to Sydney. The suppression of dangerous data undermined technology in Communist Russia; it will hurt China, too.

Though more Chinese are literate, many more Indians are English-literate (more English-speakers than in Britain), and English is the global language of the computer. American software companies are already locating in Bangalore, India's Silicon Valley. Bureaucratic corruption scandals abound; India's free press reports and helps cleanse them, China's does not.

I'm rooting for Rao, the secular Prime Minister, who is more likely to move toward free markets than Vajpayee, his leading opponent. But whoever wins, it's a glorious week for the world's largest democracy.

HONORING THE GRANVILLE CO-OP VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Granville Co-Op Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

McGILL-TOOLEN HIGH SCHOOL CENTENNIAL CELEBRATION

HON. SONNY CALLAHAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. CALLAHAN. Mr. Speaker, I am very happy to have this opportunity to rise before this body and bring to the attention of my colleagues the centennial celebration of McGill-Toolen High School in Mobile, AL.

In 1950, I had the privilege of obtaining my high school diploma from this distinguished institution and fondly remember the years I spent under the tutelage of the Brothers of the Sacred Heart.

McGill Institute was founded in 1896 through the generosity of two brothers, Arthur and Felix McGill, to offer "Catholic boys the advantages and facilities of acquiring with little or no expense, a literary, commercial, industrial, and technical education which would enable them to earn an honorable livelihood." Their charter was granted on February 15, 1896, and classes began November 29, 1897.

Bishop Toolen High School for girls opened in 1928 to offer young women an education that would develop "intelligent, cultured, healthy, and social-minded American Catholics devoted to their country's interests."

In 1973, McGill Institute and Bishop Toolen High School were merged to become McGill-Toolen High School. Combining the best from each school has produced an institution stronger than the two were separately.

From its inception as an institution of higher learning, McGill-Toolen has upheld the standards of Catholic education and fostered the intellectual and spiritual growth of thousands of young men and women in Alabama. This dedication to excellence and respect for the individual have been the cornerstone of McGill-Toolen and this single mindedness has not diminished over its 100-year history.

The mission of McGill-Toolen has always been comprehensive in terms of serving the educational and emotional needs of the secondary students in the archdiocese of Mobile. McGill-Toolen High School and its predecessors have, for 100 years, provided outstanding education grounded in the moral and spiritual precepts of the Catholic faith.

Today, McGill-Toolen High School is considered one of the finest institutions in the region in the areas of academics, technology, sports, and spiritual growth. Its students consistently rank in top percentiles nationally on achievement tests and are well prepared for both college and life. Over the years, more than 17,000 graduates have made outstanding contributions to the city of Mobile, the Catholic Church and our Nation.

On this 100th anniversary celebration of McGill-Toolen High School, let us fondly remember and justly congratulate the accomplishments of a fine institution and look forward to the next 100 years of academic and personal excellence to which the name of McGill-Toolen is so deservedly associated.

THE 125TH ANNIVERSARY OF GAINESVILLE FIRST BAPTIST CHURCH

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. HALL of Texas. Mr. Speaker, on May 14, 1871, an earnest group of east Texas Christians established the First Baptist Church of Gainesville, TX. On Sunday, May 19, 1996, First Baptist Church will celebrate its 125th anniverary—a testament to the hard work and dedication of its congregations and its pastors and to the ministry that First Baptist Church has provided in Gainesville and in Cooke County for more than a century.

From its humble beginning amid frontier surroundings, First Baptist Church has flourished through both good times and bad. The church's 44 founding members—some of whose ancestors are part of the present congregation—would be proud to see their church grow to its current roster of approximately 2,000 members. The church has occupied three buildings throughout its history. The first was destroyed by fire, and the second was replaced by the current facility in 1952. Since that time, as the congregation has continued to grow, the church has expanded to encompass a full city block and portions of two others. There have been 32 pastors of First Baptist Church, including the present pastor, Dr. Bennie Slack.

First Baptist Church has always had an active ministry. The church was active in helping meet the needs of members of the armed services, during World War II. Its leaders were instrumental in organizing the current food collection program for Cooke County, and its congregation continues to support a strong missions program. First Baptist has a large

and active youth group, a strong senior adult group, large choir, and strong music program—in addition to many other activities and programs for members of all ages.

Mr. Speaker, religious freedom was a principle upon which our Nation was established. Our Founding Fathers—and the founding members of First Baptist Church—would be proud to see this principle flourishing today in the churches of America and in communities like Gainesville, TX. Likewise, the present church members look back in appreciation for their rich heritage and for the hard work and dedication of all those who have come before them. They also look to the future—to the ministry and the opportunities for service in the years to come.

Mr. Speaker, it is my privilege as the Representative for the Fourth District of Texas to pay tribute to the First Baptist Church of Gainesville on the occasion of its 125th anniversary, and I ask my colleagues to join me in extending our best wishes to the First Baptist Church for a future that will be as blessed as its past.

IN HONOR OF BISHOP OZRO T. JONES, JR.

HON. CHAKA FATTAH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. FATTAH. Mr. Speaker, Bishop Ozro T. Jones, Jr. is to receive the 1995 Poor Richard Club Gold Medal at a formal dinner in his honor on May 10, 1996.

Bishop Jones is the second African-American to receive this award. The first was Pennsylvania Supreme Court Chief Justice Robert N.C. Nix, Jr. Other gold medal awardees have included: Thacher Longstreth, Edward J. Piszek [Mrs. Paul's Foods], Sam McKeel [Philadelphia Inquirer], Lee Iacocca, Gen. Dwight D. Eisenhower, Gen. Douglas MacArthur, Bob Hope, Walt Disney, Claire Booth Luce, Rogers & Hammerstein, and many others.

Bishop Jones preached his first sermon at 14, was ordained by his father, Bishop Ozro T. Jones, Sr. at 16, was a missionary to Africa [Liberia] and associate minister in Monrovia in 1949. Bishop Jones received a doctor of sacred theology [STD] degree from Temple University. He is a board member of the American Bible Society. He was elected as a member of the board of regents or Oral Roberts University in 1990. He currently serves as pastor, Holy Temple Church of God in Christ in West Philadelphia. He is a general board member and presiding Bishop, Church of God In Christ, Commonwealth of Pennsylvania jurisdiction.

Bishop Jones is also a member of the Poor Richard Club. The Poor Richard Club is reportedly America's oldest club of advertising, communication, and business professionals. It was founded on March 15, 1906. In 1926, the Poor Richard Club conceived the idea of a Benjamin Franklin Memorial Building. In just 2 weeks, the club raised $5,000,000 for the project. On May 15, 1934, the memorial building was officially opened. That building is now called the Franklin Institute. The club has international members in Belgium, England, Bermuda, Haiti, South Africa, and Spain, and reciprocal clubs in London, Barcelona, Milan, and Czechoslovakia. In 1987 the club presented the International Medal to Bermuda Premier John Swan. In 1992, the second International Medal was presented to Chinese dissident and astrophysicist Fang Liz Hi.

We congratulate Bishop Jones on being included in the most illustrious group, and we look forward to his continued involvement in, and service to the city of Philadelphia.

THE OUTPATIENT PHYSICAL THERAPY STANDARDS ACT OF 1996

HON. SCOTT L. KLUG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. KLUG. Mr. Speaker, Representative PETE STARK, Representative JIM NUSSLE, and I are introducing the Outpatient Physical Therapy Standards Act of 1996. This legislation would extend the current coverage standards that exist for independent practicing physical and occupational therapists to physicians' offices that also provide therapy services. This proposal was included in the Medicare Preservation Act which passed the House last October.

Currently, physical and occupational therapists must comply with certain standards. A study released by the Office of the Inspector General [OIG], however, has revealed certain abuses of these standards when the therapy was conducted within a doctor's office.

The study stated that, "Almost four out of five cases or reimbursement as physical therapy in physicians' offices do not represent true physical therapy services." The study also found that many physicians are billing the Medicare program for therapy services provided by unlicensed personnel. OIG estimated that $47 million was inappropriately paid for therapy services performed in physicians' offices in 1991.

Physical and occupational therapy services should be held to the same standard of coverage regardless of the setting in which they are delivered. The Outpatient Physical Therapy Standards Act of 1996 will help close a loophole in Medicare policy that will save millions of dollars annually while ensuring the delivery of high quality physical and occupational therapy.

HONORING THE GRANVILLE VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Granville Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School at Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrific.

CORRESPONDENCE

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. McDERMOTT. Mr. Speaker, I am inserting for the RECORD a copy of the enclosed letter sent to Mr. John Linder.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 9, 1996.

Hon. JOHN LINDER,
House of Representatives,
Washington, DC.

DEAR JOHN: I respect the right of every Member to communicate with colleagues via "Dear Colleague" letters, but your letter of May 8, 1996 goes beyond the pale.

Your statement that I "would use [my] position on the Ethics Committee to promote these phony charges after taking money from" a fundraiser contains the implication, or at least the innuendo, that I committed a crime—a statement that is false and actionable. Of course, as you must know from your own experience, the money contributed at fundraising events does not accrue to me personally but to my campaign, and it did not come from Mr. Jost but rather from campaign contributors—all legally reported under the FECA. Further, your contention that I am obligated to disclose "these relationships" when performing my duties on the Ethics Committee is incorrect. The rules governing this subejct (Ethics Committee Rule 7) do not require or even suggest that a Member on the Committee disclose the identify of this fundraiser, or that he recuse himself in instances in which a fundraiser has exercised his First Amendment rights in his personal capacity on a subject within the public domain.

I expect the rough and tumble of political outbursts but I will not tolerate dissemination of false and defamatory statements such as those that you are circulating. Please be assured that I am fully prepared to take legal action if you do not immediately cease and desist these activities.

Sincerely,

JIM McDERMOTT.

UNFUNDED MANDATES AND CBO ESTIMATES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. HAMILTON. Mr. Speaker, the Unfunded Mandates Reform Act of 1995 was intended to assist Congress in its consideration of proposed legislation by providing information about the nature and size of possible mandates in those proposals. The Congressional Budget Office is directed by that statute to help in developing such information.

I wrote to the Congressional Budget Office to express my concerns about serious problems with the unfunded mandates information CBO provided on the conference report on H.R. 1561, the American Overseas Interest Act. That correspondence appears in the CONGRESSIONAL RECORD of March 22, 1996, at E426.

I would now like to submit the CBO response to my earlier letter. I am pleased that CBO acknowledges that it would be more useful to the Congress for CBO to provide the full cost estimate for any bill at one time, rather than in select parts, and that three of the four provisions in the conference report on H.R. 1561 would, in fact, increase costs to the States. I hope that in the future CBO will include such information in a single estimate at the time a bill is under consideration.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 18, 1996.

Hon. LEE H. HAMILTON,
Ranking Minority Member, Committee on International Relations, U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN: I am writing in response to your letter of March 20, 1996, concerning CBO's intergovernmental mandates cost statement for the conference report on H.R. 1561, the Foreign Relations Authorization Act for Fiscal Years 1996 and 1997. Our mandates statement concluded that the conference report contained no intergovernmental mandates as defined by the Unfunded Mandates Reform Act of 1995 (Public Law 104–4).

In your letter, you raised two major concerns about CBO's estimate. First, you suggested that separating the mandates cost statement from the federal cost estimate for a bill or conference report diminishes the usefulness of the information for Members. I fully agree. As a general rule, CBO attempts to send out all information on a bill—the federal cost estimate, the intergovernmental mandate statement, and the private sector mandate statement—at the same time. Sometimes, however, we cannot complete all those statements at once, and in the interest of providing information in a timely manner, we send them separately.

Second, you questioned CBO's conclusion that H.R. 1561 would impose no intergovernmental mandates. Because the definition of mandate in Public Law 104–4 is a narrow one, a bill can increase costs for states and localities without imposing a mandate upon them. In fact, H.R. 1561 is just such a case. As you suggest, states would face additional costs if more refugees enter the United States and receive benefits from AFDC, Medicaid, or other public programs. CBO's estimate should have indicated the likelihood of such costs, even though they would not be the direct result of new mandates imposed on the states.

The Unfunded Mandates Reform Act defines a federal intergovernmental mandate as any provision in legislation, statute, or regulation that would impose an enforceable duty upon state, local, or tribal governments, except as a condition of federal assistance or a duty arising from participation in a voluntary federal program. Under the act, a provision that relates to large federal entitlement grant programs constitutes a mandate only if that provision would increase the stringency of conditions of assistance to state, local, and tribal governments under those programs, and only if the affected governments lack authority under that program to amend their financial or programmatic responsibilities to continue providing required services that are affected by the provision. Furthermore, section 4 of Public Law 104–4 specifically excludes from CBO's analysis certain kinds of legislative provisions, including any provision that "is necessary for the national security or the ratification or implementation of international treaty obligations."

Three of the provisions cited in your letter as having the potential to expand the states' burden of caring for refugees (sections 1104, 1253, and 1255) do not meet the definition of an intergovernmental mandate in Public Law 104–4. These provisions relate instead to the operation of the State Department's refugee and migration assistance programs. While states would face additional costs if more refugees and asylees are allowed to remain in this country, these costs would result either from state public assistance requirements that are not controlled by the federal government, or from an increase in the number of people eligible for federal entitlement programs. Because the bill would not increase the stringency of conditions for these entitlement programs, these provisions do not constitute mandates under the law.

Section 1256, the remaining provision of the conference agreement cited in your letter, falls within the section 4 exclusion, because it is necessary for the implementation of the international obligations of the United States under the Convention Against Torture and Other Cruel, Inhuman, and Degrading Treatment or Punishment. Therefore, pursuant to the provisions of the act, CBO did not analyze its potential impact on state, local, and tribal governments.

Please let me know if you have further questions or concerns about this estimate or about the implementation of the Unfunded Mandates Reform Act. The CBO staff contact is Pepper Santalucia.

Sincerely,

JUNE E. O'NEILL,
Director.

HONORING THE LAFAYETTE VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Lafayette Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT OF 1996

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise today to express my strong support for the Native American Housing and Self-Determination Act offered as an amendment to the U.S. Housing Act of 1996 by Representative HAYWORTH. I am an original cosponsor of this bill because I believe there is a pressing need to assess and reorganize Native American housing programs in this country. This amendment is a strong step in the right direction.

Chairman LAZIO and his staff have put forth a great deal of effort to ensure that the needs of Native Americans in my State and across the country have been given serious attention and consideration throughout the crafting of this bill.

I agree with Chairman LAZIO and the Native American Indian Housing Council that Indian housing should be divorced from public housing programs because of the unique needs of Indian country and the many economic challenges that must be overcome. The U.S. Housing Act does not address these unique needs, and I believe including the Native American Housing and Self-Determination Act as an amendment to H.R. 4206 will guarantee that quality housing for Native American communities is not neglected as Federal housing programs are revamped in Congress.

Housing is an integral and most basic component to economic development for Indian and non-Indian communities alike. I support the premise of the Native American Housing Assistance and Self-Determination Act because Congress must prioritize programs which develop infrastructure on reservations

and enhance economic growth for tribal communities. Additionally, the extreme health problems that many Indian communities face can be linked directly to inadequate housing, problems that can begin to be addressed through this Indian self-determination legislation. The flexibility in funding and in the administration of housing programs that this bill promotes is the key to tribal self-sufficiency and self-determination in housing management. Ultimately, this self-determination will result in increased access to safe, affordable housing for Native American people nationwide.

The unique housing needs of Indian country warrant a continued Federal commitment to successful tribal housing programs. I look forward to working with Chairman LAZIO, my colleagues, and Indian tribes nationwide to make the Native American Housing and Self-Determination Act a reality, with the health and welfare of Indian tribes our foremost priority. I strongly urge my colleagues to vote for the Hayworth amendment on Native American Housing Assistance and Self-Determination.

THE COMPETITIVE LIVESTOCK MARKETS ACT OF 1996

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. POMEROY. Mr. Speaker, today I am introducing legislation to address the disastrous situation that livestock producers across this Nation are currently facing. At this time, livestock producers are suffering the double-whammy of the lowest prices since the Great Depression and the highest feed prices in a generation. Many producers in my State are facing no choice but to sell out this year as they face losses of several hundred dollars on every head they sell.

Ranchers from across my State have told me that concentration in the meat packing industry has limited competition in the livestock markets. The three largest meat packing firms now control over 80 percent of the cattle slaughter in this country. Independent producers have been squeezed to the point where they are at the mercy of whatever price the giant meat packing firms are willing to offer. Congress must act to restore free and open competition in our Nation's livestock markets.

The legislation I am introducing today will accomplish that goal in the following manner:

First, it directs the Secretary of Agriculture to develop rules to prohibit noncompetitive captive supply arrangements. These captive supply arrangements include formula pricing, forward contracting and packer-owned cattle feeding. The bill does not prohibit all captive supply arrangements between a producer and a packer, only those determined to be detrimental to competition in the livestock markets. This provision will force the livestock trade to occur in a free and open market.

Second, the bill requires the Secretary of Agriculture to implement mandatory reporting of the prices and terms of sale for slaughter livestock purchased by packers who have greater than a 5-percent share of the slaughter market. This information would be public knowledge and reported immediately. There would be no more secret deals between packers and large feedlots. All producers should have access to information on the terms of sale for slaughter livestock in order to take maximum advantage of free market forces.

Finally, the bill would require the reporting of export sales of meat on a weekly basis. Access to this information will help all livestock producers gain a more realistic picture of supply and demand relationships.

Mr. Speaker, we are facing a crisis of epic proportions among livestock producers in this Nation. From Texas to North Dakota independent family ranchers are facing financial ruin. We must take steps immediately to address what is wrong in this industry. With this bill, we are saying that the large meat packers can no longer control the cattle markets through secret deals and privileged information. We must restore the free markets that the United States is known for around the world. I urge my colleagues to join me in support of this legislation.

WILLIAM DAVIDSON TO RECEIVE DOCTOR OF HUMANE LETTERS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. LANTOS. Mr. Speaker, next week, Bill Davidson, a good friend and a great American, will receive an honorary Doctor of Humane Letters from the Jewish Theological Seminary of America. In recognizing Bill's many accomplishments and extraordinary commitment to improving our country, the Jewish Theological Seminary speaks for the many people in his community and around the world who have benefited from Bill's extraordinary wisdom and philanthropy.

Bill Davidson is the chairman of the board and president of Guardian Industries Corp. of Northville, MI. Under his wise direction, Guardian has become a solid industrial asset to our economy, as well as a conscientious corporate citizen. Guardian has also been an ambassador of American engineering and way of doing business through its pioneering ventures overseas. These ventures have helped emerging democracies develop a more solid economic base while increasing American presence and influence abroad.

While running his hugely successful company, Bill found the time to volunteer for numerous community organizations. His generosity was recognized in 1992, when he was given the Jewish community's highest honor for outstanding volunteer service, the Fred M. Butzel Memorial Award for Distinguished Community Service. He has given generously of his time and resources to educational institutions, Detroit community organizations, and Jewish organizations nationwide.

Not one to confine himself to the roles of successful businessman and community activist, Bill is also the majority owner of the Detroit Pistons basketball club, the Palace Sports and Entertainment Arena, the Detroit Vipers hockey team and the Detroit Neon soccer team. He was inducted into the Michigan Jewish Sports Hall of Fame in 1985.

I commend the Jewish Theological Seminary for recognizing Bill Davidson with a prestigious Honoris Causa. This honorary degree is a testament to Bill's outstanding and continuing contributions to the education and enrichment of the Jewish community and our nation. I invite my colleagues to join me in expressing our gratitude and most heartfelt congratulations to Bill Davidson on this most joyous occasion.

HONORING DEAN ROGER EICHHORN

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. BENTSEN. Mr. Speaker, I rise to thank and honor Dr. Roger Eichhorn as he completes his 14-year tenure as dean of engineering at the University of Houston. The Cullen College of Engineering surely will miss his leadership, but his students and the engineering field will be richer as Dr. Eichhorn returns to teaching and research.

Dr. Eichhorn has a long career of service and contributions to educational, professional, civic, technical, and humanitarian endeavors. He was rightly honored as 1995 Houston Engineer of the Year.

Dr. Eichhorn traces his love of engineering to his days as a farm boy in Minnesota, when he got into trouble regularly for breaking his father's tools. He studied electrical and mechanical engineering at the University of Minnesota, where he received his doctorate while working as an instructor. He then accepted a position as assistant professor at Princeton University, where he was soon awarded the rank of associate professor with tenure. In 1967, he moved on to the University of Kentucky as professor of Mechanical Engineering, serving initially as chairman of the department and later as dean of engineering. In 1982, he came to the University of Houston as a professor of mechanical engineering and dean of the Cullen College of Engineering.

Dr. Eichhorn's long list of honors and awards include: the rank of Fellow of the American Society of Mechanical Engineers and the American Association for the Advancement of Science; the Memorial Award for Heat Transfer Science, awarded in 1982 by the Heat Transfer Division of the American Society of Mechanical Engineers; the Chevalier dans L'Ordre des Palmes Academiques Award presented in 1988 by the French education minister for his contributions to United States-French educational exchanges; and numerous membership awards from honorary scientific societies.

Throughout his career, Dr. Eichhorn has been known as an inspiring teacher, a cutting-edge researcher, and a farsighted advocate for engineering. He has worked tirelessly to help engineers communicate the benefits of their field in improving the quality of life for all of us.

We will miss Dr. Eichhorn's leadership as dean of engineering, but I have no doubt that the students of the University of Houston, the field of engineering, and our community and

country in general will continue to benefit greatly from his many talents.

HONORING THE GLADDICE VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Gladdice Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mid should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

RETIREMENT OF WILLIAM CARL GARNER

HON. BLANCHE LAMBERT LINCOLN

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mrs. LINCOLN. Mr. Speaker, I rise today to honor one of this country's most dedicated public servants who is ending his illustrious career of service in the U.S. Army Corps of Engineers. Mr. William Carl Garner began his service with the corps upon graduation from college in 1938 and has been a fixture in the corps in the 58 years since. During that time, he has amassed a list of accomplishments and awards that will be difficult to match.

Mr. Garner has spent most of his career as the chief resident engineer of the Greers Ferry Lake located in central Arkansas in the congressional district I represent. He arrived at the project while the lake was still in the planning stages and turned the first shovel of dirt to start construction in 1959. When the dam was completed in 1963, President Kennedy came to Arkansas to personally dedicate it. Mr. Garner was at his side during the ceremony, even riding in the Presidential limousine to the festivities. Under his care and guidance, the lake has become the most popular recreational attraction in the State of Arkansas.

As any visitor to Greers Ferry Lake will tell you, his lifetime labor of love and dedication has produced one of the cleanest and most beautiful lakes in the country. This is directly attributable to the persistence of Mr. Garner. By 1970 the lake had become popular enough that debris was noticeable all along the 300-mile shoreline. This disturbed Mr. Garner, so he found a solution. Enlisting an army of 300 local volunteers, he established a national trend by holding the first annual cleanup day. Since that time, groups from across the Nation followed his example and now the first Saturday after Labor Day is known as National Federal Public Lands Day Cleanup. Earlier this year, the House passed a bill which would recognize Mr. Garner's contribution by renaming the cleanup day after him. The Senate has also agreed to similar language and it is my hope that the President will sign this most fitting tribute into law soon.

Among the many awards recognizing his illustrious service, he has been named the Arkansas Tourism Council's Man of the Year, received the Department of the Army National Exceptional Civilian Service Award—the Corps of Engineers' highest civilian honor—and was chosen as the Federal Service Employee of the Year for the State of Arkansas. Additionally, the cleanup program he started has received recognition from numerous national environmental organizations.

Although Mr. Garner will no longer be serving as chief engineer, I am sure he will maintain an active role at the lake and on the State and national level. He leaves an enduring legacy, in both the cleanup programs he started and the beautiful lake which he maintained and developed from its inception. I have been personally honored and privileged to have known such a great man and I count his friendship and guidance as one of my most precious possessions from my time in Congress. I would urge all of my colleagues to join me in paying tribute to a great public servant and a great man, Mr. William Carl Garner.

TRIBUTE TO THE MONTAUK RUGBY CLUB

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the Montauk Rugby Club, from the town of East Hampton, Long Island, NY, that is now in competition for the National Rugby Championship.

This local rugby club is a reflection of America at its best. Members come from all walks of life, from carpenters and painters, to teachers and journalists alike. These fine men work 40-plus hours a week, then train in the evening or early morning to keep fit for the game. Many club members travel as far as 30 miles to train and practice. These men have all demonstrated tremendous self-discipline, courage, and great stamina, and that is what has brought them to the cusp of greatness. With no paycheck driving them on, these true amateurs are inspired simply by their love for the game, the rugby players who came before them, and the teammates they play with every week.

Founded in 1973 by local landscaper Charlie Whitmore, Montauk has prospered thanks to the dedication of its players and sponsors, Amagansett Building Materials and local chiropractor Dr. Richard Kelly. Both have been major benefactors to the team and should be commended for their benevolence.

The men of the Montauk Rugby Club are active members of their community, volunteering their free time to help their neighbors on eastern Long Island. When not working or playing, you can find them cleaning up our town parks and beaches, or donating their time to work with local children. This summer, Montauk is hosting a national qualifying tournament, "The Hampton 7's," where some of the best players and teams in the country will compete, with the victor going to the National Championship. The proceeds of the tournament will go to several local charities, including the Meals on Wheels Program, the East Hampton Village Policeman's Benevolent Association, the East Hampton Ambulance Association, and the Peter Landri Scholarship fund.

Rich Brierley, the youth team's coach, deserves special recognition for his hard work and dedication to the children of Montauk. Rich works as a carpenter by day, then at night goes to the local park to practice with the adult team, or coach the young rugby players of Montauk. Driven only by his passion for the game and his love of coaching, Rich is an example for all Americans to follow. Our children are our most important resource and they should be taught the self-discipline and camaraderie that team sports, such as rugby, instill. All of Montauk and East Hampton will thank Rich when his proteges mature and become leaders on the field and in their communities.

There is another story here, a story of how what we do here in Washington affects the life of ordinary Americans. Last fall, the Montauk Rugby Club went 8–0 in the regular season. They were stopped in the playoffs not by an opponent, but because Federal Government's shutdown made sure that the playoff field they needed was unavailable. The teams had to wait until after the winter months, and only now are able to continue their conquest for a National Championship.

By finishing second in the northeast regional tournament, Montauk has qualified for the national quarter finals and will play in Dallas this weekend. Entering their league in division III, they battled their way to become the 1995 undefeated division II champions and in the running for the national crown. Montauk is 1 of 16 teams in the U.S. bound for Dallas. They go into this tournament seeded third, if they win they will go on to the National Championship round in Chicago on Memorial Day weekend.

Congratulations and best of luck to the Montauk Rugby Club. May you bring back many more national titles to our neighbors in East Hampton.

RELIGIOUS ACCOMMODATIONS IN THE WORKPLACE

HON. ALBERT RUSSELL WYNN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. WYNN. Mr. Speaker, I rise today in the interest of bringing to your attention the issue of religious discrimination in employment. It is my pleasure to represent a district which is rich with diverse religions and great religious institutions. The December 1995 issue of Meat & Poultry, included an excellent article in the Labor Report entitled "Honor Thy Neighbor," by Richard Alaniz. I bring this article to the attention of my colleagues and urge them to read it and to stand for religious accommodations in the workplace in accordance with the Civil Rights Act.

Years of publicity and high profile litigation have made most employers aware of the various state and federal laws prohibiting discrimination based on race, sex, disability and age. What many employers don't know is that Title VII, the primary federal anti-discrimination law, also prohibits discrimination based on religion.

Due to a lack of complaints and perhaps a general unwillingness to accept such claims, religious discrimination has not been brought to the forefront of the average employer's concern. This could all change as the country leans toward conservatism and as groups such as the Christian Coalition attempt to bring religion into the mainstream.

A recent case involving one of the nation's largest employers and religious discrimination may be indicative of future trends. Wal-Mart, the Arkansas-based retail behemoth, settled a religious discrimination suit brought by a former employee. The employee claimed the retailer forced him to quit after he refused to work on his Sabbath. Rather than litigate the claim, Wal-Mart opted to settle. The settlement calls for the retail chain to train all managers in how to reasonably accommodate workers' religious beliefs as well as pay the plaintiff an undisclosed sum of money.

Wal-Mart is not the only business facing this new problem. The Equal Employment Opportunity Commission has brought several religious discrimination suits against other businesses, especially in the Midwest and South. While the focus has been on retail establishments, it could shift to any employer who has weekend shifts.

The basis for many of these lawsuits is that many businesses have no guidelines or policies to handle requests for religious accommodation, which often means having a weekend work-day off. Many employers feel it is easier to require everyone to work weekends rather than grant exceptions which would create jealousy and an administrative headache.

However, the courts have clearly stated employers are required to reasonably accommodate requests to observe the Sabbath or other religious days unless the request causes "undue hardship" to the business.

In order to prevent claims of religious discrimination, an employer should have a policy dealing with employee requests to observe the Sabbath or other religious days. Employers should not have blanket policies requiring weekend work unless they are prepared to justify that to grant days off would be an undue hardship on the business. Typical examples of what may constitute "undue hardship" are: difficulty to replace an employee due to a lack of notice or simply not having enough employees; importance of the employee; or economic hardship on the employer.

Scheduling problems are not the only area where employers face the possibility of religious discrimination. In many offices it's common for employees to have bibles, signs, posters or other religious articles on their desks. It's also typical for some persons to talk openly about their religious beliefs and perhaps refer to these belief in some aspect of performing their job. This raises the delicate question of how an employer walks the line between allowing employees to express their religious beliefs and maintaining a professional work environment that does not invite friction between individuals of different religions.

This can be especially difficult when a supervisor or other decisionmaker is the one proclaiming his religious beliefs. The classic example is the fundamentalist Christian employer who only promotes persons of the same religion and church as the employer. This could easily be challenged as a form of religious discrimination in which the company could be liable.

A company's policy should apply equally and fairly to all individuals and religions within the organization. Religious activities that don't impose upon others, disrupt the workplace or create morale problems should be the focus of the policy. For example, this could include a bible on the desk or wearing a cross or other religious symbol as jewelry. Examples of conduct employers probably should not accommodate are proselytizing in the workplace, statements or evidence of religious favoritism, or use of company time and resources for religious practices.

Using company time and resources for religious practices can be particularly dangerous. In one well-known case, a business required employees to attend staff meetings that began with a short non-denominational talk and prayer. An atheist employee resigned, sued the company and claimed her freedom of conscience was violated by the prayer. The court of appeals ruled the plaintiff's resignation was justified and that the prayers constituted religious discrimination. The voluntary and nondenominational nature of the prayer was discouraged by the court in favor of the plaintiff's claim of a feeling of compulsion to attend and participate.

Court decisions such as these leave little room for employers to conduct similar religious practices in the workplace. No matter how generic or vague a religious practice may be, there is always the chance it will be deemed offensive by someone.

The key to avoiding embarrassing and costly litigation is to prepare a clearly defined policy addressing religion, permissible and impermissible actions and to train managers and supervisors to recognize those circumstances in which allegations of religious discrimination may arise. By taking a few simple steps and providing for "reasonable accommodation" of religious practices, a proactive company can avoid the time and expense of an unnecessary law suit.

HONORING THE HARDYS CHAPEL VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Hardys Chapel Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

THE 25TH ANNIVERSARY OF RURAL HEALTH CORPORATION

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. KANJORSKI. Mr. Speaker, I rise today to recognize the 25th anniversary of the Rural Health Corp. of northeastern Pennsylvania [RHC]. Tomorrow, the RHC board of directors, employees, and friends of the agency wil celebrate 25 years of success, and I am pleased to have been asked to participate in this event.

The Rural Health Corp. has been instrumental providing public health services to the residents of northeastern and central Pennsylvania. The RHC is a private, nonprofit corporation that was founded for the purpose of providing primary and preventive health care to the medically underserved. It concentrates its efforts on helping those people who are isolated geographically or economically from major health service centers, and who have limited alternative health resources.

The RHC is governed by a volunteer, unpaid board of directors selected from the areas served by the corporation; over 50 percent of the board members have utilized the facility's services. The corporation currently

serves almost 18,000 individuals throughout the area, providing comprehensive pediatric, adolescent, and adult health care at six medical and three dental centers. Other services include community health education, nutrition education, and transportation.

The first patients were seen by the RHC staff in January 1971, in the first RHC building. By 1973, three additional buildings had been constructed to serve the rapidly growing number of patients that were seeking services from the RHC. The next 4 years focused on expanding services, and strengthening the quality of care. Since 1977, two additional medical centers and one dental center were opened, and a new building replaced the RHC's original facility. In addition, the RHC opened a pharmacy, and a centralized management information system complete with computerized financial, billing, and patient data a systems.

RHC has participated in a number of innovative health care programs. Between 1984 and 1988, the corporation established the PennCare Health Plan, a prepaid health care program for medical assistance recipients. In the fall of 1987, the RHC launched the Luzerne County Integration Project to replace the Pennsylvania Department of Health's Immunization Program, which was then terminated in Luzerne County. The corporation administered the area's State subsidized program of vaccination for perdiatric patients.

In 1987, the RHC responded to a Federal initiative to extend health services to the homeless under the Stewart B. McKinney Homeless Assistance Act. Services provided by the medical care facility include patient outreach and case management, mental health and substance abuse counseling, emergency and impatient hospitalization.

The services that the RHC has provided during its years of operation have saved and improved the live of thousands of people. During its 25-year history, the RHC has evolved from a small county practice into one of the largest providers of primary care in the region, and one of the largest nonprofit community health center programs in the Commonwealth of Pennsylvania. The RHC can be proud of all that it has accomplished. I salute the Rural Health Corp. of northeastern Pennsylvania and wish it continued success as it strives to improve the quality of lives of the people it serves.

TRIBUTE TO JAMES R. NUNES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. MILLER of California. Mr. Speaker, I rise today to pay tribute to James R. Nunes, who is retiring after 33 distinguished years as a police officer and 17 years as Chief of Police in Pleasant Hill, California.

Chief Nunes' distinguished career began in 1959 when he served as a military police officer in the United States Army. He then progressed through the ranks in both the Hayward and Sausalito police departments.

In 1979, he arrived in Pleasant Hill to serve as Chief of Police. He has maintained that esteemed rank to the present, and retires with pride after a long and meritorious career serving the Bay Area.

Chief Nunes has proven himself as a leader among leaders in the field of law enforcement officers and he embodies the very best in community spirit. Beyond his professional duties, he has volunteered his time and energies to a variety of organizations and activities. His caring and dedication are hallmarks of both his professional and personal life.

I know that the other members of the House will join me in thanks to Chief James Nunes for his years of dedicated service to society and wish him the very best in the future.

TRIBUTE TO COMDR. CHESTER O. BURTON, U.S. NAVY

HON. OWEN B. PICKETT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. PICKETT. Mr. Speaker, I rise today to recognize a truly outstanding naval officer, Comdr. Chester Burton, Supply Corps, U.S. Navy, who will soon be completing his tour of duty in the Navy's Office of Legislative Affairs. It is a pleasure for me to recognize several of his many outstanding achievements.

A native of northern Wisconsin, Commander Burton received an undergraduate degree in marketing from St. Cloud State University in St. Cloud, MN. After growing up in a rural farming community, Commander Burton felt what better way to see the world than to join the navy. After completing Officer Candidate School in Newport, RI, Chet was commissioned an Ensign in September 1980. He subsequently attended the Navy Supply Corps School in Athens, GA, completing the qualifications to be designated a Supply Corps Officer. After completing basic submarine school Commander Burton reported as Supply Officer of the submarine *LaJolla* (SSN–701) being built at Electric Boat in Groton, CT. During his tour aboard *LaJolla*, Commander Burton was a member of the Commissioning Crew and participated in the ships changing homeport to San Diego, CA.

Following his initial sea tour, Commander Burton served at the Naval Supply Depot in Guam. He then reported to the Naval Air Systems Command in Arlington, VA, where he was selected to participate in the Navy Acquisition Contracting Officer internship program. Due to his outstanding performance as contracting officer for the Rolls Royce engine used on the AV–8B Harrier Jet, he received the Secretary of the Navy's award for excellence in fostering competition and reducing procurement costs.

Subsequent to his tour at NAVAIR, Commander Burton returned to sea duty aboard the submarine tender U.S.S. *Dixon* homeported in San Diego. He then did back-to-back sea tours reporting as Supply Officer aboard U.S.S. *Ohio*, a trident class ballistic missile submarine.

Due to his outstanding performance, he was selected to attend postgraduate school after completing his tour aboard *Ohio*. Commander Burton completed a masters of business administration degree at the University of Virginia's Darden Graduate Business School in May 1991. Following graduate school he reported to the Pentagon where he was the executive assistant to the Director of the Supply Programs and Policy Division, a Navy rear admiral, on the Chief of Naval Operations staff.

Commander Burton reported to the Navy Legislative Affairs Office in August 1993. During his tenure Chet has been considered the navy's procurement expert on Capitol Hill. In addition to handling literally thousands of inquiries relating to naval contracts, he has been responsible for organizing numerous government small business conferences in which many of our constituents have learned the basics about contracting with the Federal Government.

Mr. Speaker, Chet Burton, his wife Amy and their two children Douglas and Sarah, have made many sacrifices during his 16-year naval career. Serving on two submarines and a submarine tender, Chet has spent a significant amount of time underway away from his family to support the vital role our naval forces play in our national security. Commander Burton is a great credit to the U.S. Navy and the country he so proudly serves. As he now prepares to depart to yet another new challenge, I call upon my colleagues from both sides of the aisle to wish him every success as well as fair winds and following seas always.

TRIBUTE TO MARCO ANTONIO MUÑIZ, "THE MOST BELOVED VOICE OF AMERICA"

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Marco Antonio Muñiz, one of the most loved and cherished singers among Hispanics in all of the Americas. This weekend Marco Antonio Muñiz will be given two special performances at Hostos Community College in my congressional district of the South Bronx.

Marco Antonio Muñiz was born in 1933 in Guadalajara, Mexico. His passion for music started at a very early age, and even as a child he would take every opportunity to sing at events in Guadalajara.

As a young man, Marco Antonio joined the musical group "Veracuz" and later on became a member of "Los Tres Ases," a trio which brought him international fame. "Los Tres Ases" held performances in all of Latin America and recorded eight LPs, copies of which are still available in music stores. Among the many hits the group achieved include: "Mi último fracaso" ("My last failure"), "100 Mujeres" ("100 Women"), "Que Seas Feliz" ("I Wish You Happiness"), and "El Reloj" ("The Clock").

While still at the summit of success, Marco Antonio decided to leave the trio and seek a new challenge as a soloist. He struggled in the beginning, but soon won the admiration of many in Mexico and the rest of the Americas.

Although his repertoire ranges from traditional Mariachi music to romantic ballads, Marco Antonio Muñiz is internationally acclaimed as one of the greatest singers of romantic music. He is commonly called "The

Most Beloved Voice of America," "The Romantic Singer of America," "The Luxury of Mexico," and "The Uncontainable."

His music has won the hearts of many Puerto Ricans. Marco Antonio has performed in Puerto Rico for the past 34 Christmas holiday seasons without a break. His simplicity of character and undeniable passion in his singing have gained him recognition as one of the most talented singers of the Americas.

I have a collection of 50 LPs by Marco Antonio Muñiz. His exceptional career has featured numerous hits and record sales. And among his recordings is a collection of albums dedicated to Puerto Rican composers Rafael Hernández, Sylvia Rexach, and Pedro Flores. I am proud to say that my first son, José Marco, was named after him.

The Hispanic community of the South Bronx is honored to receive this giant of Latin American music.

Mr. Speaker, I ask my colleagues to join me in paying tribute to Marco Antonio Muñiz, the most beloved singer of the Americas, for giving to the Hispanic community the gift of beautiful music.

HONORING THE KITTRELL VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Kittrell Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee fire training school in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

ROLLING MEADOWS CHAMBER OF COMMERCE AWARD RECIPIENTS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. CRANE. Mr. Speaker, today I would like to recognize some outstanding business leaders in my district who have risen to the top in their respective fields. Tonight they will be recognized by the Rolling Meadows Chamber of Commerce for their efforts and achievements. I would like to take a moment to recognize each for their accomplishments in the hopes that their achievements will inspire others to follow their lead.

Kristine M. Stabler, the vice president and head of sales for the Arlington International Racecourse, has been named the Business Leader of the Year. She has worked in the business community at Arlington International Racecourse for 14 years and was given the added responsibility to serve as a liaison between the racetrack and the business community. The Rolling Meadows Chamber of Commerce adds that "she is also the coordinator of the International Festival of Racing, highlighted by the Arlington Million and oversees the retail operations, guest relations and special events." Her interaction with businesses and the community is extensive and her accomplishments impressive.

The Platinum Home Mortgage Corp., which is a family-owned business, has been awarded the Small Business of the Year Award. Although the company is only 2½ years old, it has grown both physically and financially. It has brought on staff 88 employees and has opened offices in Chicago, IL, River Grove, IL, and Denver, CO. It is now the fourth largest government residential loan provider in my State. The Platinum Home Mortgage Corp. is truly representative of success as they continue to grow.

Kevin T. Kendrigan, the director of the Northwest Special Recreation Association [NSRA] has been recognized as the Community Leader of the Year. His resume offers an extensive list of memberships to associations and community groups. Even more impressive are his accomplishments at the NSRA, which now serves over 2,500 people monthly and conducts 250 programs for both children and adults.

The Community Consolidated School District 15 has been awarded the Exceptional Business/Educational Environment Award. District 15 has blended traditional educational classes with interaction between various business and community leaders to offer students a more worldly education. Through innovative new programs at the local level, sponsored by private industries, our education system will be more effective in turning out students who will have the skills and knowledge that companies need as they enter the next century.

One award, the Business Beautification Award, was shared this year between two impressive edifices. The first is Michaels Glass and Mirror, Inc., which offers a wide variety of glass work, including auto glass, commercial and residential glazing, store fronts, table tops, shower doors, and mirrors. The second is the Rolling Meadows Shopping Center, owned by Baird and Warner. Both businesses have undergone substantial renovations to attract new customers and support businesses.

Mr. Speaker, I commend all of the winners of the Rolling Meadows Chamber of Commerce awards. But more importantly, I thank all of them for their contributions to the community in which they live. I and the residents of the Eighth Congressional District of Illinois are proud of them.

CONDEMNING THE KKK AND EVERYTHING FOR WHICH IT STANDS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. VISCLOSKY. Mr. Speaker, the U.S. Constitution establishes the fundamental rights we enjoy as Americans. It embodies what is good and right in America. The first amendment to our Constitution provides for the right to peacefully assemble, and it enshrines free speech as being a basic tenet upon which the democracy of our great Nation rests.

As history has taught us, the Constitution, which represents so much of what is good in our country, also protects those who promote evil. I am sad to say that the Ku Klux Klan [KKK], which embraces bigotry, hatred, and intolerance, will exercise its first amendment rights and rally in Portage, IN this Saturday, May 11. I join the overwhelming majority of Portage residents—and others in Northwest Indiana—in condemning the KKK and everything for which it stands.

The Ku Klux Klan is reviled around the world for its association with terror and violence. Through violence and intimidation, the KKK has historically punished opposing persons or groups, traditionally persons of color and religious minorities. Since its inception, the KKK has engaged in despicable acts of violence and hate, characterized by lynchings in the rural South, cross burnings, and other forms of hate crime. There is no place in our diverse society for this divisiveness. We must do everything within our power to stop the KKK and other perpetrators of hate crime.

In repudiation of the KKK, a wide variety of people and organizations in Indiana's First Congressional District will convene a prodiversity counter-rally to show America that the KKK's attempt to spread hatred in our community will not prevail. This Saturday, while the KKK exercises its right to assemble, an immense group of civic, business, religious, and student leaders will gather at Woodland Park in Portage, IN, to emphasize their message of unity and brotherhood.

The prodiversity rally is the brainchild of Eric Mason and Michael Krueger, two Portage High School seniors. As a result of their commitment to embrace and commemorate ethnic, racial, and religious diversity, the prodiversity rally, has grown into an enormous celebration. Participants at the prodiversity rally will include: Portage Mayor Sammie Maletta; a keynote speech by Jack Parton, director of the United Steelworkers of America [USWA] district 7; and the Reverend David Kehert, Dean of the chapel at Valparaiso University.

Several other organizations have passed resolutions or offered support for the prodiversity rally and its laudable ideals. Jack Parton, director of the USWA, district 7, has urged all steelworkers to attend the rally, while USWA Local 1014, United Steel Group's Gary Works, and an association of retired steelworkers, have also expressed their support for the counterrally. Alice Bush, spokesperson for the Healthcare Workers of America, district 1199, stated that her organization and Whispering Pines Health Care Center in Valparaiso, IN, are donating medical supplies for a first-aid tent at Woodland Park. This fine labor group serves all of Northwest Indiana. In addition, the Calumet project, a Hammond—based coalition of religious, labor, and community groups covering all of Northwest Indiana, has offered its support at the prodiversity rally.

Meanwhile, 29 pastors representing all faiths and almost all Portage churches, have united under the Pastors United for RacialEquality [P.U.R.E.] banner. P.U.R.E. has approved a resolution stating that, even though the KKK often uses Christian symbolism, it unequivocally and wholeheartedly condemns the ideals of the KKK and those of any such proclaimers of hate in our society. In addition, there will be a candlelight vigil to counter the KKK rally, sponsored by the Valparaiso Ministerial Association. The ministerial association is encouraging church members and others to make pledges to charitable causes which benefit minority groups or combat racism and bigotry.

Businesses are rallying together to oppose the KKK rally. In an effort to keep residents away from the KKK rally and promote security, Portage city officials have asked that Portage businesses near the site band together and close on Saturday afternoon. In support of this plea, many businesses have agreed to close early.

Mr. Speaker, I would like to commend the founders of the prodiversity rally, Eric Mason and Michael Krueger, for having the wisdom to bring the community of Northwest Indiana together to promote peace and harmony. May the actions of these distinguished young men, the participants in the prodiversity rally, as well as all of the organizations and community leaders who have pulled together to condemn the white supremacists' message—and, instead, promote diversity—be emulated by other towns and cities. The prodiversity rally is a powerful example of how to overcome hatred and pull together to promote unity. I join these dignified members of Indiana's First Congressional District in their commitment to ethnic, racial, and religious diversity. These ideals are truly what continues to make America the greatest country in the world.