

HOUSE OF REPRESENTATIVES—Monday, October 6, 1997

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore [Mr. STEARNS].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
October 6, 1997.

I hereby designate the Honorable CLIFF STEARNS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 21, 1997, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 30 minutes, and each Member except the majority leader, the minority leader, or the minority whip limited to 5 minutes.

The Chair recognizes the gentleman from Iowa [Mr. LEACH] for 5 minutes.

REGARDING HOLOCAUST VICTIMS REDRESS ACT

Mr. LEACH. Mr. Speaker, I rise to bring to the attention of my colleagues legislation I introduced last week with the gentleman from New York [Mr. GILMAN] in support of international efforts to provide redress to victims of the Holocaust.

In the Judaic tradition, Rosh Hashanah, which commenced at sundown last Wednesday, initiated 10 days of spiritual introspection that concludes on Friday of this week with the Day of Atonement, a time of reconciliation of man with God. The bill I have introduced, H.R. 2591, the Holocaust Victims Redress Act, represents national recognition of an aspect of the Holocaust for which the concept of reconciliation and introspection, in this case at the societal level, is profoundly appropriate.

The purpose of the legislation is to provide a measure of relief for the remaining victims of the greatest crime in man's memory, the Holocaust.

The bill would authorize up to \$25 million for a U.S. contribution to organizations serving survivors of the Holocaust

who live in the United States. The genesis for this proposal dates back to hearings which the Committee on Banking and Financial Services held over the past year, chronicling how the Nazis looted gold from the central banks of Europe as well as from individual Holocaust victims.

As some of my colleagues may know, following World War II the Tripartite Gold Commission, consisting of the United States, United Kingdom, and France, was created to oversee the recovery and return of Nazi-looted gold. Most of the gold recovered during that period was long ago returned to claimant countries. However, a portion of that gold remains to be distributed. The gold in the custody of the Tripartite Gold Commission, amounting to 6 metric tons, is worth anywhere from \$50 to \$70 million. Fifteen nations hold claim to some portion of that gold.

The case for speedy final distribution of remaining gold to Holocaust survivors, which involves a donation by 15 claimant nations of their share, is compelling. The moral case for such a distribution has been increased by the horrific revelation in the recently released Eizenstat report that Nazi Germany commingled victim gold, taken from the personal property of Holocaust victims, including their dental fillings, with monetary gold, remelting it into gold bars and ingots which the Nazis then traded for hard currency to help finance their war efforts.

This legislation would put Congress on record in strong support of the State Department's appeal to claimant nations to contribute their share of Tripartite gold to Holocaust survivors. It would also strengthen the department's hand in seeking further recompense from other nations by authorizing the President to commit the United States to a voluntary donation of up to \$25 million.

A voluntary contribution on our part could go a long way in facilitating a similar gesture of generosity from others who may be claimants of the gold pool or who may have reason to provide redress for actions taken during the dark night of the human soul we call the Holocaust. A contribution of this nature by the United States would also serve as an act of conscience on the part of this Nation.

A second aspect of the bill deals with the Nazi-looted art. Under international legal principles dating back to the Hague Convention of 1907, pillaging

during war is forbidden, as is the seizure of works of art. In defiance of then extant international standards, the Nazis looted valuable works of art from their own citizens and institutions as well as from people and institutions in France and Holland and other occupied countries. This grand theft of art helped the Nazis finance their war efforts. Avarice served as an incentive to genocide with the ultimate in government censorship being reflected in the Aryan supremacist notion that certain modern art was degenerate and thus disposable.

Last Thursday in synagogues throughout the world, the shofar was sounded three times. The shrill blast of the ram's horn reminds us of many things, perhaps most importantly that God remembers the deeds of all. It is thus appropriate that as we begin the Jewish New Year of 5758, we also move forward with reconciliation with people and with their descendants whose lives were destroyed during World War II in a way we can never truly understand.

During all days, but particularly during this period of remembrance and atonement, we cannot forget what occurred and those issues which remain to be resolved and the people who deserve justice.

ROLLING READERS TO THE RESCUE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from California [Mr. FILNER] is recognized during morning hour debates for 5 minutes.

Mr. FILNER. Mr. Speaker, I rise today to recognize the fine work of one of the largest nonprofit children's programs in the great State of California, the Rolling Readers Volunteer Tutoring Program.

Rolling Readers is one of the Nation's premier volunteer children's literacy organizations. Back in 1991, after realizing the benefits of reading aloud to his sons, San Diego resident Robert Condon began Rolling Readers by volunteering to read to children at a local homeless shelter. From this simple beginning, the Rolling Readers Tutoring Program was developed in partnership with the San Diego County Office of Education.

Under executive director Condon, the Rolling Readers Program takes volunteer readers from the community and trains them to become weekly story-time readers for an hour each week at

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in **this typeface** indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

local schools and community organizations. A professional site coordinator is available to help the tutors succeed.

Over 2000 Rolling Readers volunteers now read to and tutor 50,000 children each and every week. That is 2,000 readers and 50,000 children. Each volunteer in the Rolling Readers Program reads to the same group of children each week, establishing a continuity not only in tutoring but in inspiring minds, touching imaginations, developing language skills, and assuring a positive impact on the children's lives.

Because of financial contributions to Rolling Readers from many individuals, both those who read to children and those who are not able to volunteer their time, the volunteer readers are also able to give new books to the children three times a year. Millions of dollars worth of new books have now been given, each book a gift from the volunteer to the child. Offices, phones, postage, printing, and delivery trucks are also donated. In these ways Rolling Readers is an organization unlike any other.

The vision of Rolling Readers is very clear: We have a major crisis in our country. For 30 years literacy rates have been falling, with the biggest decline occurring amongst the population already in the bottom half in reading test scores. Spend a few minutes thinking that over and you will realize how devastating that situation is and how important is the work of the Rolling Readers volunteers.

I am excited that the Rolling Readers Program is further expanding in my 50th Congressional District in San Diego. I salute this fine organization and its volunteers for the outstanding contribution they are making to our communities. What can happen for our kids through reading can be truly magical.

SUPPORT THE MARRIAGE TAX ELIMINATION ACT

The SPEAKER pro tempore (Mr. LEACH). Under the Speaker's announced policy of January 21, 1997, the gentleman from Florida [Mr. STEARNS] is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, this past weekend Washington witnessed the arrival of hundreds of thousands of men who joined together to proclaim their commitment to God, family, and freedom. I am talking about the Promise Keepers. Although maligned by some folks, I applaud these individuals for looking into themselves and into others for self-improvement. I also commend them for highlighting the importance of the family.

No single unit of any society is as important as a family. It lies at the core of building sound individuals by offering love, support, and guidance. I sympathize with the difficult plight of

those single parents who are struggling to raise their children, but it is true that two-parent households provide the most maturing environments. Sadly, the traditional family structure is under assault. The dissolution of the American family is not merely a personal crisis, it imposes terrible consequences throughout our society.

What is one of the greatest concerns of the American people? Obviously one of them is crime. Forty-three percent of all inmates grew up in a single-parent household. According to the Cato Institute, a 1 percentage point increase in births to single mothers appeared to increase the violent crime rate about 1.7 percent. The disturbing fact is that men from single-parent families are twice as likely to commit crimes compared with men from two-parent families.

The corruption of family values is not only mirrored in crime rates, but studies also show that a weak family structure is unhealthy. Men and women who divorce have a 40 percent greater risk of premature death than those who stay steadfastly married. What is the impact on children? Children of divorced parents see their mortality rate increase by 44 percent.

Strong families produce healthy, productive individuals. It is in the interest of everyone to promote stable families. However, the values that build strong families and a strong Nation are constantly being undermined through our popular culture. In addition, families are threatened by the policies of our own government.

There is much that we can do and should do to strengthen American families. But today I would like to point out an easy means of reducing the pressure that is helping to tear our families apart. One simple step that we can take in Congress is to eliminate the marriage tax penalty.

Not only is its unfair to punish married couples through higher taxes, it is morally wrong to penalize the cornerstone of a strong, stable family, the institution of marriage. That is why I am a cosponsor of H.R. 2456, the Marriage Tax Elimination Act of 1997.

What is this marriage penalty? Under the present tax system, many couples filing jointly are pushed into a higher tax bracket. This often results in taxing the income of a family's second wage earner at a much higher rate than if that earner filed as an individual. For example, an individual with an income of \$24,000 would be taxed at a 15-percent rate. However, a working couple with incomes of \$24,000 each would be taxed at 28 percent if filing jointly.

How widespread is this penalty? According to the Congressional Budget Office, over 21 million couples have paid a marriage penalty which averages about \$1,400.

The Marriage Tax Elimination Act simply allows families to decide how

they file their income taxes, either individually or jointly, whichever gives them the greatest tax benefit. Just this past year Congress passed the \$500-per-child tax credit to help families get by and enacted educational tax relief to help parents educate their children. We are moving in the right direction in defense of the family. We should continue our efforts by eliminating the marriage penalty.

For many Members, \$1,400 in tax penalties for married couples may not seem like much. However, this amount can make a real difference in improving the family situation, providing for their children, reducing the financial pressure under which most Americans struggle.

I am under no illusion that this will reverse the decline in families, but it is a step down the right road, a means to reduce the erosion of the family structure. It is an issue of fairness and of recognizing the value of strong families through strong marriages. I urge my colleagues to join with me in supporting the Marriage Tax Elimination Act.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 44 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. EMERSON) at 2 p.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us, O gracious God, to translate our ideas and feelings and attitudes into actions that promote justice and mercy, and help us express the unity of ideas and feelings and attitudes in the lives we live every day. May good words become good deeds, may good thoughts become acts of kindness and generosity, and may good plans become the bedrock on which we build the qualities of righteousness and hope. Bless us, O God, this day and every day, we pray. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada [Mr. GIBBONS] come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS 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.

CONFERENCE REPORT ON H.R. 2158, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1998

Mr. LIVINGSTON submitted the following conference report and statement on the bill (H.R. 2158) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes:

CONFERENCE REPORT (H. REPT. 105-297)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2158) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFERS OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat.

735; 76 Stat. 1198); \$19,932,997,000, to remain available until expended: Provided, That not to exceed \$26,380,000 of the amount appropriated shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the "Compensation and pensions" appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992 (38 U.S.C. chapter 55).

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, \$1,366,000,000, to remain available until expended: Provided, That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98-77, as amended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, \$51,360,000, to remain available until expended.

VETERANS HOUSING BENEFIT PROGRAM FUND

PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That during fiscal year 1998, within the resources available, not to exceed \$300,000 in gross obligations for direct loans are authorized for specially adapted housing loans: Provided further, That during 1998 any moneys that would be otherwise deposited into or paid from the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund shall be deposited into or paid from the Veterans Housing Benefit Program Fund: Provided further, That any balances in the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund on the effective date of this Act may be transferred to and merged with the Veterans Housing Benefit Program Fund.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$160,437,000, which may be transferred to and merged with the appropriation for "General operating expenses".

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$1,000, as authorized by 38 U.S.C. 3698, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$3,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$200,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$44,000, as authorized by 38 U.S.C. chapter 31, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$2,278,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$388,000, which may be transferred to and merged with the appropriation for "General operating expenses".

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, \$515,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq.; and not to exceed \$8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); \$17,057,396,000, plus reimbursements: Provided, That of the funds made available under this heading, \$570,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1998, and shall remain available until September 30, 1999: Provided further, That of the amount made available under this heading, not to exceed \$5,000,000 shall be for a study on the cost-effectiveness of contracting with local hospitals in East Central Florida for the provision of non-emergent inpatient health care needs of veterans.

In addition, in conformance with Public Law 105-33 establishing the Department of Veterans Affairs Medical Care Collections Fund, such sums as may be deposited to such Fund pursuant to 38 U.S.C. 1729A may be transferred to this account, to remain available until expended for the purposes of this account.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 1999, \$272,000,000, plus reimbursements.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology; \$59,860,000, plus reimbursements.

GENERAL POST FUND, NATIONAL HOMES (INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$7,000, as authorized by Public Law 102-54, section 8, which shall be transferred from the "General post fund": Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$70,000.

In addition, for administrative expenses to carry out the direct loan programs, \$54,000, which shall be transferred from the "General post fund", as authorized by Public Law 102-54, section 8.

DEPARTMENTAL ADMINISTRATION GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed \$25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail; \$786,135,000: Provided, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act: Provided further, That none of the funds made available under this heading may be used for the relocation of the loan guaranty divisions of the Department of Veterans Affairs Regional Office in St. Petersburg, Florida to the Department of Veterans Affairs Regional Office in Atlanta, Georgia.

NATIONAL CEMETERY SYSTEM

For necessary expenses for the maintenance and operation of the National Cemetery System, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of three passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, \$84,183,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$31,013,000.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guar-

antee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is \$4,000,000 or more or where funds for a project were made available in a previous major project appropriation, \$177,900,000, to remain available until expended: Provided, That the \$32,100,000 provided under this heading in Public Law 104-204 for the replacement hospital at Travis Air Force Base, Fairfield, CA, shall not be obligated for that purpose but shall be available for any project approved by the Congress in the budgetary process: Provided further, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: Provided further, That funds provided in this appropriation for fiscal year 1998, for each approved project shall be obligated (1) by the awarding of a construction documents contract by September 30, 1998, and (2) by the awarding of a construction contract by September 30, 1999: Provided further, That the Secretary shall promptly report in writing to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above: Provided further, That no funds from any other account except the "Parking revolving fund", may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, where the estimated cost of a project is less than \$4,000,000; \$175,000,000, to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is less than \$4,000,000: Provided, That funds in this account shall be available for (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe, and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from "Medical care".

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans

as authorized by 38 U.S.C. 8131-8137, \$80,000,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERAN CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by 38 U.S.C. 2408, \$10,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year 1998 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for fiscal year 1998 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 103. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for "Construction, major projects", "Construction, minor projects", and the "Parking revolving fund") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 104. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901-7904 or 42 U.S.C. 5141-5204), unless reimbursement of cost is made to the "Medical care" account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year 1998 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 1997.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1998 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100-86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

SEC. 107. Notwithstanding any other provision of law, during fiscal year 1998, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans' Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the "General operating expenses" account for the cost of administration of the insurance programs financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 1998, that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: Provided further, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal year 1998, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 108. Section 2141(1)(D) of the Immigration and Nationality Act (8 U.S.C. 1184(1)(D)) (as added by section 220 of the Immigration and

Nationality Technical Corrections Act of 1994 and redesignated as subsection (I) by section 671(a)(3)(A) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996) is amended by inserting before the period at the end the following: ", except that, in the case of a request by the Department of Veterans Affairs, the alien shall not be required to practice medicine in a geographic area designated by the Secretary".

SEC. 109. In accordance with section 1557 of title 31, United States Code, the following obligated balance shall be exempt from subchapter IV of chapter 15 of such title and shall remain available for expenditure without fiscal year limitation: Funds obligated by the Department of Veterans Affairs for lease number 757-084B-001-91 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993 (Public Law 102-389) under the heading "Medical care".

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFERS OF FUNDS)

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, \$9,373,000,000, to remain available until expended: Provided, That of the total amount provided under this heading, \$8,180,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts, for enhanced vouchers as provided under the "Preserving Existing Housing Investment" account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, (Public Law 104-204), and contracts entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1998: Provided further, That of the total amount provided under this heading, \$850,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended: Provided further, That of the total amount provided under this heading, \$343,000,000 shall be for section 8 rental assistance under the United States Housing Act of 1937 including assistance to relocate residents of properties (i) that are owned by the Secretary and being disposed of or (ii) that are discontinuing section 8 project-based assistance; for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: Provided further, That of the total amount made available in the preceding proviso, \$40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611), or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not need-

ed to fund applications for such affected families, to other nonelderly disabled families: Provided further, That the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104-204, shall also be made available to nonelderly disabled families affected by the restriction of occupancy to elderly families in accordance with section 658 of the Housing and Community Development Act of 1992: Provided further, That to the extent the Secretary determines that the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104-204, is not needed to fund applications for affected families described in the fifth proviso, or in the preceding proviso under this heading in this Act, the amount not needed shall be made available to other nonelderly disabled families: Provided further, That all balances, as of September 30, 1997, remaining in the "Annual Contributions for Assisted Housing" account and the "Prevention of Resident Displacement" account for use in connection with expiring or terminating section 8 subsidy contracts and for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended, shall be transferred to and merged with the amounts provided for those purposes under this heading.

SECTION 8 RESERVE PRESERVATION ACCOUNT

The amounts recaptured during fiscal year 1998 that were heretofore made available to public housing agencies for tenant-based assistance under the section 8 existing housing certificate and housing voucher programs from the Annual Contributions for Assisted Housing account shall be collected in the account under this heading, for use as provided for under this heading, as set forth under the Annual Contributions for Assisted Housing heading in chapter 11 of Public Law 105-18, approved June 12, 1997.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING (INCLUDING RESCISSION AND TRANSFER OF FUNDS)

Notwithstanding any other provision of law, of the amounts recaptured under this heading during fiscal year 1998 and prior years, \$550,000,000, heretofore maintained as section 8 reserves made available to housing agencies for tenant-based assistance under the section 8 existing housing certificate and housing voucher programs, are rescinded.

All balances outstanding as of September 30, 1997, in the Preserving Existing Housing Investment Account for the Preservation program shall be transferred to and merged with the amounts previously provided for those purposes under this heading.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program for modernization of existing public housing projects as authorized under section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), \$2,500,000,000, to remain available until expended: Provided, That of the total amount, \$30,000,000 shall be for carrying out activities under section 6(f) of such Act and technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public housing (whether or not the housing is being modernized with assistance

under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the Department and of public housing agencies and to residents in connection with the public housing program and for lease adjustments to section 23 projects: Provided further, That of the amount available under this heading, up to \$5,000,000 shall be for the Tenant Opportunity Program: Provided further, That all balances, as of September 30, 1997, of funds heretofore provided (other than for Indian families) for the development or acquisition costs of public housing, for modernization of existing public housing projects, for public housing amendments, for public housing modernization and development technical assistance, for lease adjustments under the section 23 program, and for the Family Investment Centers program, shall be transferred to and merged with amounts made available under this heading.

PUBLIC HOUSING OPERATING FUND

(INCLUDING TRANSFER OF FUNDS)

For payments to public housing agencies for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), \$2,900,000,000, to remain available until expended: Provided, That all balances outstanding, as of September 30, 1997, of funds heretofore provided (other than for Indian families) for payments to public housing agencies for operating subsidies for low-income housing projects, shall be transferred to and merged with amounts made available under this heading.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

For grants to public housing agencies and tribally designated housing entities for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901-11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921-11925, \$310,000,000, to remain available until expended, of which \$10,000,000 shall be for grants, technical assistance, contracts and other assistance, training, and program assessment and execution for or on behalf of public housing agencies, resident organizations, and Indian Tribes and their tribally designated housing entities (including the cost of necessary travel for participants in such training); \$10,000,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home Program administered by the Inspector General of the Department of Housing and Urban Development; \$10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home; and \$20,000,000 shall be available for a program named the New Approach Anti-Drug program which will provide competitive grants to entities managing or operating public housing developments, federally assisted multifamily housing developments, or other multifamily housing developments for low-income families supported by non-Federal governmental entities or similar housing developments supported by nonprofit private sources in order to provide or augment security (including personnel costs), to assist in the investigation and/or prosecution of drug related criminal activity in and around such developments, and to provide assistance for the development of capital improvements at such developments directly relating to the security of such developments: Provided, That grants for the New Approach Anti-Drug program shall be made on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989: Provided further, That the term "drug-related

crime", as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary: Provided further, That, notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants displaced by the demolition, \$550,000,000, to remain available until expended, of which the Secretary may use up to \$10,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: Provided, That of the amount made available under this heading, \$26,000,000 shall be made available, including up to \$10,000,000 for Heritage House in Kansas City, Missouri, for the demolition of obsolete elderly public housing projects and the replacement, where appropriate, and revitalization of the elderly public housing as new communities for the elderly designed to meet the special needs and physical requirements of the elderly: Provided further, That no funds appropriated under this heading shall be used for any purpose that is not provided for herein, in the United States Housing Act of 1937, in the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, and 1997, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996: Provided further, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein.

NATIVE AMERICAN HOUSING BLOCK GRANTS (INCLUDING TRANSFERS OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (Public Law 104-330), \$600,000,000, to remain available until expended, of which \$5,000,000 shall be used to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the oversight and management of Indian housing and tenant-based assistance, including up to \$200,000 for related travel: Provided, That of the amount provided under this heading, \$5,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of the Native American Housing Assistance and Self-Determination Act of 1996: Provided further, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed \$217,000,000: Provided further, That the funds made available in the first proviso are for a demonstration on ways to enhance economic growth, to increase access to private capital, and to encourage the investment and participation of traditional financial institutions in

tribal and other Native American areas: Provided further, That all balances outstanding as of September 30, 1997, previously appropriated under the headings "Annual Contributions for Assisted Housing", "Development of Additional New Subsidized Housing", "Preserving Existing Housing Investment", "HOME Investment Partnerships Program", "Emergency Shelter Grants Program", and "Homeless Assistance Funds", identified for Indian Housing Authorities and other agencies primarily serving Indians or Indian areas, shall be transferred to and merged with amounts made available under this heading.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), \$5,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$73,800,000.

CAPITAL GRANTS/CAPITAL LOANS PRESERVATION ACCOUNT

At the discretion of the Secretary, to reimburse owners, nonprofits, and tenant groups for which plans of action were submitted with regard to eligible properties under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRA) or the Emergency Low Income Housing Preservation Act of 1987 (ELIHPA) prior to the effective date of this Act, but were not executed for lack of available funds, with such reimbursement available only for documented costs directly applicable to the preparation of the plan of action or any purchase agreement as determined by the Secretary, on terms and conditions to be established by the Secretary, \$10,000,000 shall be made available.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), \$204,000,000, to remain available until expended: Provided, That of the amount made available under this heading for non-formula allocation, the Secretary may designate, on a noncompetitive basis, one or more nonprofit organizations that provide meals delivered to homebound persons with acquired immunodeficiency syndrome or a related disease to receive grants, not exceeding \$250,000 for any grant, and the Secretary shall assess the efficacy of providing such assistance to such persons.

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301), \$4,675,000,000, to remain available until September 30, 2000: Provided, That \$67,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act; \$2,100,000 shall be available as a grant to the Housing Assistance Council; \$1,500,000 shall be available as a grant to the National American Indian Housing Council; \$32,000,000 shall be for grants pursuant to section 107 of such Act; \$7,500,000 shall be for the Community Outreach Partnership program; \$16,700,000 shall be for grants pursuant to section 11 of the Housing Opportunity Program Extension Act of 1996 (Public Law 104-120): Provided further, That

not to exceed 20 percent of any grant made with funds appropriated herein (other than a grant made available under the preceding proviso to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department.

Of the amount made available under this heading, \$15,000,000 shall be made available for "Capacity Building for Community Development and Affordable Housing," as authorized by section 4 of the HUD Demonstration Act of 1993 (Public Law 103-120), as in effect immediately before June 12, 1997, with not less than \$5,000,000 of the funding to be used in rural areas, including tribal areas.

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to \$55,000,000 for a public and assisted housing self-sufficiency program, of which up to \$5,000,000 may be used for the Moving to Work Demonstration, and at least \$7,000,000 shall be used for grants for service coordinators and congregate services for the elderly and disabled: Provided, That for self-sufficiency activities, the Secretary may make grants to public housing agencies (including Indian tribes and their tribally designated housing entities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals: Provided further, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: Provided further, That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated education, training, and other supportive services, including academic skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, transportation, and child care: Provided further, That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: Provided further, That the Secretary shall select public and Indian housing agencies to receive assistance under this heading on a competitive basis, taking into account the quality of the proposed program, including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary (except that this proviso shall not apply to renewal of grants for service coordinators and congregate services for the elderly and disabled).

Of the amount made available under this heading, notwithstanding any other provision of law, \$35,000,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under

this heading. Local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding.

Of the amount made available under this heading \$25,000,000 shall be available for the Secretary, in consultation with the Secretary of Agriculture, to make grants, not to exceed \$4,000,000 each, for rural and tribal areas, including at least one Native American area in Alaska and one rural area in each of the States of Iowa and Missouri, to test comprehensive approaches to developing a job base through economic development, developing affordable low- and moderate-income rental and homeownership housing, and increasing the investment of both private and nonprofit capital.

Of the amount made available under this heading, \$138,000,000 shall be available for the Economic Development Initiative (EDI) to finance a variety of efforts, including \$100,000,000 for making grants for targeted economic investments in accordance with the terms and conditions specified for such grants in the conference report and the joint explanatory statement of the committee of conference accompanying this Act (H.R. 2158).

Of the amount made available under this heading, notwithstanding any other provision of law, \$60,000,000 shall be available for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992.

Of the amount made available under this heading, \$25,000,000, including \$15,000,000 for the County of San Bernardino, California, shall be used for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, and to determine whether housing benefits can be integrated more effectively with welfare reform initiatives.

For the cost of guaranteed loans, \$29,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$1,261,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974. In addition, for administrative expenses to carry out the guaranteed loan program, \$1,000,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses.

Of the \$500,000,000 made available under the heading "Community Development Block Grants Fund" in the 1997 Emergency Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those in Bosnia (Public Law 105-18), not more than \$3,500,000 shall be made available for the non-Federal cost-share for a levee project at Devils Lake, North Dakota: Provided, That the Secretary of Housing and Urban Development shall provide the State of North Dakota with a waiver to allow the use of its annual Community Development Block Grant allocation for use in funding the non-Federal cost-share for a levee project at Devils Lake, North Dakota: Provided further, That notwithstanding any other provision of law, the Secretary is prohibited from providing waivers, other than those provided herein, for funds in excess of \$100,000 in emergency Community Development Block Grants funds for the non-Federal cost-share of projects funded by the Secretary of the Army through the Corps of Engineers.

BROWNFIELDS REDEVELOPMENT

For Economic Development Grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, \$25,000,000, to remain available until expended: Provided, That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

For planning grants, technical assistance, contracts and other assistance, and training in connection with Empowerment Zones and Enterprise Communities, designated by the Secretary of Housing and Urban Development, to continue efforts to stimulate economic opportunity in America's distressed communities, \$5,000,000, to remain available until expended.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), as amended, \$1,500,000,000, to remain available until expended: Provided, That up to \$7,000,000 shall be available for the development and operation of integrated community development management information systems: Provided further, That \$20,000,000 shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968: Provided further, That up to \$10,000,000 shall be available to carry out a demonstration program in which the Secretary makes grants to up to three organizations exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code, selected on a competitive basis, to demonstrate methods of expanding homeownership opportunities for low-income borrowers through expanding the secondary market for non-conforming home mortgage loans to low-wealth borrowers: Provided further, That grantees for such demonstration program shall have experience in working with lenders who make non-conforming loans to low-income borrowers, have experience in expanding the secondary market for such loans, have demonstrated success in carrying out such activities including raising non-Federal grants and capital on concessionary terms for the purpose of expanding the secondary market for loans in the previous two years in amounts equal to or exceeding the amount awarded to such organization under this paragraph, and have demonstrated the ability to provide data on the performance of such loans sufficient to allow for future analysis of the investment risk of such loans.

SUPPORTIVE HOUSING PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 102-389 and prior laws for the Supportive Housing Demonstration Program, as authorized by the Stewart B. McKinney Homeless Assistance Act, \$6,000,000 of funds recaptured during fiscal year 1998 shall be rescinded.

SHELTER PLUS CARE

(RESCISSION)

Of the funds made available under this heading in Public Law 102-389 and prior laws for the Shelter Plus Care program, as authorized by the Stewart B. McKinney Homeless Assistance Act, \$4,000,000 of funds recaptured during fiscal year 1998 shall be rescinded.

HOMELESS ASSISTANCE GRANTS

For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended); the supportive housing program (as authorized under subtitle C of title IV of

such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), \$823,000,000, to remain available until expended.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS (INCLUDING TRANSFERS OF FUNDS)

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families under the United States Housing Act of 1937, as amended (42 U.S.C. 1437), not otherwise provided for, \$839,000,000, to remain available until expended: Provided, That of the total amount provided under this heading, \$645,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for the elderly under section 202(c)(2) of the Housing Act of 1959, and for supportive services associated with the housing; and \$194,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance, for amendments to contracts for project rental assistance, and supportive services associated with the housing for persons with disabilities as authorized by section 811 of such Act: Provided further, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is five years in duration: Provided further, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the Cranston-Gonzalez National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate: Provided further, That all balances, as of September 30, 1997, remaining in either the "Annual Contributions for Assisted Housing" account or the "Development of Additional New Subsidized Housing" account for capital advances, including amendments to capital advances, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly, under section 202(c)(2) of such Act, shall be transferred to and merged with the amounts for those purposes under this heading; and, all balances, as of September 30, 1997, remaining in either the "Annual Contributions for Assisted Housing" account or the "Development of Additional New Subsidized Housing" account for capital advances, including amendments to capital advances, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities, as authorized under section 811 of such Act, shall

be transferred to and merged with the amounts for those purposes under this heading.

OTHER ASSISTED HOUSING PROGRAMS
RENTAL HOUSING ASSISTANCE
(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year 1998 by not more than \$7,350,000 in uncommitted balances of authorizations provided for this purpose in appropriation Acts: Provided, That up to \$125,000,000 of recaptured budget authority shall be canceled.

FLEXIBLE SUBSIDY FUND
(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 1997, and any collections made during fiscal year 1998, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

FEDERAL HOUSING ADMINISTRATION
FHA—MUTUAL MORTGAGE INSURANCE PROGRAM
ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1998, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of \$110,000,000,000.

During fiscal year 1998, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$200,000,000: Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, \$338,421,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed \$326,309,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed \$12,112,000 shall be transferred to the appropriation for the Office of Inspector General.

FHA—GENERAL AND SPECIAL RISK PROGRAM
ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), \$81,000,000, to remain available until expended: Provided, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to \$17,400,000,000: Provided further, That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238(a), and 519(a) of the National Housing

Act, shall not exceed \$120,000,000; of which not to exceed \$100,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed \$20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, \$222,305,000, of which \$218,134,000, including \$25,000,000 for the enforcement of housing standards on FHA-insured multifamily projects, shall be transferred to the appropriation for departmental salaries and expenses; and of which \$4,171,000 shall be transferred to the appropriation for the Office of Inspector General.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
GUARANTEES OF MORTGAGE-BACKED SECURITIES
LOAN GUARANTEE PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

During fiscal year 1998, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$130,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, \$9,383,000, to be derived from the GNMA-guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed \$9,383,000 shall be transferred to the appropriation for departmental salaries and expenses.

POLICY DEVELOPMENT AND RESEARCH
RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, \$36,500,000, to remain available until September 30, 1999.

Of the amount made available under this heading, \$500,000 shall be made available for a contract with the National Academy of Public Administration to evaluate the Secretary's efforts to implement needed management systems and processes.

FAIR HOUSING AND EQUAL OPPORTUNITY
FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, \$30,000,000, to remain available until September 30, 1999, of which \$15,000,000 shall be to carry out activities pursuant to such section 561. No funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal government in connection with a specific contract, grant or loan.

MANAGEMENT AND ADMINISTRATION
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$7,000 for official reception and representation expenses, \$1,000,826,000, of which \$544,443,000 shall be provided from the various funds of the Federal Housing Administration, \$9,383,000 shall be pro-

vided from funds of the Government National Mortgage Association, and \$1,000,000 shall be provided from the "Community Development Grants Program" account.

OFFICE OF INSPECTOR GENERAL
(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$66,850,000, of which \$16,283,000 shall be provided from the various funds of the Federal Housing Administration and \$10,000,000 shall be transferred from the amount earmarked for Operation Safe Home in the "Drug Elimination Grants for Low Income Housing" account.

OFFICE OF FEDERAL HOUSING ENTERPRISE
OVERSIGHT
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, \$16,000,000, to remain available until expended, to be derived from the Federal Housing Enterprise Oversight Fund: Provided, That not to exceed such amount shall be available from the General Fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: Provided further, That the General Fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the General Fund estimated at not more than \$0.

ADMINISTRATIVE PROVISIONS

SEC. 201. EXTENDERS. (a) ONE-FOR-ONE REPLACEMENT OF PUBLIC HOUSING.—Section 1002(d) of Public Law 104-19 is amended by striking "1997" and inserting "1998".

(b) STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.—Section 203(d) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996, is amended by striking "fiscal years 1996 and 1997" and inserting "fiscal years 1996, 1997, and 1998".

(c) SECTION 8 RENT ADJUSTMENTS.—Section 8(c)(2)(A) of the United States Housing Act of 1937 is amended—

(1) in the third sentence, by striking "fiscal year 1997" and inserting "fiscal years 1997 and 1998"; and

(2) in the last sentence, by striking "fiscal year 1997" and inserting "fiscal years 1997 and 1998".

(d) PUBLIC AND ASSISTED HOUSING RENTS, INCOME ADJUSTMENTS AND PREFERENCES.—

(1) Section 402(a) of The Balanced Budget Downpayment Act, 1 is amended by striking "fiscal year 1997" and inserting in lieu thereof "fiscal years 1997 and 1998".

(2) Section 402(f) of The Balanced Budget Downpayment Act, 1 is amended by striking "fiscal years 1996 and 1997" and inserting in lieu thereof "fiscal years 1996, 1997, and 1998".

SEC. 202. DELAY REISSUANCE OF VOUCHERS AND CERTIFICATES.—Section 403(c) of The Balanced Budget Downpayment Act, 1 is amended—

(1) by striking "fiscal years 1996 and 1997" and inserting "fiscal years 1996, 1997, and 1998";

(2) by striking "1996 and October" and inserting "1996, October"; and

(3) by inserting before the semicolon the following: "and October 1, 1998 for assistance made available during fiscal year 1998".

SEC. 203. WAIVER.—The part of the HUD 1996 Community Development Block Grant to the State of Illinois which is administered by the State of Illinois Department of Commerce and Community Affairs (grant number B-96-DC-170001) and which, in turn, was granted by the

Illinois Department of Commerce and Community Affairs to the city of Oglesby, Illinois, located in LaSalle County, Illinois (State of Illinois Department of Commerce and Community Affairs grant number 96-24104), for the purpose of providing infrastructure for a warehouse in Oglesby, Illinois, is exempt from the provisions of section 104(g)(2), (g)(3), and (g)(4) of title I of the Housing and Community Development Act of 1974 as amended.

SEC. 204. FINANCING ADJUSTMENT FACTORS.—Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

SEC. 205. ANNUAL ADJUSTMENT FACTORS.—Section 8(c)(2)(A) of the United States Housing Act of 1937, as amended by section 201 of this title, is further amended by inserting the following new sentences at the end: "In establishing annual adjustment factors for units in new construction and substantial rehabilitation projects, the Secretary shall take into account the fact that debt service is a fixed expense. The immediately foregoing sentence shall be effective only during fiscal year 1998."

SEC. 206. COMMUNITY DEVELOPMENT BLOCK GRANT.—Notwithstanding any other provision of law, the \$7,100,000 appropriated for an industrial park at 18th Street and Indiana Avenue shall be made available by the Secretary instead to 18th and Vine for rehabilitation and infrastructure development associated with the "Negro Leagues Baseball Museum" and the jazz museum.

SEC. 207. FAIR HOUSING AND FREE SPEECH.—None of the amounts made available under this Act may be used during fiscal year 1998 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a government official or entity, or a court of competent jurisdiction.

SEC. 208. REQUIREMENT FOR HUD TO MAINTAIN PUBLIC NOTICE AND COMMENT RULEMAKING.—Notwithstanding any other provision of law, for fiscal year 1998 and for all fiscal years thereafter, the Secretary of Housing and Urban Development shall maintain all current requirements under part 10 of the Department of Housing and Urban Development regulations (24 CFR part 10) with respect to the Department's policies and procedures for the promulgation and issuance of rules, including the use of public participation in the rulemaking process.

SEC. 209. BROWNFIELDS AS ELIGIBLE CDBG ACTIVITY.—During fiscal year 1998, States and entitlement communities may use funds allocated under the community development block grants program under title I of the Housing and Community Development Act of 1974 for environmental cleanup and economic development activities related to Brownfields projects in conjunction with the appropriate environmental

regulatory agencies, as if such activities were eligible under section 105(a) of such Act.

SEC. 210. PARTIAL PAYMENT OF CLAIMS ON HEALTH CARE FACILITIES.—Section 541(a) of the National Housing Act is amended—

(1) in the section heading, by adding "AND HEALTH CARE FACILITIES" at the end; and

(2) in subsection (a)—
(A) by inserting "or a health care facility (including a nursing home, intermediate care facility, or board and care home (as those terms are defined in section 232 of this Act), a hospital (as that term is defined in section 242 of this Act), or a group practice facility (as that term is defined in section 1106 of this Act))" after "1978"; and

(B) by inserting "or for keeping the health care facility operational to serve community needs," after "character of the project."

SEC. 211. CALCULATION OF DOWNPAYMENT.—Section 203(b) of the National Housing Act is amended by striking "fiscal year 1997" in paragraph (10)(A) and inserting in lieu thereof "fiscal years 1997 and 1998".

SEC. 212. HOPE VI NOFA.—Notwithstanding any other provision of law, including the July 22, 1996 Notice of Funding Availability (61 Fed. Reg. 38024), the demolition of units at developments funded under the Notice of Funding Availability shall be at the option of the New York City Housing Authority and the assistance awarded shall be allocated by the public housing agency among other eligible activities under the HOPE VI program and without the development costs limitations of the Notice, provided that the public housing agency shall not exceed the total cost limitations for the public housing agency, as provided by the Department of Housing and Urban Development.

SEC. 213. ENHANCED DISPOSITION AUTHORITY.—Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended by inserting after "owned by the Secretary" the following: ", including, for fiscal years 1997 and 1998, the provision of grants and loans from the General Insurance Fund (12 U.S.C. 1735c) for the necessary costs of rehabilitation or demolition."

SEC. 214. HOME PROGRAM FORMULA.—The first sentence of section 217(b)(3) of the Cranston-Gonzalez National Affordable Housing Act is amended by striking "only those jurisdictions that are allocated an amount of \$500,000 or greater shall receive an allocation" and inserting in lieu thereof the following: "jurisdictions that are allocated an amount of \$500,000 or more, and participating jurisdictions (other than consortia that fail to renew the membership of all of their member jurisdictions) that are allocated an amount less than \$500,000, shall receive an allocation".

SEC. 215. HUD RENT REFORM.—Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may provide tenant-based assistance to eligible tenants of a project insured under either sections 221(d)(3) or 236 of the National Housing Act in the same manner as if the owner had prepaid the insured mortgage to the extent necessary to minimize any rent increases or to prevent displacement of low-income tenants in accordance with a transaction approved by the Secretary provided that the rents are no higher than the published section 8 fair market rents, as of the date of enactment, during the tenants' occupancy of the property.

SEC. 216. NURSING HOME LEASE TERMS.—Section 232(b)(4)(B) of the National Housing Act is amended by striking "fifty years from the date the mortgage was executed" and inserting "ten years to run beyond the maturity date of the mortgage".

SEC. 217. HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANTS.—(a) ELIGIBILITY.—

Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 1998 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation for fiscal year 1997 under clause (ii) of such section;

(2) is not otherwise eligible for an allocation for fiscal year 1998 under such clause (ii) because the State does not have the number of cases of acquired immunodeficiency syndrome required under such clause; and

(3) would meet such requirement if the cases in the metropolitan statistical area for any city within the State, which city was not eligible for an allocation for fiscal year 1997 under clause (i) of such section but is eligible for an allocation for fiscal year 1998 under such clause, were considered to be cases outside of metropolitan statistical areas described in clause (i) of such section.

(b) AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be the amount that is equal to the lesser of—

(1) the difference between—

(A) the total amount allocated for such State under section 854(c)(1)(A)(ii) of the AIDS Housing Opportunity Act for fiscal year 1997; and

(B) the total amount allocated for the city described in subsection (a)(3) of this section under section 854(c)(1)(A)(i) of such Act for fiscal year 1998 (from amounts made available under this title); and

(2) \$300,000.

SEC. 218. DEBT FORGIVENESS.—The Secretary of Housing and Urban Development shall cancel the indebtedness of the Village of Robbins, Illinois, relating to loans under the Reconstruction Finance Corporation and refinanced under the Public Facility Loan program (loan numbers ILL-11-RFC-0029 and ILL-11-PFL0111). The Village is hereby relieved of all liability to the Federal government for the outstanding principal balance on such loans, for the amount of accrued interest on such loans, and for any fees and charges payable in connection with such loans.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries; \$26,897,000, to remain available until expended: Provided, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: Provided further, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as Secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: Provided further, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

For necessary expenses in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act, including hire of passenger vehicles, and for services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376, \$4,000,000.

DEPARTMENT OF THE TREASURY
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

For grants, loans, and technical assistance to qualifying community development lenders, and administrative expenses of the Fund, including services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES-3, \$80,000,000, to remain available until September 30, 1999, of which \$12,000,000 may be used for the cost of direct loans, and up to \$1,000,000 may be used for administrative expenses to carry out the direct loan program: Provided, That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$32,000,000: Provided further, That not more than \$25,000,000 of the funds made available under this heading may be used for programs and activities authorized in section 114 of the Community Development Banking and Financial Institutions Act of 1994.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed \$500 for official reception and representation expenses, \$45,000,000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the Corporation for National and Community Service (referred to in the matter under this heading as the "Corporation") in carrying out programs, activities, and initiatives under the National and Community Service Act of 1990 (referred to in the matter under this heading as the "Act") (42 U.S.C. 12501 et seq.), \$425,500,000, to remain available until September 30, 1999: Provided, That not more than \$27,000,000 shall be available for administrative expenses authorized under section 501(a)(4) of the Act (42 U.S.C. 12671(a)(4)): Provided further, That not more than \$2,500 shall be for official reception and representation expenses: Provided further, That not more than \$70,000,000, to remain available without fiscal year limitation, shall be transferred to the National Service Trust account for educational awards authorized under subtitle D of title I of the Act (42 U.S.C. 12601 et seq.), of which not to exceed \$5,000,000 shall be available for national service scholarships for high school students performing community service: Provided further, That not more than \$227,000,000 of the amount provided under this heading shall be available for grants under the National Service Trust program authorized under subtitle C of title I of the

Act (42 U.S.C. 12571 et seq.) (relating to activities including the Americorps program), of which not more than \$40,000,000 may be used to administer, reimburse, or support any national service program authorized under section 121(d)(2) of such Act (42 U.S.C. 12581(d)(2)): Provided further, That not more than \$5,500,000 of the funds made available under this heading shall be made available for the Points of Light Foundation for activities authorized under title III of the Act (42 U.S.C. 12661 et seq.): Provided further, That no funds shall be available for national service programs run by Federal agencies authorized under section 121(b) of such Act (42 U.S.C. 12571(b)): Provided further, That to the maximum extent feasible, funds appropriated under subtitle C of title I of the Act shall be provided in a manner that is consistent with the recommendations of peer review panels in order to ensure that priority is given to programs that demonstrate quality, innovation, replicability, and sustainability: Provided further, That not more than \$18,000,000 of the funds made available under this heading shall be available for the Civilian Community Corps authorized under subtitle E of title I of the Act (42 U.S.C. 12611 et seq.): Provided further, That not more than \$43,000,000 shall be available for school-based and community-based service-learning programs authorized under subtitle B of title I of the Act (42 U.S.C. 12521 et seq.): Provided further, That not more than \$30,000,000 shall be available for quality and innovation activities authorized under subtitle H of title I of the Act (42 U.S.C. 12853 et seq.): Provided further, That not more than \$5,000,000 shall be available for audits and other evaluations authorized under section 179 of the Act (42 U.S.C. 12639): Provided further, That to the maximum extent practicable, the Corporation shall increase significantly the level of matching funds and in-kind contributions provided by the private sector, shall expand significantly the number of educational awards provided under subtitle D of title I, and shall reduce the total Federal costs per participant in all programs.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$3,000,000.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Veterans Appeals as authorized by 38 U.S.C. sections 7251-7298, \$9,319,000, of which \$790,000, shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102-229.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of two passenger motor vehicles for replacement only, and not to exceed \$1,000 for official reception and representation expenses, \$11,815,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as

authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project, \$631,000,000, which shall remain available until September 30, 1999: Provided, That \$49,600,000 of the funds appropriated under this heading shall be to conduct and administer a comprehensive, peer-reviewed, near- and long-term particulate matter research program in accordance with the terms and conditions set forth for such research program in the conference report and joint explanatory statement of the committee of conference accompanying this Act (H.R. 2158): Provided further, That no later than 30 days following enactment of this Act, the Environmental Protection Agency shall enter into a contract or cooperative agreement with the National Academy of Sciences to develop a comprehensive, prioritized, near- and long-term particulate matter research program and monitoring plan in accordance with the terms and conditions set forth in the conference report and joint explanatory statement of the committee of conference accompanying this Act (H.R. 2158).

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project; and not to exceed \$6,000 for official reception and representation expenses, \$1,801,000,000, which shall remain available until September 30, 1999.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project, \$28,501,000, to remain available until September 30, 1999.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or for use by, the Environmental Protection Agency, \$109,420,000, to remain available until expended: Provided, That the Environmental Protection Agency is authorized to establish and construct a consolidated research facility at Research Triangle Park, North Carolina, at a maximum total construction cost of \$272,700,000, and to obligate such monies as are made available by this Act for this purpose.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111 (c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project; not to exceed \$2,150,000,000 (of which \$100,000,000 shall not become available until

September 1, 1998), to remain available until expended, consisting of \$1,900,000,000, as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101-508, and \$250,000,000 as a payment from general revenues to the Hazardous Substance Superfund as authorized by section 517(b) of SARA, as amended by Public Law 101-508: Provided, That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: Provided further, That of the funds appropriated under this heading, \$650,000,000 shall not become available for obligation until October 1, 1998, and, further, shall be available for obligation only upon enactment by May 15, 1998, of specific legislation which reauthorizes the Superfund program: Provided further, That \$11,641,000 of the funds appropriated under this heading shall be transferred to the "Office of Inspector General" appropriation to remain available until September 30, 1999: Provided further, That notwithstanding section 111(m) of CERCLA or any other provision of law, \$74,000,000 of the funds appropriated under this heading shall be available to the Agency for Toxic Substances and Disease Registry to carry out activities described in sections 104(i), 111(c)(4), and 111(c)(14) of CERCLA and section 118(f) of SARA: Provided further, That \$35,000,000 of the funds appropriated under this heading shall be transferred to the "Science and Technology" appropriation to remain available until September 30, 1999: Provided further, That none of the funds appropriated under this heading shall be used for Brownfields revolving loan funds unless specifically authorized by subsequent legislation: Provided further, That none of the funds appropriated under this heading shall be available for the Agency for Toxic Substances and Disease Registry to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 1998.

**LEAKING UNDERGROUND STORAGE TANK PROGRAM
(INCLUDING TRANSFER OF FUNDS)**

For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project, \$65,000,000, to remain available until expended: Provided, That no more than \$7,500,000 shall be available for administrative expenses.

**OIL SPILL RESPONSE
(INCLUDING TRANSFER OF FUNDS)**

For expenses necessary to carry out the Environmental Protection Agency's responsibilities under the Oil Pollution Act of 1990, \$15,000,000, to be derived from the Oil Spill Liability trust fund, and to remain available until expended: Provided, That not more than \$9,000,000 of these funds shall be available for administrative expenses.

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, \$3,213,125,000, to remain available until expended, of which \$1,350,000,000 shall be for making capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended, and \$725,000,000 shall be for capitalization grants for the Drinking Water State Revolving Funds under section 1452 of the Safe Drinking Water Act, as amended; \$75,000,000 for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United

States-Mexico Border, after consultation with the appropriate border commission; \$50,000,000 for grants to the State of Texas which shall be matched by state funds from state resources at 20 percent of the federal appropriation for the purpose of improving water and wastewater treatment for colonias; \$15,000,000 for grants to the State of Alaska to address drinking water and wastewater infrastructure needs of rural and Alaska Native Villages as provided by section 303 of Public Law 104-182; \$253,125,000 for making grants for the construction of wastewater and water treatment facilities and groundwater protection infrastructure in accordance with the terms and conditions specified for such grants in the conference report and joint explanatory statement of the committee of conference accompanying this Act (H.R. 2158); and \$745,000,000 for grants to States, federally recognized tribes, and air pollution control agencies for multi-media or single media pollution prevention, control and abatement and related activities pursuant to the provisions set forth under this heading in Public Law 104-134, provided that eligible recipients of these funds and the funds made available for this purpose since fiscal year 1996 and hereafter include States, federally recognized tribes, interstate agencies, tribal consortia, and air pollution control agencies, as provided in authorizing statutes, subject to such terms and conditions as the Administrator shall establish, and for making grants under section 103 of the Clean Air Act for particulate matter monitoring and data collection activities: Provided, That, consistent with section 1452(g) of the Safe Drinking Water Act (42 U.S.C. 300f-12(g)), section 302 of the Safe Drinking Water Act Amendments of 1996 (Public Law 104-182) and the accompanying joint explanatory statement of the committee on conference (H. Rept. No. 104-741 to accompany S. 1316, the Safe Drinking Water Act Amendments of 1996), and notwithstanding any other provision of law, States may combine the assets of State Revolving Funds (SRFs) established under section 1452 of the Safe Drinking Water Act, as amended, and title VI of the Federal Water Pollution Control Act, as amended, as security for bond issues to enhance the lending capacity of one or both SRFs, but not to acquire the state match for either program, provided that revenues from the bonds are allocated to the purposes of the Safe Drinking Water Act and the Federal Water Pollution Control Act in the same portion as the funds are used as security for the bonds: Provided further, That, hereafter from funds appropriated under this heading, the Administrator is authorized to make grants to federally recognized Indian governments for the development of multi-media environmental programs: Provided further, That, hereafter, the funds available under this heading for grants to States, federally recognized tribes, and air pollution control agencies for multi-media or single media pollution prevention, control and abatement and related activities may also be used for the direct implementation by the Federal Government of a program required by law in the absence of an acceptable State or tribal program: Provided further, That notwithstanding any other provision of law, in the case of a publicly owned treatment works in the District of Columbia, the Federal share of grants awarded under title II of the Federal Water Pollution Control Act, beginning October 1, 1997, and continuing through September 30, 1999, shall be 80 percent of the cost of construction, and all grants made to such publicly owned treatment works in the District of Columbia may include an advance of allowance under section 201(l)(2): Provided further, That, notwithstanding any other provision of law, the Administrator is authorized to make a grant of \$4,326,000 under title II of the Federal Water Pollution Control Act, as amended, from

funds appropriated in prior years under section 205 of the Act for the State of Florida and available due to deobligation, to the appropriate instrumentality for wastewater treatment works in Monroe County, Florida.

WORKING CAPITAL FUND

Under this heading in Public Law 104-204, delete the following: the phrases, "franchise fund pilot to be known as the"; "as authorized by section 403 of Public Law 103-356,"; and "as provided in such section"; and the final proviso. After the phrase, "to be available", insert "without fiscal year limitation".

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, not to exceed \$2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, \$4,932,000.

**COUNCIL ON ENVIRONMENTAL QUALITY AND
OFFICE OF ENVIRONMENTAL QUALITY**

For necessary expenses to continue functions assigned to the Council on Environmental Quality and Office of Environmental Quality pursuant to the National Environmental Policy Act of 1969, the Environmental Quality Improvement Act of 1970, and Reorganization Plan No. 1 of 1977, \$2,500,000: Provided, That, notwithstanding any other provision of law, no funds other than those appropriated under this heading, shall be used for or by the Council on Environmental Quality and Office of Environmental Quality: Provided further, That notwithstanding section 202 of the National Environmental Policy Act of 1970, the Council shall consist of one member, appointed by the President, by and with the advice and consent of the Senate, serving as Chairman and exercising all powers, functions, and duties of the Council.

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year; \$1,000,000.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$34,365,000, to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$320,000,000, and, notwithstanding 42 U.S.C. 5203, to remain available until expended.

**DISASTER ASSISTANCE DIRECT LOAN PROGRAM
ACCOUNT**

For the cost of direct loans, \$1,495,000, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$25,000,000.

In addition, for administrative expenses to carry out the direct loan program, \$341,000.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles as authorized by 31 U.S.C. 1343; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed \$2,500 for official reception and representation expenses, \$171,773,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$4,803,000.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404-405), and Reorganization Plan No. 3 of 1978, \$243,546,000: Provided, That for purposes of pre-disaster mitigation pursuant to 42 U.S.C. 5131 (b) and (c) and 42 U.S.C. 5196 (e) and (i), \$30,000,000 of the funds made available under this heading shall be available until expended for project grants: Provided further, That the Director of the Federal Emergency Management Agency shall make a grant for \$1,500,000 to resolve issues under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, involving the City of Jackson, Mississippi.

EMERGENCY FOOD AND SHELTER PROGRAM

To carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended, \$100,000,000: Provided, That total administrative costs shall not exceed three and one-half percent of the total appropriation.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

For activities under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, and the National Flood Insurance Reform Act of 1994, not to exceed \$21,610,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed \$78,464,000 for flood mitigation, including up to \$20,000,000 for expenses under section 1366 of the National Flood Insurance Act, which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, 1999. In fiscal year 1998, no funds in excess of (1) \$47,000,000 for operating expenses, (2) \$375,165,000 for agents' commissions and taxes, and (3) \$50,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations. For fiscal year 1998, flood insurance rates shall not exceed the level authorized by the National Flood Insurance Reform Act of 1994.

Section 1309(a)(2) of the National Flood Insurance Act (42 U.S.C. 4016(a)(2)), as amended by Public Law 104-208, is further amended by strik-

ing the date "1997" and inserting in lieu thereof the date "1998".

Section 1319 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4026), is amended by striking "October 23, 1997" and inserting "September 30, 1998".

Section 1336 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4056), is amended by striking "October 23, 1997" and inserting "September 30, 1998".

The first sentence of section 1376(c) of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4127(c)), is amended by striking all after "to be appropriated" and inserting "such sums as may be necessary through September 30, 1998, for studies under this title."

ADMINISTRATIVE PROVISION

The Director of the Federal Emergency Management Agency shall promulgate through rule-making a methodology for assessment and collection of fees to be assessed and collected beginning in fiscal year 1998 applicable to persons subject to the Federal Emergency Management Agency's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section during fiscal year 1998 shall approximate, but not be less than, 100 percent of the amounts anticipated by the Federal Emergency Management Agency to be obligated for its radiological emergency preparedness program for such fiscal year. The methodology for assessment and collection of fees shall be fair and equitable, and shall reflect the full amount of costs of providing radiological emergency planning, preparedness, response and associated services. Such fees shall be assessed in a manner that reflects the use of agency resources for classes of regulated persons and the administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the general fund of the Treasury as off-setting receipts. Assessment and collection of such fees are only authorized during fiscal year 1998.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER FUND

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, \$2,419,000, to be deposited into the Consumer Information Center Fund: Provided, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of \$7,500,000. Appropriations, revenues, and collections accruing to this fund during fiscal year 1998 in excess of \$7,500,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts: Provided further, That notwithstanding any other provision of law, the Consumer Information Center may accept and deposit to this account, during fiscal year 1998 and hereafter, gifts for the purpose of defraying its costs of printing, publishing, and distributing consumer information and educational materials and undertaking other consumer information activities; may expend those gifts for those purposes, in addition to amounts appropriated or otherwise made available; and the balance shall remain available for expenditure for such purpose.

NATIONAL AERONAUTICS AND SPACE

ADMINISTRATION

HUMAN SPACE FLIGHT

For necessary expenses, not otherwise provided for, in the conduct and support of human space flight research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft con-

trol and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, \$5,506,500,000, to remain available until September 30, 1999: Provided, That of the \$2,351,300,000 made available under this heading for Space Station activities, only \$1,500,000,000 shall be available before March 31, 1998.

SCIENCE, AERONAUTICS AND TECHNOLOGY

For necessary expenses, not otherwise provided for, in the conduct and support of science, aeronautics and technology research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, \$5,690,000,000, to remain available until September 30, 1999.

MISSION SUPPORT

For necessary expenses, not otherwise provided for, in carrying out mission support for human space flight programs and science, aeronautical, and technology programs, including research operations and support; space communications activities including operations, production and services; maintenance; construction of facilities including repair, rehabilitation, and modification of facilities, minor construction of new facilities and additions to existing facilities, facility planning and design, environmental compliance and restoration, and acquisition or condemnation of real property, as authorized by law; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; travel expenses; purchase, lease, charter, maintenance, and operation of mission and administrative aircraft; not to exceed \$35,000 for official reception and representation expenses; and purchase (not to exceed 33 for replacement only) and hire of passenger motor vehicles; \$2,433,200,000, to remain available until September 30, 1999.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$18,300,000.

ADMINISTRATIVE PROVISIONS

Notwithstanding the limitation on the availability of funds appropriated for "Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, when any activity has been initiated by the incurrence of obligations for construction of facilities as authorized by law, such amount available for such activity shall remain available until expended. This provision does not apply to the amounts appropriated in "Mission support" pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design.

Notwithstanding the limitation on the availability of funds appropriated for "Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, the amounts appropriated for construction of facilities shall remain available until September 30, 2000.

Notwithstanding the limitation on the availability of funds appropriated for "Mission support" and "Office of Inspector General", amounts made available by this Act for personnel and related costs and travel expenses of the National Aeronautics and Space Administration shall remain available until September

30, 1998 and may be used to enter into contracts for training, investigations, costs associated with personnel relocation, and for other services, to be provided during the next fiscal year.

Of the funds provided to the National Aeronautics and Space Administration in this Act, the Administrator shall by November 1, 1998, make available no less than \$400,000 for a study by the National Research Council, with an interim report to be completed by June 1, 1998, that evaluates, in terms of the potential impact on the Space Station's assembly schedule, budget, and capabilities, the engineering challenges posed by extravehicular activity (EVA) requirements, United States and non-United States space launch requirements, the potential need to upgrade or replace equipment and components after assembly complete, and the requirement to decommission and disassemble the facility.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During fiscal year 1998, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions, as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795), shall not exceed \$600,000,000: Provided, That administrative expenses of the Central Liquidity Facility in fiscal year 1998 shall not exceed \$203,000: Provided further, That \$1,000,000, together with amounts of principal and interest on loans repaid, to be available until expended, is available for loans to community development credit unions.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880-1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft; \$2,545,700,000, of which not to exceed \$228,530,000 shall remain available until expended for Polar research and operations support, and for reimbursement to other Federal agencies for operational and science support and logistical and other related activities for the United States Antarctic program; the balance to remain available until September 30, 1999: Provided, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: Provided further, That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: Provided further, That \$40,000,000 of the funds available under this heading shall be made available for a comprehensive research initiative on plant genomes for economically significant crops.

MAJOR RESEARCH EQUIPMENT

For necessary expenses of major construction projects pursuant to the National Science Foundation Act of 1950, as amended, \$109,000,000, to remain available until expended, of which \$35,000,000 shall become available on September 30, 1998.

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, \$632,500,000, to remain available until September

30, 1999: Provided, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

SALARIES AND EXPENSES

For salaries and expenses necessary in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed \$9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; rental of conference rooms in the District of Columbia; reimbursement of the General Services Administration for security guard services and headquarters relocation; \$136,950,000: Provided, That contracts may be entered into under "Salaries and expenses" in fiscal year 1998 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, as amended, \$4,850,000, to remain available until September 30, 1999.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101-8107), \$60,000,000.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by 5 U.S.C. 4101-4118 for civilian employees; and not to exceed \$1,000 for official reception and representation expenses; \$23,413,000: Provided, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: Provided further, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I, II, and III of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefore in the budget estimates submitted for the appropriations: Provided, That this provision does not apply to accounts that do not contain an object classification for travel: Provided further, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; or to payments to interagency motor pools where separately set forth in the budget schedules: Provided further, That if appropriations in titles I, II, and III ex-

ceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefore set forth in the estimates in the same proportion.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of any officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: Provided, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 408. None of the funds in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 409. None of the funds provided in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 410. Except as otherwise provided under existing law or under an existing Executive Order issued pursuant to an existing law, the obligation or expenditure of any appropriation

under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 411. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder, and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning (A) the contract pursuant to which the report was prepared, and (B) the contractor who prepared the report pursuant to such contract.

SEC. 412. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 413. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 414. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than \$300,000 unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

SEC. 415. (a) 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) 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.

SEC. 416. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indirect costs, except as published in Office of Management and Budget Circular A-21.

SEC. 417. Such sums as may be necessary for fiscal year 1998 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 418. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 419. Corporations and agencies of the Department of Housing and Urban Development

which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1998 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 420. Notwithstanding section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)), funds made available pursuant to authorization under such section for fiscal year 1998 and prior fiscal years may be used for implementing comprehensive conservation and management plans.

SEC. 421. Such funds as may be necessary to carry out the orderly termination of the Office of Consumer Affairs shall be made available from funds appropriated to the Department of Health and Human Services for fiscal year 1998.

SEC. 422. Notwithstanding any other provision of law, the term "qualified student loan" with respect to national service education awards shall mean any loan made directly to a student by the Alaska Commission on Postsecondary Education, in addition to other meanings under section 148(b)(7) of the National and Community Service Act.

TITLE V—HUD MULTIFAMILY HOUSING REFORM

SEC. 501. TABLE OF CONTENTS.

The table of contents for this title is as follows:

TITLE V—HUD MULTIFAMILY HOUSING REFORM

Sec. 510. Short title.

SUBTITLE A—FHA-INSURED MULTIFAMILY HOUSING MORTGAGE AND HOUSING ASSISTANCE RESTRUCTURING

Sec. 511. Findings and purposes.

Sec. 512. Definitions.

Sec. 513. Authority of participating administrative entities.

Sec. 514. Mortgage restructuring and rental assistance sufficiency plan.

Sec. 515. Section 8 renewals and long-term affordability commitment by owner of project.

Sec. 516. Prohibition on restructuring.

Sec. 517. Restructuring tools.

Sec. 518. Management standards.

Sec. 519. Monitoring of compliance.

Sec. 520. Reports to Congress.

Sec. 521. GAO audit and review.

Sec. 522. Regulations.

Sec. 523. Technical and conforming amendments.

Sec. 524. Section 8 contract renewals.

SUBTITLE B—MISCELLANEOUS PROVISIONS

Sec. 531. Rehabilitation grants for certain insured projects.

Sec. 532. GAO report on Section 8 rental assistance for multifamily housing projects.

SUBTITLE C—ENFORCEMENT PROVISIONS

Sec. 541. Implementation.

Sec. 542. Income verification.

PART 1—FHA SINGLE FAMILY AND MULTIFAMILY HOUSING

Sec. 551. Authorization to immediately suspend mortgagees.

Sec. 552. Extension of equity skimming to other single family and multifamily housing programs.

Sec. 553. Civil money penalties against mortgagees, lenders, and other participants in FHA programs.

PART 2—FHA MULTIFAMILY PROVISIONS

Sec. 561. Civil money penalties against general partners, officers, directors, and certain managing agents of multifamily projects.

Sec. 562. Civil money penalties for non-compliance with Section 8 HAP contracts.

Sec. 563. Extension of double damages remedy.

Sec. 564. Obstruction of Federal audits.

SUBTITLE D—OFFICE OF MULTIFAMILY HOUSING ASSISTANCE RESTRUCTURING

Sec. 571. Establishment of Office of Multifamily Housing Assistance Restructuring.

Sec. 572. Director.

Sec. 573. Duty and authority of Director.

Sec. 574. Personnel.

Sec. 575. Budget and financial reports.

Sec. 576. Limitation on subsequent employment.

Sec. 577. Audits by GAO.

Sec. 578. Suspension of program because of failure to appoint Director.

Sec. 579. Termination.

SEC. 510. SHORT TITLE.

This title may be cited as the "Multifamily Assisted Housing Reform and Affordability Act of 1997".

Subtitle A—FHA-Insured Multifamily Housing Mortgage and Housing Assistance Restructuring

SEC. 511. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) there exists throughout the Nation a need for decent, safe, and affordable housing;

(2) as of the date of enactment of this Act, it is estimated that—

(A) the insured multifamily housing portfolio of the Federal Housing Administration consists of 14,000 rental properties, with an aggregate unpaid principal mortgage balance of \$38,000,000,000; and

(B) approximately 10,000 of these properties contain housing units that are assisted with project-based rental assistance under section 8 of the United States Housing Act of 1937;

(3) FHA-insured multifamily rental properties are a major Federal investment, providing affordable rental housing to an estimated 2,000,000 low- and very low-income families;

(4) approximately 1,600,000 of these families live in dwelling units that are assisted with project-based rental assistance under section 8 of the United States Housing Act of 1937;

(5) a substantial number of housing units receiving project-based assistance have rents that are higher than the rents of comparable, unassisted rental units in the same housing rental market;

(6) many of the contracts for project-based assistance will expire during the several years following the date of enactment of this Act;

(7) it is estimated that—

(A) if no changes in the terms and conditions of the contracts for project-based assistance are made before fiscal year 2000, the cost of renewing all expiring rental assistance contracts under section 8 of the United States Housing Act of 1937 for both project-based and tenant-based rental assistance will increase from approximately \$3,600,000,000 in fiscal year 1997 to over \$14,300,000,000 by fiscal year 2000 and some \$22,400,000,000 in fiscal year 2006;

(B) of those renewal amounts, the cost of renewing project-based assistance will increase from \$1,200,000,000 in fiscal year 1997 to almost \$7,400,000,000 by fiscal year 2006; and

(C) without changes in the manner in which project-based rental assistance is provided, renewals of expiring contracts for project-based rental assistance will require an increasingly larger portion of the discretionary budget authority of the Department of Housing and Urban Development in each subsequent fiscal year for the foreseeable future;

(8) absent new budget authority for the renewal of expiring rental contracts for project-based assistance, many of the FHA-insured multifamily housing projects that are assisted with project-based assistance are likely to default on their FHA-insured mortgage payments, resulting in substantial claims to the FHA General Insurance Fund and Special Risk Insurance Fund;

(9) more than 15 percent of federally assisted multifamily housing projects are physically or financially distressed, including a number which suffer from mismanagement;

(10) due to Federal budget constraints, the downsizing of the Department of Housing and Urban Development, and diminished administrative capacity, the Department lacks the ability to ensure the continued economic and physical well-being of the stock of federally insured and assisted multifamily housing projects;

(11) the economic, physical, and management problems facing the stock of federally insured and assisted multifamily housing projects will be best served by reforms that—

(A) reduce the cost of Federal rental assistance, including project-based assistance, to these projects by reducing the debt service and operating costs of these projects while retaining the low-income affordability and availability of this housing;

(B) address physical and economic distress of this housing and the failure of some project managers and owners of projects to comply with management and ownership rules and requirements; and

(C) transfer and share many of the loan and contract administration functions and responsibilities of the Secretary to and with capable State, local, and other entities; and

(12) the authority and duties of the Secretary, not including the control by the Secretary of applicable accounts in the Treasury of the United States, may be delegated to State, local or other entities at the discretion of the Secretary, to the extent the Secretary determines, and for the purpose of carrying out this Act, so that the Secretary has the discretion to be relieved of processing and approving any document or action required by these reforms.

(b) **PURPOSES.**—Consistent with the purposes and requirements of the Government Performance and Results Act of 1993, the purposes of this subtitle are—

(1) to preserve low-income rental housing affordability and availability while reducing the long-term costs of project-based assistance;

(2) to reform the design and operation of Federal rental housing assistance programs, administered by the Secretary, to promote greater multifamily housing project operating and cost efficiencies;

(3) to encourage owners of eligible multifamily housing projects to restructure their FHA-insured mortgages and project-based assistance contracts in a manner that is consistent with this subtitle before the year in which the contract expires;

(4) to reduce the cost of insurance claims under the National Housing Act related to mortgages insured by the Secretary and used to finance eligible multifamily housing projects;

(5) to streamline and improve federally insured and assisted multifamily housing project oversight and administration;

(6) to resolve the problems affecting financially and physically troubled federally insured and assisted multifamily housing projects through cooperation with residents, owners, State and local governments, and other interested entities and individuals;

(7) to protect the interest of project owners and managers, because they are partners of the Federal Government in meeting the affordable housing needs of the Nation through the section 8 rental housing assistance program;

(8) to protect the interest of tenants residing in the multifamily housing projects at the time of the restructuring for the housing; and

(9) to grant additional enforcement tools to use against those who violate agreements and program requirements, in order to ensure that the public interest is safeguarded and that Federal multifamily housing programs serve their intended purposes.

SEC. 512. DEFINITIONS.

In this subtitle:

(1) **COMPARABLE PROPERTIES.**—The term "comparable properties" means properties in the same market areas, where practicable, that—

(A) are similar to the eligible multifamily housing project as to neighborhood (including risk of crime), type of location, access, street appeal, age, property size, apartment mix, physical configuration, property and unit amenities, utilities, and other relevant characteristics; and

(B) are not receiving project-based assistance.

(2) **ELIGIBLE MULTIFAMILY HOUSING PROJECT.**—The term "eligible multifamily housing project" means a property consisting of more than 4 dwelling units—

(A) with rents that, on an average per unit or per room basis, exceed the rent of comparable properties in the same market area, determined in accordance with guidelines established by the Secretary;

(B) that is covered in whole or in part by a contract for project-based assistance under—

(i) the new construction or substantial rehabilitation program under section 8(b)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1983);

(ii) the property disposition program under section 8(b) of the United States Housing Act of 1937;

(iii) the moderate rehabilitation program under section 8(e)(2) of the United States Housing Act of 1937;

(iv) the loan management assistance program under section 8 of the United States Housing Act of 1937;

(v) section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975);

(vi) the rent supplement program under section 101 of the Housing and Urban Development Act of 1965; or

(vii) section 8 of the United States Housing Act of 1937, following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965; and

(C) financed by a mortgage insured or held by the Secretary under the National Housing Act.

(3) **EXPIRING CONTRACT.**—The term "expiring contract" means a project-based assistance contract attached to an eligible multifamily housing project which, under the terms of the contract, will expire.

(4) **EXPIRATION DATE.**—The term "expiration date" means the date on which an expiring contract expires.

(5) **FAIR MARKET RENT.**—The term "fair market rent" means the fair market rental established under section 8(c) of the United States Housing Act of 1937.

(6) **LOW-INCOME FAMILIES.**—The term "low-income families" has the same meaning as provided under section 3(b)(2) of the United States Housing Act of 1937.

(7) **MORTGAGE RESTRUCTURING AND RENTAL ASSISTANCE SUFFICIENCY PLAN.**—The term "mort-

gage restructuring and rental assistance sufficiency plan" means the plan as provided under section 514.

(8) **NONPROFIT ORGANIZATION.**—The term "nonprofit organization" means any private non-profit organization that—

(A) is organized under State or local laws;

(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual; and

(C) has a long-term record of service in providing or financing quality affordable housing for low-income families through relationships with public entities.

(9) **PORTFOLIO RESTRUCTURING AGREEMENT.**—The term "portfolio restructuring agreement" means the agreement entered into between the Secretary and a participating administrative entity, as provided under section 513.

(10) **PARTICIPATING ADMINISTRATIVE ENTITY.**—The term "participating administrative entity" means a public agency (including a State housing finance agency or a local housing agency), a nonprofit organization, or any other entity (including a law firm or an accounting firm) or a combination of such entities, that meets the requirements under section 513(b).

(11) **PROJECT-BASED ASSISTANCE.**—The term "project-based assistance" means rental assistance described in paragraph (2)(B) of this section that is attached to a multifamily housing project.

(12) **RENEWAL.**—The term "renewal" means the replacement of an expiring Federal rental contract with a new contract under section 8 of the United States Housing Act of 1937, consistent with the requirements of this subtitle.

(13) **SECRETARY.**—The term "Secretary" means the Secretary of Housing and Urban Development.

(14) **STATE.**—The term "State" has the same meaning as in section 104 of the Cranston-Gonzalez National Affordable Housing Act.

(15) **TENANT-BASED ASSISTANCE.**—The term "tenant-based assistance" has the same meaning as in section 8(f) of the United States Housing Act of 1937.

(16) **UNIT OF GENERAL LOCAL GOVERNMENT.**—The term "unit of general local government" has the same meaning as in section 104 of the Cranston-Gonzalez National Affordable Housing Act.

(17) **VERY LOW-INCOME FAMILY.**—The term "very low-income family" has the same meaning as in section 3(b) of the United States Housing Act of 1937.

(18) **QUALIFIED MORTGAGEE.**—The term "qualified mortgagee" means an entity approved by the Secretary that is capable of servicing, as well as originating, FHA-insured mortgages, and that—

(A) is not suspended or debarred by the Secretary;

(B) is not suspended or on probation imposed by the Mortgage Review Board; and

(C) is not in default under any Government National Mortgage Association obligation.

SEC. 513. AUTHORITY OF PARTICIPATING ADMINISTRATIVE ENTITIES.

(a) **PARTICIPATING ADMINISTRATIVE ENTITIES.**—

(1) **IN GENERAL.**—Subject to subsection (b)(3), the Secretary shall enter into portfolio restructuring agreements with participating administrative entities for the implementation of mortgage restructuring and rental assistance sufficiency plans to restructure multifamily housing mortgages insured or held by the Secretary under the National Housing Act, in order to—

(A) reduce the costs of expiring contracts for assistance under section 8 of the United States Housing Act of 1937;

(B) address financially and physically troubled projects; and

(C) correct management and ownership deficiencies.

(2) **PORTFOLIO RESTRUCTURING AGREEMENTS.**—Each portfolio restructuring agreement entered into under this subsection shall—

(A) be a cooperative agreement to establish the obligations and requirements between the Secretary and the participating administrative entity;

(B) identify the eligible multifamily housing projects or groups of projects for which the participating administrative entity is responsible for assisting in developing and implementing approved mortgage restructuring and rental assistance sufficiency plans under section 514;

(C) require the participating administrative entity to review and certify to the accuracy and completeness of the evaluation of rehabilitation needs required under section 514(e)(3) for each eligible multifamily housing project included in the portfolio restructuring agreement, in accordance with regulations promulgated by the Secretary;

(D) identify the responsibilities of both the participating administrative entity and the Secretary in implementing a mortgage restructuring and rental assistance sufficiency plan, including any actions proposed to be taken under section 516 or 517;

(E) require each mortgage restructuring and rental assistance sufficiency plan to be prepared in accordance with the requirements of section 514 for each eligible multifamily housing project;

(F) include other requirements established by the Secretary, including a right of the Secretary to terminate the contract immediately for failure of the participating administrative entity to comply with any applicable requirement;

(G) if the participating administrative entity is a State housing finance agency or a local housing agency, indemnify the participating administrative entity against lawsuits and penalties for actions taken pursuant to the agreement, excluding actions involving willful misconduct or negligence;

(H) include compensation for all reasonable expenses incurred by the participating administrative entity necessary to perform its duties under this subtitle; and

(I) include, where appropriate, incentive agreements with the participating administrative entity to reward superior performance in meeting the purposes of this Act.

(b) **SELECTION OF PARTICIPATING ADMINISTRATIVE ENTITY.**—

(1) **SELECTION CRITERIA.**—The Secretary shall select a participating administrative entity based on whether, in the determination of the Secretary, the participating administrative entity—

(A) has demonstrated experience in working directly with residents of low-income housing projects and with tenants and other community-based organizations;

(B) has demonstrated experience with and capacity for multifamily restructuring and multifamily financing (which may include risk-sharing arrangements and restructuring eligible multifamily housing properties under the fiscal year 1997 Federal Housing Administration multifamily housing demonstration program);

(C) has a history of stable, financially sound, and responsible administrative performance (which may include the management of affordable low-income rental housing);

(D) has demonstrated financial strength in terms of asset quality, capital adequacy, and liquidity;

(E) has demonstrated that it will carry out the specific transactions and other responsibilities under this part in a timely, efficient, and cost-effective manner; and

(F) meets other criteria, as determined by the Secretary.

(2) **SELECTION.**—If more than 1 interested entity meets the qualifications and selection criteria for a participating administrative entity, the Secretary may select the entity that demonstrates, as determined by the Secretary, that it will—

(A) provide the most timely, efficient, and cost-effective—

(i) restructuring of the mortgages covered by the portfolio restructuring agreement; and

(ii) administration of the section 8 project-based assistance contract, if applicable; and

(B) protect the public interest (including the long-term provision of decent low-income affordable rental housing and protection of residents, communities, and the American taxpayer).

(3) **PARTNERSHIPS.**—For the purposes of any participating administrative entity applying under this subsection, participating administrative entities are encouraged to develop partnerships with each other and with nonprofit organizations, if such partnerships will further the participating administrative entity's ability to meet the purposes of this Act.

(4) **ALTERNATIVE ADMINISTRATORS.**—With respect to any eligible multifamily housing project for which a participating administrative entity is unavailable, or should not be selected to carry out the requirements of this subtitle with respect to that multifamily housing project for reasons relating to the selection criteria under paragraph (1), the Secretary shall—

(A) carry out the requirements of this subtitle with respect to that eligible multifamily housing project; or

(B) contract with other qualified entities that meet the requirements of paragraph (1) to provide the authority to carry out all or a portion of the requirements of this subtitle with respect to that eligible multifamily housing project.

(5) **PRIORITY FOR PUBLIC AGENCIES AS PARTICIPATING ADMINISTRATIVE ENTITIES.**—The Secretary shall provide a reasonable period during which the Secretary will consider proposals only from State housing finance agencies or local housing agencies, and the Secretary shall select such an agency without considering other applicants if the Secretary determines that the agency is qualified. The period shall be of sufficient duration for the Secretary to determine whether any State housing financing agencies or local housing agencies are interested and qualified. Not later than the end of the period, the Secretary shall notify the State housing finance agency or the local housing agency regarding the status of the proposal and, if the proposal is rejected, the reasons for the rejection and an opportunity for the applicant to respond.

(6) **STATE AND LOCAL PORTFOLIO REQUIREMENTS.**—

(A) **IN GENERAL.**—If the housing finance agency of a State is selected as the participating administrative entity, that agency shall be responsible for such eligible multifamily housing projects in that State as may be agreed upon by the participating administrative entity and the Secretary. If a local housing agency is selected as the participating administrative entity, that agency shall be responsible for such eligible multifamily housing projects in the jurisdiction of the agency as may be agreed upon by the participating administrative entity and the Secretary.

(B) **NONDELEGATION.**—Except with the prior approval of the Secretary, a participating administrative entity may not delegate or transfer responsibilities and functions under this subtitle to 1 or more entities.

(7) **PRIVATE ENTITY REQUIREMENTS.**—

(A) **IN GENERAL.**—If a for-profit entity is selected as the participating administrative entity, that entity shall be required to enter into a partnership with a public purpose entity (including the Department).

(B) **PROHIBITION.**—No private entity shall share, participate in, or otherwise benefit from any equity created, received, or restructured as a result of the portfolio restructuring agreement.

SEC. 514. MORTGAGE RESTRUCTURING AND RENTAL ASSISTANCE SUFFICIENCY PLAN.

(a) **IN GENERAL.**—

(1) **DEVELOPMENT OF PROCEDURES AND REQUIREMENTS.**—The Secretary shall develop procedures and requirements for the submission of a mortgage restructuring and rental assistance sufficiency plan for each eligible multifamily housing project with an expiring contract.

(2) **TERMS AND CONDITIONS.**—Each mortgage restructuring and rental assistance sufficiency plan submitted under this subsection shall be developed by the participating administrative entity, in cooperation with an owner of an eligible multifamily housing project and any servicer for the mortgage that is a qualified mortgagee, under such terms and conditions as the Secretary shall require.

(3) **CONSOLIDATION.**—Mortgage restructuring and rental assistance sufficiency plans submitted under this subsection may be consolidated as part of an overall strategy for more than 1 property.

(b) **NOTICE REQUIREMENTS.**—The Secretary shall establish notice procedures and hearing requirements for tenants and owners concerning the dates for the expiration of project-based assistance contracts for any eligible multifamily housing project.

(c) **EXTENSION OF CONTRACT TERM.**—Subject to agreement by a project owner, the Secretary may extend the term of any expiring contract or provide a section 8 contract with rent levels set in accordance with subsection (g) for a period sufficient to facilitate the implementation of a mortgage restructuring and rental assistance sufficiency plan, as determined by the Secretary.

(d) **TENANT RENT PROTECTION.**—If the owner of a project with an expiring Federal rental assistance contract does not agree to extend the contract, not less than 12 months prior to terminating the contract, the project owner shall provide written notice to the Secretary and the tenants and the Secretary shall make tenant-based assistance available to tenants residing in units assisted under the expiring contract at the time of expiration.

(e) **MORTGAGE RESTRUCTURING AND RENTAL ASSISTANCE SUFFICIENCY PLAN.**—Each mortgage restructuring and rental assistance sufficiency plan shall—

(1) except as otherwise provided, restructure the project-based assistance rents for the eligible multifamily housing project in a manner consistent with subsection (g), or provide for tenant-based assistance in accordance with section 515;

(2) allow for rent adjustments by applying an operating cost adjustment factor established under guidelines established by the Secretary;

(3) require the owner or purchaser of an eligible multifamily housing project to evaluate the rehabilitation needs of the project, in accordance with regulations of the Secretary, and notify the participating administrative entity of the rehabilitation needs;

(4) require the owner or purchaser of the project to provide or contract for competent management of the project;

(5) require the owner or purchaser of the project to take such actions as may be necessary to rehabilitate, maintain adequate reserves, and to maintain the project in decent and safe condition, based on housing quality standards established by—

(A) the Secretary; or

(B) local housing codes or codes adopted by public housing agencies that—

(i) meet or exceed housing quality standards established by the Secretary; and

(ii) do not severely restrict housing choice;

(6) require the owner or purchaser of the project to maintain affordability and use restrictions in accordance with regulations promulgated by the Secretary, for a term of not less than 30 years which restrictions shall be—

(A) contained in a legally enforceable document recorded in the appropriate records; and

(B) consistent with the long-term physical and financial viability and character of the project as affordable housing;

(7) include a certification by the participating administrative entity that the restructuring meets subsidy layering requirements established by the Secretary by regulation for purposes of this subtitle;

(8) require the owner or purchaser of the project to meet such other requirements as the Secretary determines to be appropriate; and

(9) prohibit the owner from refusing to lease a reasonable number of units to holders of certificates and vouchers under section 8 of the United States Housing Act of 1937 because of the status of the prospective tenants as certificate and voucher holders.

(f) **TENANT AND OTHER PARTICIPATION AND CAPACITY BUILDING.**—

(1) **PROCEDURES.**—

(A) **IN GENERAL.**—The Secretary shall establish procedures to provide an opportunity for tenants of the project, residents of the neighborhood, the local government, and other affected parties to participate effectively and on a timely basis in the restructuring process established by this subtitle.

(B) **COVERAGE.**—These procedures shall take into account the need to provide tenants of the project, residents of the neighborhood, the local government, and other affected parties timely notice of proposed restructuring actions and appropriate access to relevant information about restructuring activities. To the extent practicable and consistent with the need to accomplish project restructuring in an efficient manner, the procedures shall give all such parties an opportunity to provide comments to the participating administrative entity in writing, in meetings, or in another appropriate manner (which comments shall be taken into consideration by the participating administrative entity).

(2) **REQUIRED CONSULTATION.**—The procedures developed pursuant to paragraph (1) shall require consultation with tenants of the project, residents of the neighborhood, the local government, and other affected parties, in connection with at least the following:

(A) the mortgage restructuring and rental assistance sufficiency plan;

(B) any proposed transfer of the project; and

(C) the rental assistance assessment plan pursuant to section 515(c).

(3) **FUNDING.**—

(A) **IN GENERAL.**—The Secretary may provide not more than \$10,000,000 annually in funding from which the Secretary may make obligations to tenant groups, nonprofit organizations, and public entities for building the capacity of tenant organizations, for technical assistance in furthering any of the purposes of this subtitle (including transfer of developments to new owners) and for tenant services, from those amounts made available under appropriations Acts for implementing this subtitle or previously made available for technical assistance in connection with the preservation of affordable rental housing for low-income persons.

(B) **MANNER OF PROVIDING.**—Notwithstanding any other provision of law restricting the use of preservation technical assistance funds, the Secretary may provide any funds made available under subparagraph (A) through existing technical assistance programs pursuant to any other

Federal law, including the Low-Income Housing Preservation and Resident Homeownership Act of 1990 and the Multifamily Property Disposition Reform Act of 1994, or through any other means that the Secretary considers consistent with the purposes of this subtitle, without regard to any set-aside requirement otherwise applicable to those funds.

(C) **PROHIBITION.**—None of the funds made available under subparagraph (A) may be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation.

(g) **RENT LEVELS.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), each mortgage restructuring and rental assistance sufficiency plan pursuant to the terms, conditions, and requirements of this subtitle shall establish for units assisted with project-based assistance in eligible multifamily housing projects adjusted rent levels that—

(A) are equivalent to rents derived from comparable properties, if—

(i) the participating administrative entity makes the rent determination within a reasonable period of time; and

(ii) the market rent determination is based on not less than 2 comparable properties; or

(B) if those rents cannot be determined, are equal to 90 percent of the fair market rents for the relevant market area.

(2) **EXCEPTIONS.**—

(A) **IN GENERAL.**—A contract under this section may include rent levels that exceed the rent level described in paragraph (1) at rent levels that do not exceed 120 percent of the fair market rent for the market area (except that the Secretary may waive this limit for not more than five percent of all units subject to restructured mortgages in any fiscal year, based on a finding of special need), if the participating administrative entity—

(i) determines that the housing needs of the tenants and the community cannot be adequately addressed through implementation of the rent limitation required to be established through a mortgage restructuring and rental assistance sufficiency plan under paragraph (1); and

(ii) follows the procedures under paragraph (3).

(B) **EXCEPTION RENTS.**—In any fiscal year, a participating administrative entity may approve exception rents on not more than 20 percent of all units covered by the portfolio restructuring agreement with expiring contracts in that fiscal year, except that the Secretary may waive this ceiling upon a finding of special need.

(3) **RENT LEVELS FOR EXCEPTION PROJECTS.**—For purposes of this section, a project eligible for an exception rent shall receive a rent calculated based on the actual and projected costs of operating the project, at a level that provides income sufficient to support a budget-based rent that consists of—

(A) the debt service of the project;

(B) the operating expenses of the project, as determined by the participating administrative entity, including—

(i) contributions to adequate reserves;

(ii) the costs of maintenance and necessary rehabilitation; and

(iii) other eligible costs permitted under section 8 of the United States Housing Act of 1937;

(C) an adequate allowance for potential operating losses due to vacancies and failure to collect rents, as determined by the participating administrative entity;

(D) an allowance for a reasonable rate of return to the owner or purchaser of the project, as determined by the participating administrative entity, which may be established to provide incentives for owners or purchasers to meet benchmarks of quality for management and housing quality; and

(E) other expenses determined by the participating administrative entity to be necessary for the operation of the project.

(h) **EXEMPTIONS FROM RESTRUCTURING.**—The following categories of projects shall not be covered by a mortgage restructuring and rental assistance sufficiency plan if—

(1) the primary financing or mortgage insurance for the multifamily housing project that is covered by that expiring contract was provided by a unit of State government or a unit of general local government (or an agency or instrumentality of a unit of a State government or unit of general local government);

(2) the project is a project financed under section 202 of the Housing Act of 1959 or section 515 of the Housing Act of 1949; or

(3) the project has an expiring contract under section 8 of the United States Housing Act of 1937 entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act.

SEC. 515. SECTION 8 RENEWALS AND LONG-TERM AFFORDABILITY COMMITMENT BY OWNER OF PROJECT.

(a) **SECTION 8 RENEWALS OF RESTRUCTURED PROJECTS.**—

(1) **PROJECT-BASED ASSISTANCE.**—Subject to the availability of amounts provided in advance in appropriations Acts, and to the control of the Secretary of applicable accounts in the Treasury of the United States, with respect to an expiring section 8 contract on an eligible multifamily housing project to be renewed with project-based assistance (based on a determination under subsection (c)), the Secretary shall enter into contracts with participating administrative entities pursuant to which the participating administrative entity shall offer to renew or extend the contract, or the Secretary shall offer to renew such contract, and the owner of the project shall accept the offer, if the initial renewal is in accordance with the terms and conditions specified in the mortgage restructuring and rental assistance sufficiency plan and the rental assistance assessment plan.

(2) **TENANT-BASED ASSISTANCE.**—Subject to the availability of amounts provided in advance in appropriations Acts and to the control of the Secretary of applicable accounts in the Treasury of the United States, with respect to an expiring section 8 contract on an eligible multifamily housing project to be renewed with tenant-based assistance (based on a determination under subsection (c)), the Secretary shall enter into contracts with participating administrative entities pursuant to which the participating administrative entity shall provide for the renewal of section 8 assistance on an eligible multifamily housing project with tenant-based assistance, or the Secretary shall provide for such renewal, in accordance with the terms and conditions specified in the mortgage restructuring and rental assistance sufficiency plan and the rental assistance assessment plan.

(b) **REQUIRED COMMITMENT.**—After the initial renewal of a section 8 contract pursuant to this section, the owner shall accept each offer made pursuant to subsection (a) to renew the contract, for the term of the affordability and use restrictions required by section 514(e)(6), if the offer to renew is on terms and conditions specified in the mortgage restructuring and rental assistance sufficiency plan.

(c) **DETERMINATION OF WHETHER TO RENEW WITH PROJECT-BASED OR TENANT-BASED ASSISTANCE.**—

(1) **MANDATORY RENEWAL OF PROJECT-BASED ASSISTANCE.**—Section 8 assistance shall be renewed with project-based assistance, if—

(A) the project is located in an area in which the participating administrative entity determines, based on housing market indicators, such as low vacancy rates or high absorption rates, that there is not adequate available and affordable housing or that the tenants of the project would not be able to locate suitable units or use the tenant-based assistance successfully;

(B) a predominant number of the units in the project are occupied by elderly families, disabled families, or elderly and disabled families;

(C) the project is held by a nonprofit cooperative ownership housing corporation or nonprofit cooperative housing trust.

(2) RENTAL ASSISTANCE ASSESSMENT PLAN.—

(A) IN GENERAL.—With respect to any project that is not described in paragraph (1), the participating administrative entity shall, after consultation with the owner of the project, develop a rental assistance assessment plan to determine whether to renew assistance for the project with tenant-based assistance or project-based assistance.

(B) RENTAL ASSISTANCE ASSESSMENT PLAN REQUIREMENTS.—Each rental assistance assessment plan developed under this paragraph shall include an assessment of the impact of converting to tenant-based assistance and the impact of extending project-based assistance on—

(i) the ability of the tenants to find adequate, available, decent, comparable, and affordable housing in the local market;

(ii) the types of tenants residing in the project (such as elderly families, disabled families, large families, and cooperative homeowners);

(iii) the local housing needs identified in the comprehensive housing affordability strategy, and local market vacancy trends;

(iv) the cost of providing assistance, comparing the applicable payment standard to the project's adjusted rent levels determined under section 514(g);

(v) the long-term financial stability of the project;

(vi) the ability of residents to make reasonable choices about their individual living situations;

(vii) the quality of the neighborhood in which the tenants would reside; and

(viii) the project's ability to compete in the marketplace.

(C) REPORTS TO DIRECTOR.—Each participating administrative entity shall report regularly to the Director as defined in subtitle D, as the Director shall require, identifying—

(i) each eligible multifamily housing project for which the entity has developed a rental assistance assessment plan under this paragraph that determined that the tenants of the project generally supported renewal of assistance with tenant-based assistance, but under which assistance for the project was renewed with project-based assistance; and

(ii) each project for which the entity has developed such a plan under which the assistance is renewed using tenant-based assistance.

(3) ELIGIBILITY FOR TENANT-BASED ASSISTANCE.—

Subject to paragraph (4), with respect to any project that is not described in paragraph (1), if a participating administrative entity approves the use of tenant-based assistance based on a rental assistance assessment plan developed under paragraph (2), tenant-based assistance shall be provided to each assisted family (other than a family already receiving tenant-based assistance) residing in the project at the time the assistance described in section 512(2)(B) terminates.

(4) RENTS FOR FAMILIES RECEIVING TENANT-BASED ASSISTANCE.—

(A) IN GENERAL.—Notwithstanding subsection (c)(1) or (o)(1) of section 8 of the United States Housing Act of 1937, in the case of any family described in paragraph (3) that resides in a project described in section 512(2)(B) in which

the reasonable rent (which rent shall include any amount allowed for utilities and shall not exceed comparable market rents for the relevant housing market area) exceeds the fair market rent limitation or the payment standard, as applicable, the amount of assistance for the family shall be determined in accordance with subparagraph (B).

(B) MAXIMUM MONTHLY RENT; PAYMENT STANDARD.—With respect to the certificate program under section 8(b) of the United States Housing Act of 1937, the maximum monthly rent under the contract (plus any amount allowed for utilities) shall be such reasonable rent for the unit. With respect to the voucher program under section 8(o) of the United States Housing Act of 1937, the payment standard shall be deemed to be such reasonable rent for the unit.

(5) INAPPLICABILITY OF CERTAIN PROVISION.—If a participating administrative entity approves renewal with project-based assistance under this subsection, section 8(d)(2) of the United States Housing Act of 1937 shall not apply.

SEC. 516. PROHIBITION ON RESTRUCTURING.

(a) PROHIBITION ON RESTRUCTURING.—The Secretary may elect not to consider any mortgage restructuring and rental assistance sufficiency plan or request for contract renewal if the Secretary or the participating administrative entity determines that—

(1)(A) the owner or purchaser of the project has engaged in material adverse financial or managerial actions or omissions with regard to such project; or

(B) the owner or purchaser of the project has engaged in material adverse financial or managerial actions or omissions with regard to other projects of such owner or purchaser that are federally-assisted or financed with a loan from, or mortgage insured or guaranteed by, an agency of the Federal government.

(2) Material adverse financial or managerial actions or omissions include—

(A) materially violating any Federal, State, or local law or regulation with regard to this project or any other federally assisted project, after receipt of notice and an opportunity to cure;

(B) materially breaching a contract for assistance under section 8 of the United States Housing Act of 1937, after receipt of notice and an opportunity to cure;

(C) materially violating any applicable regulatory or other agreement with the Secretary or a participating administrative entity, after receipt of notice and an opportunity to cure;

(D) repeatedly and materially violating any Federal, State, or local law or regulation with regard to the project or any other federally assisted project;

(E) repeatedly and materially breaching a contract for assistance under section 8 of the United States Housing Act of 1937;

(F) repeatedly and materially violating any applicable regulatory or other agreement with the Secretary or a participating administrative entity;

(G) repeatedly failing to make mortgage payments at times when project income was sufficient to maintain and operate the property;

(H) materially failing to maintain the property according to housing quality standards after receipt of notice and a reasonable opportunity to cure; or

(I) committing any actions or omissions that would warrant suspension or debarment by the Secretary;

(3) the owner or purchaser of the property materially failed to follow the procedures and requirements of this part, after receipt of notice and an opportunity to cure; or

(4) the poor condition of the project cannot be remedied in a cost effective manner, as determined by the participating administrative entity.

The term "owner" as used in this subsection, in addition to it having the same meaning as in section 8(f) of the United States Housing Act of 1937, also means an affiliate of the owner. The term "purchaser" as used in this subsection means any private person or entity, including a cooperative, an agency of the Federal Government, or a public housing agency, that, upon purchase of the project, would have the legal right to lease or sublease dwelling units in the project, and also means an affiliate of the purchaser. The terms "affiliate of the owner" and "affiliate of the purchaser" means any person or entity (including, but not limited to, a general partner or managing member, or an officer of either) that controls an owner or purchaser, is controlled by an owner or purchaser, or is under common control with the owner or purchaser. The term "control" means the direct or indirect power (under contract, equity ownership, the right to vote or determine a vote, or otherwise) to direct the financial, legal, beneficial or other interests of the owner or purchaser.

(b) OPPORTUNITY TO DISPUTE FINDINGS.—

(1) IN GENERAL.—During the 30-day period beginning on the date on which the owner or purchaser of an eligible multifamily housing project receives notice of a rejection under subsection (a) or of a mortgage restructuring and rental assistance sufficiency plan under section 514, the Secretary or participating administrative entity shall provide that owner or purchaser with an opportunity to dispute the basis for the rejection and an opportunity to cure.

(2) AFFIRMATION, MODIFICATION, OR REVERSAL.—

(A) IN GENERAL.—After providing an opportunity to dispute under paragraph (1), the Secretary or the participating administrative entity may affirm, modify, or reverse any rejection under subsection (a) or rejection of a mortgage restructuring and rental assistance sufficiency plan under section 514.

(B) REASONS FOR DECISION.—The Secretary or the participating administrative entity, as applicable, shall identify the reasons for any final decision under this paragraph.

(C) REVIEW PROCESS.—The Secretary shall establish an administrative review process to appeal any final decision under this paragraph.

(c) FINAL DETERMINATION.—Any final determination under this section shall not be subject to judicial review.

(d) DISPLACED TENANTS.—Subject to the availability of amounts provided in advance in appropriations Acts, for any low-income tenant that is residing in a project or receiving assistance under section 8 of the United States Housing Act of 1937 at the time of rejection under this section, that tenant shall be provided with tenant-based assistance and reasonable moving expenses, as determined by the Secretary.

(e) TRANSFER OF PROPERTY.—For properties disqualified from the consideration of a mortgage restructuring and rental assistance sufficiency plan under this section in accordance with paragraph (1) or (2) of subsection (a) because of actions by an owner or purchaser, the Secretary shall establish procedures to facilitate the voluntary sale or transfer of a property as part of a mortgage restructuring and rental assistance sufficiency plan, with a preference for tenant organizations and tenant-endorsed community-based nonprofit and public agency purchasers meeting such reasonable qualifications as may be established by the Secretary.

SEC. 517. RESTRUCTURING TOOLS.

(a) MORTGAGE RESTRUCTURING.—

(1) In this part, an approved mortgage restructuring and rental assistance sufficiency plan shall include restructuring mortgages in accordance with this subsection to provide—

(A) a restructured or new first mortgage that is sustainable at rents at levels that are established in section 514(g); and

(B) a second mortgage that is in an amount equal to no more than the difference between the restructured or new first mortgage and the indebtedness under the existing insured mortgage immediately before it is restructured or refinanced, provided that the amount of the second mortgage shall be in an amount that the Secretary or participating administrative entity determines can reasonably be expected to be repaid.

(2) The second mortgage shall bear interest at a rate not to exceed the applicable Federal rate as defined in section 1274(d) of the Internal Revenue Code of 1986. The term of the second mortgage shall be equal to the term of the restructured or new first mortgage.

(3) Payments on the second mortgage shall be deferred when the first mortgage remains outstanding, except to the extent there is excess project income remaining after payment of all reasonable and necessary operating expenses (including deposits in a reserve for replacement), debt service on the first mortgage, and any other expenditures approved by the Secretary. At least 75 percent of any excess project income shall be applied to payments on the second mortgage, and the Secretary or the participating administrative entity may permit up to 25 percent to be paid to the project owner if the Secretary or participating administrative entity determines that the project owner meets benchmarks for management and housing quality.

(4) The full amount of the second mortgage shall be immediately due and payable if—

(A) the first mortgage is terminated or paid in full, except as otherwise provided by the holder of the second mortgage;

(B) the project is purchased and the second mortgage is assumed by any subsequent purchaser in violation of guidelines established by the Secretary; or

(C) the Secretary provides notice to the project owner that such owner has failed to materially comply with any requirements of this section or the United States Housing Act of 1937 as those requirements apply to the project, with a reasonable opportunity for such owner to cure such failure.

(5) The Secretary may modify the terms or forgive all or part of the second mortgage if the Secretary holds the second mortgage and if the project is acquired by a tenant organization or tenant-endorsed community-based nonprofit or public agency, pursuant to guidelines established by the Secretary.

(b) **RESTRUCTURING TOOLS.**—In addition to the requirements of subsection (a) and to the extent these actions are consistent with this section and with the control of the Secretary of applicable accounts in the Treasury of the United States, an approved mortgage restructuring and rental assistance sufficiency plan under this subtitle may include 1 or more of the following actions:

(1) **FULL OR PARTIAL PAYMENT OF CLAIM.**—Making a full payment of claim or partial payment of claim under section 541(b) of the National Housing Act, as amended by section 523(b) of this Act. Any payment under this paragraph shall not require the approval of a mortgagee.

(2) **REFINANCING OF DEBT.**—Refinancing of all or part of the debt on a project. If the refinancing involves a mortgage that will continue to be insured under the National Housing Act, the refinancing shall be documented through amendment of the existing insurance contract and not through a new insurance contract.

(3) **MORTGAGE INSURANCE.**—Providing FHA multifamily mortgage insurance, reinsurance or other credit enhancement alternatives, includ-

ing multifamily risk-sharing mortgage programs, as provided under section 542 of the Housing and Community Development Act of 1992. Any limitations on the number of units available for mortgage insurance under section 542 shall not apply to eligible multifamily housing projects. Any credit subsidy costs of providing mortgage insurance shall be paid from the Liquidating Account of the General Insurance Fund or the Special Risk Insurance Fund and shall not be subject to any limitation on appropriations.

(4) **CREDIT ENHANCEMENT.**—Any additional State or local mortgage credit enhancements and risk-sharing arrangements may be established with State or local housing finance agencies, the Federal Housing Finance Board, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation, to a modified or refinanced first mortgage.

(5) **COMPENSATION OF THIRD PARTIES.**—Consistent with the portfolio restructuring agreement, entering into agreements, incurring costs, or making payments, including incentive agreements designed to reward superior performance in meeting the purposes of this Act, as may be reasonably necessary, to compensate the participation of participating administrative entities and other parties in undertaking actions authorized by this subtitle. Upon request to the Secretary, participating administrative entities that are qualified under the United States Housing Act of 1937 to serve as contract administrators shall be the contract administrators under section 8 of the United States Housing Act of 1937 for purposes of any contracts entered into as part of an approved mortgage restructuring and rental assistance sufficiency plan. Subject to the availability of amounts provided in advance in appropriations Acts for administrative fees under section 8 of the United States Housing Act of 1937, such amounts may be used to compensate participating administrative entities for compliance monitoring costs incurred under section 519.

(6) **USE OF PROJECT ACCOUNTS.**—Applying any residual receipts, replacement reserves, and any other project accounts not required for project operations, to maintain the long-term affordability and physical condition of the property or of other eligible multifamily housing projects. The participating administrative entity may expedite the acquisition of residual receipts, replacement reserves, or other such accounts, by entering into agreements with owners of housing covered by an expiring contract to provide an owner with a share of the receipts, not to exceed 10 percent, in accordance with guidelines established by the Secretary.

(7) **REHABILITATION NEEDS.**—

(A) **IN GENERAL.**—Assisting in addressing the rehabilitation needs of the project. Rehabilitation may be paid from the residual receipts, replacement reserves, or any other project accounts not required for project operations, or, as provided in appropriations Acts and subject to the control of the Secretary of applicable accounts in the Treasury of the United States, from budget authority provided for increases in the budget authority for assistance contracts under section 8 of the United States Housing Act of 1937, the rehabilitation grant program established under section 236(s) of the National Housing Act, or through the debt restructuring transaction. Rehabilitation under this paragraph shall only be for the purpose of restoring the project to a non-luxury standard adequate for the rental market intended at the original approval of the project-based assistance.

(B) **CONTRIBUTION.**—Each owner or purchaser of a project to be rehabilitated under an approved mortgage restructuring and rental assistance sufficiency plan shall contribute, from non-project resources, not less than 25 percent of the amount of rehabilitation assistance re-

ceived, except that the participating administrative entity may provide an exception from the requirement of this subparagraph for housing cooperatives.

(c) **ROLE OF FNMA AND FHLMC.**—Section 1335 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4565) is amended—

(1) in paragraph (3), by striking “and” at the end;

(2) paragraph (4), by striking the period at the end and inserting “; and”;

(3) by striking “To meet” and inserting the following:

“(a) **IN GENERAL.**—To meet”; and

(4) by adding at the end the following:

“(5) assist in maintaining the affordability of assisted units in eligible multifamily housing projects with expiring contracts, as defined under the Multifamily Assisted Housing Reform and Affordability Act of 1997.

“(b) **AFFORDABLE HOUSING GOALS.**—Actions taken under subsection (a)(5) shall constitute part of the contribution of each entity in meeting its affordable housing goals under sections 1332, 1333, and 1334 for any fiscal year, as determined by the Secretary.”

(d) **PROHIBITION ON EQUITY SHARING BY THE SECRETARY.**—The Secretary is prohibited from participating in any equity agreement or profit-sharing agreement in conjunction with any eligible multifamily housing project.

(e) **CONFLICT OF INTEREST GUIDELINES.**—The Secretary may establish guidelines to prevent conflicts of interest by a participating administrative entity that provides, directly or through risk-sharing arrangements, any form of credit enhancement or financing pursuant to subsections (b)(3) or (b)(4) or to prevent conflicts of interest by any other person or entity under this subtitle.

SEC. 518. MANAGEMENT STANDARDS.

Each participating administrative entity shall establish management standards, including requirements governing conflicts of interest between owners, managers, contractors with an identity of interest, pursuant to guidelines established by the Secretary and consistent with industry standards.

SEC. 519. MONITORING OF COMPLIANCE.

(a) **COMPLIANCE AGREEMENTS.**—(1) Pursuant to regulations issued by the Secretary under section 522(a), each participating administrative entity, through binding contractual agreements with owners and otherwise, shall ensure long-term compliance with the provisions of this subtitle. Each agreement shall, at a minimum, provide for—

(A) enforcement of the provisions of this subtitle; and

(B) remedies for the breach of those provisions.

(2) If the participating administrative entity is not qualified under the United States Housing Act of 1937 to be a section 8 contract administrator or fails to perform its duties under the portfolio restructuring agreement, the Secretary shall have the right to enforce the agreement.

(b) **PERIODIC MONITORING.**—

(1) **IN GENERAL.**—Not less than annually, each participating administrative entity that is qualified to be the section 8 contract administrator shall review the status of all multifamily housing projects for which a mortgage restructuring and rental assistance sufficiency plan has been implemented.

(2) **INSPECTIONS.**—Each review under this subsection shall include onsite inspection to determine compliance with housing codes and other requirements as provided in this subtitle and the portfolio restructuring agreements.

(3) **ADMINISTRATION.**—If the participating administrative entity is not qualified under the United States Housing Act of 1937 to be a section 8 contract administrator, either the Secretary or a qualified State or local housing

agency shall be responsible for the review required by this subsection.

(c) **AUDIT BY THE SECRETARY.**—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 at any time of any multifamily housing project for which a mortgage restructuring and rental assistance sufficiency plan has been implemented.

SEC. 520. REPORTS TO CONGRESS.

(a) **ANNUAL REVIEW.**—In order to ensure compliance with this subtitle, the Secretary shall conduct an annual review and report to the Congress on actions taken under this subtitle and the status of eligible multifamily housing projects.

(b) **SEMIANNUAL REVIEW.**—Not less than semi-annually during the 2-year period beginning on the date of the enactment of this Act and not less than annually thereafter, the Secretary shall submit reports to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate stating, for such periods, the total number of projects identified by participating administrative entities under each of clauses (i) and (ii) of subparagraph (C).

SEC. 521. GAO AUDIT AND REVIEW.

(a) **INITIAL AUDIT.**—Not later than 18 months after the effective date of final regulations promulgated under this part, the Comptroller General of the United States shall conduct an audit to evaluate eligible multifamily housing projects and the implementation of mortgage restructuring and rental assistance sufficiency plans.

(b) **REPORT.**—

(1) **IN GENERAL.**—Not later than 18 months after the audit conducted under subsection (a), the Comptroller General of the United States shall submit to Congress a report on the status of eligible multifamily housing projects and the implementation of mortgage restructuring and rental assistance sufficiency plans.

(2) **CONTENTS.**—The report submitted under paragraph (1) shall include—

(A) a description of the initial audit conducted under subsection (a); and

(B) recommendations for any legislative action to increase the financial savings to the Federal Government of the restructuring of eligible multifamily housing projects balanced with the continued availability of the maximum number of affordable low-income housing units.

SEC. 522. REGULATIONS.

(a) **RULEMAKING AND IMPLEMENTATION.**—

(1) **INTERIM REGULATIONS.**—The Director shall issue such interim regulations as may be necessary to implement this subtitle and the amendments made by this subtitle with respect to eligible multifamily housing projects covered by contracts described in section 512(2)(B) that expire in fiscal year 1999 or thereafter. If, before the expiration of such period, the Director has not been appointed, the Secretary shall issue such interim regulations.

(2) **FINAL REGULATIONS.**—The Director shall issue final regulations necessary to implement this subtitle and the amendments made by this subtitle with respect to eligible multifamily housing projects covered by contracts described in section 512(2)(B) that expire in fiscal year 1999 or thereafter before the later of (A) the expiration of the 12-month period beginning upon the date of the enactment of this Act, and (B) the 3-month period beginning upon the appointment of the Director under subtitle B.

(3) **FACTORS FOR CONSIDERATION.**—Before the publication of the final regulations under paragraph (2), in addition to public comments invited in connection with publication of the interim rule, the Secretary shall—

(A) seek recommendations on the implementation of sections 513(b) and 515(c)(1) from organizations representing—

(i) State housing finance agencies and local housing agencies;

(ii) other potential participating administering entities;

(iii) tenants;

(iv) owners and managers of eligible multifamily housing projects;

(v) States and units of general local government; and

(vi) qualified mortgagees; and

(B) convene not less than 3 public forums at which the organizations making recommendations under subparagraph (A) may express views concerning the proposed disposition of the recommendations.

(b) **TRANSITION PROVISION FOR CONTRACTS EXPIRING IN FISCAL YEAR 1998.**—Notwithstanding any other provision of law, the Secretary shall apply all the terms of section 211 and section 212 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (except for section 212(h)(1)(G) and the limitation in section 212(k)) contracts for project-based assistance that expire during fiscal year 1998 (in the same manner that such provisions apply to expiring contracts defined in section 212(a)(3) of such Act), except that section 517(a) of the Act shall apply to mortgages on projects subject to such contracts.

SEC. 523. TECHNICAL AND CONFORMING AMENDMENTS.

(a) **CALCULATION OF LIMIT ON PROJECT-BASED ASSISTANCE.**—Section 8(d) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)) is amended by adding at the end the following:

“(5) **CALCULATION OF LIMIT.**—Any contract entered into under section 514 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 shall be excluded in computing the limit on project-based assistance under this subsection.”

(b) **PARTIAL PAYMENT OF CLAIMS ON MULTIFAMILY HOUSING PROJECTS.**—Section 541 of the National Housing Act (12 U.S.C. 1735f-19) is amended—

(1) in subsection (a), in the subsection heading, by striking “AUTHORITY” and inserting “DEFAULTED MORTGAGES”;

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following:

“(b) **EXISTING MORTGAGES.**—Notwithstanding any other provision of law, the Secretary, in connection with a mortgage restructuring under section 514 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, may make a 1 time, nondefault partial payment of the claim under the mortgage insurance contract, which shall include a determination by the Secretary or the participating administrative entity, in accordance with the Multifamily Assisted Housing Reform and Affordability Act of 1997, of the market value of the project and a restructuring of the mortgage, under such terms and conditions as are permitted by section 517(a) of such Act.”

(c) **REUSE AND RESCISSION OF CERTAIN RECAPTURED BUDGET AUTHORITY.**—Section 8(bb) of the United States Housing Act of 1937 (42 U.S.C. 1437f(bb)) is amended—

(1) by inserting after “(bb)” the following: “TRANSFER, REUSE, AND RESCISSION OF BUDGET AUTHORITY.—(1)”;

(2) by inserting the following new paragraph at the end:

“(2) **REUSE AND RESCISSION OF CERTAIN RECAPTURED BUDGET AUTHORITY.**—Notwithstanding paragraph (1), if a project-based assistance contract for an eligible multifamily

housing project subject to actions authorized under title 1 is terminated or amended as part of restructuring under section 517 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, the Secretary shall recapture the budget authority not required for the terminated or amended contract and use such amounts as are necessary to provide housing assistance for the same number of families covered by such contract for the remaining term of such contract, under a contract providing for project-based or tenant-based assistance. The amount of budget authority saved as a result of the shift to project-based or tenant-based assistance shall be rescinded.”

(d) **SECTION 8 CONTRACT RENEWALS.**—Section 405(a) of the Balanced Budget Downpayment Act, 1 (42 U.S.C. 1437f note) is amended by striking “For” and inserting “Notwithstanding part 24 of title 24 of the Code of Federal Regulations, for”.

(e) **RENEWAL UPON REQUEST OF OWNER.**—Section 211(b)(3) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104-204; 110 Stat. 2896) is amended—

(1) by striking the paragraph heading and inserting the following:

“(3) **EXEMPTION OF CERTAIN OTHER PROJECTS.**—”; and

(2) by striking “section 202 projects, section 811 projects and section 515 projects” and inserting “section 202 projects, section 515 projects, projects with contracts entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act, and projects with rents that exceed 100 percent of fair market rent for the market area, but that are less than rents for comparable projects”.

(f) **EXTENSION OF DEMONSTRATION CONTRACT PERIOD.**—Section 212(g) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104-204) is amended—

(1) by inserting “(1)” after “(g)”;

(2) by inserting before the period at the end the following: “or in paragraph (2)”;

(3) by adding at the end the following:

“(2) The Secretary may renew a demonstration contract for an additional period of not to exceed 120 days, if—

“(A) the contract was originally executed before February 1, 1997, and the Secretary determines, in the sole discretion of the Secretary, that the renewal period for the contract needs to exceed 1 year, due to delay of publication of the Secretary’s demonstration program guidelines until January 23, 1997 (not to exceed 21 projects); or

“(B) the contract was originally executed before October 1, 1997, in connection with a project that has been identified for restructuring under the joint venture approach described in section VII.B.2. of the Secretary’s demonstration program guidelines, and the Secretary determines, in the sole discretion of the Secretary, that the renewal period for the contract needs to exceed 1 year, due to delay in implementation of the joint venture agreement required by the guidelines (not to exceed 25 projects).”

SEC. 524. SECTION 8 CONTRACT RENEWALS.

(a) **SECTION 8 CONTRACT RENEWAL AUTHORITY.**—

(1) **IN GENERAL.**—Notwithstanding part 24 of title 24 of the Code of Federal Regulations and subject to section 516 of this subtitle, for fiscal year 1999 and henceforth, the Secretary may use amounts available for the renewal of assistance under section 8 of the United States Housing Act of 1937, upon termination or expiration of a contract for assistance under section 8 (other than a contract for tenant-based assistance and

notwithstanding section 8(v) of such Act for loan management assistance), to provide assistance under section 8 of such Act at rent levels that do not exceed comparable market rents for the market area. The assistance shall be provided in accordance with terms and conditions prescribed by the Secretary.

(2) EXCEPTION PROJECTS.—Notwithstanding paragraph (1), upon the request of the owner, the Secretary shall renew an expiring contract in accordance with terms and conditions prescribed by the Secretary at the lesser of (i) existing rents, adjusted by an operating cost, adjustment factor established by the Secretary, (ii) a level that provides income sufficient to support a budget-based rent (including a budget-based rent adjustment if justified by reasonable and expected operating expenses), or (iii) in the case of a contract under the moderate rehabilitation program, other than a moderate rehabilitation contract under section 441 of the Stewart B. McKinney Homeless Assistance Act, the base rent adjusted by an operating cost adjustment factor established by the Secretary, for the following categories of multifamily housing projects—

(A) projects for which the primary financing or mortgage insurance was provided by a unit of State government or a unit of general local government (or an agency or instrumentality of either) and is not insured under the National Housing Act;

(B) projects for which the primary financing was provided by a unit of State government or a unit or general local government (or an agency or instrumentality of either) and the financing involves mortgage insurance under the National Housing Act, such that the implementation of a mortgage restructuring and rental assistance sufficiency plan under this Act is in conflict with applicable law or agreements governing such financing;

(C) projects financed under section 202 of the Housing Act of 1959 or section 515 of the Housing Act of 1949;

(D) projects that have an expiring contract under section 8 of the United States Housing Act of 1937 pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; and

(E) projects that do not qualify as eligible multifamily housing projects pursuant to section 512(2) of this subtitle.

Subtitle B—Miscellaneous Provisions

SEC. 531. REHABILITATION GRANTS FOR CERTAIN INSURED PROJECTS.

Section 236 of the National Housing Act (12 U.S.C. 1715a-1) is amended by adding at the end the following:

“(s) GRANT AUTHORITY.—

“(1) IN GENERAL.—The Secretary may make grants for the capital costs of rehabilitation to owners of projects that meet the eligibility and other criteria set forth in, and in accordance with, this subsection.

“(2) PROJECT ELIGIBILITY.—A project may be eligible for capital grant assistance under this subsection—

“(A) if—

“(i) the project is or was insured under any provision of title II of the National Housing Act;

“(ii) the project was assisted under section 8 of the United States Housing Act of 1937 on the date of enactment of the Multifamily Assisted Housing Reform and Affordability Act of 1997; and

“(iii) the project mortgage was not held by a State agency as of the date of enactment of the Multifamily Assisted Housing Reform and Affordability Act of 1997;

“(B) if the project owner agrees to maintain the housing quality standards as required by the Secretary;

“(C) if the Secretary determines that the owner or purchaser of the project has not en-

gaged in material adverse financial or managerial actions or omissions with regard to such project; or

“(ii) if the Secretary elects to make such determination, that the owner or purchaser of the project has not engaged in material adverse financial or managerial actions or omissions with regard to other projects of such owner or purchaser that are federally-assisted or financed with a loan from, or mortgage insured or guaranteed by, an agency of the Federal government;

“(iii) material adverse financial or managerial actions or omissions, as the terms are used in this subparagraph, include—

“(I) materially violating any Federal, State, or local law or regulation with regard to this project or any other federally assisted project, after receipt of notice and an opportunity to cure;

“(II) materially breaching a contract for assistance under section 8 of the United States Housing Act of 1937, after receipt of notice and an opportunity to cure;

“(III) materially violating any applicable regulatory or other agreement with the Secretary or a participating administrative entity, after receipt of notice and an opportunity to cure;

“(IV) repeatedly failing to make mortgage payments at times when project income was sufficient to maintain and operate the property;

“(V) materially failing to maintain the property according to housing quality standards after receipt of notice and a reasonable opportunity to cure; or

“(VI) committing any act or omission that would warrant suspension or debarment by the Secretary; and

“(iv) the term ‘owner’ as used in this subparagraph, in addition to it having the same meaning as in section 8(f) of the United States Housing Act of 1937, also means an affiliate of the owner; the term ‘purchaser’ as used in this subsection means any private person or entity, including a cooperative, an agency of the Federal Government, or a public housing agency, that, upon purchase of the project, would have the legal right to lease or sublease dwelling units in the project, and also means an affiliate of the purchaser; the terms ‘affiliate of the owner’ and ‘affiliate of the purchaser’ means any person or entity (including, but not limited to, a general partner or managing member, or an officer of either) that controls an owner or purchaser, is controlled by an owner or purchaser, or is under common control with the owner or purchaser; the term ‘control’ means the direct or indirect power (under contract, equity ownership, the right to vote or determine a vote, or otherwise) to direct the financial, legal, beneficial or other interests of the owner or purchaser; and

“(D) if the project owner demonstrates to the satisfaction of the Secretary—

“(i) using information in a comprehensive needs assessment, that capital grant assistance is needed for rehabilitation of the project; and

“(ii) that project income is not sufficient to support such rehabilitation.

“(3) ELIGIBLE PURPOSES.—The Secretary may make grants to the owners of eligible projects for the purposes of—

“(A) payment into project replacement reserves;

“(B) debt service payments on non-Federal rehabilitation loans; and

“(C) payment of nonrecurring maintenance and capital improvements, under such terms and conditions as are determined by the Secretary.

“(4) GRANT AGREEMENT.—

“(A) IN GENERAL.—The Secretary shall provide in any grant agreement under this subsection that the grant shall be terminated if the project fails to meet housing quality standards, as applicable on the date of enactment of the

Multifamily Assisted Housing Reform and Affordability Act of 1997, or any successor standards for the physical conditions of projects, as are determined by the Secretary.

“(B) AFFORDABILITY AND USE CLAUSES.—The Secretary shall include in a grant agreement under this subsection a requirement for the project owners to maintain such affordability and use restrictions as the Secretary determines to be appropriate.

“(C) OTHER TERMS.—The Secretary may include in a grant agreement under this subsection such other terms and conditions as the Secretary determines to be necessary.

“(5) DELEGATION.—

“(A) IN GENERAL.—In addition to the authorities set forth in subsection (p), the Secretary may delegate to State and local governments the responsibility for the administration of grants under this subsection. Any such government may carry out such delegated responsibilities directly or under contracts.

“(B) ADMINISTRATION COSTS.—In addition to other eligible purposes, amounts of grants under this subsection may be made available for costs of administration under subparagraph (A).

“(6) FUNDING.—

“(A) IN GENERAL.—For purposes of carrying out this subsection, the Secretary may make available amounts that are unobligated amounts for contracts for interest reduction payments—

“(i) that were previously obligated for contracts for interest reduction payments under this section until the insured mortgage under this section was extinguished;

“(ii) that become available as a result of the outstanding principal balance of a mortgage having been written down;

“(iii) that are uncommitted balances within the limitation on maximum payments that may have been, before the date of enactment of the Multifamily Assisted Housing Reform and Affordability Act of 1997, permitted in any fiscal year; or

“(iv) that become available from any other source.

“(B) LIQUIDATION AUTHORITY.—The Secretary may liquidate obligations entered into under this subsection under section 1305(10) of title 31, United States Code.

“(C) CAPITAL GRANTS.—In making capital grants under the terms of this subsection, using the amounts that the Secretary has recaptured from contracts for interest reduction payments, the Secretary shall ensure that the rates and amounts of outlays do not at any time exceed the rates and amounts of outlays that would have been experienced if the insured mortgage had not been extinguished or the principal amount had not been written down, and the interest reduction payments that the Secretary has recaptured had continued in accordance with the terms in effect immediately prior to such extinguishment or write-down.”

SEC. 532. GAO REPORT ON SECTION 8 RENTAL ASSISTANCE FOR MULTIFAMILY HOUSING PROJECTS.

Not later than the expiration of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress analyzing—

(1) the housing projects for which project-based assistance is provided under section 8 of the United States Housing Act of 1937, but which are not subject to a mortgage insured or held by the Secretary under the National Housing Act;

(2) how State and local housing finance agencies have benefited financially from the rental assistance program under section 8 of the United States Housing Act of 1937, including any benefits from fees, bond financings, and mortgage refinancings; and

(3) the extent and effectiveness of State and local housing finance agencies oversight of the physical and financial management and condition of multifamily housing projects for which project-based assistance is provided under section 8 of the United States Housing Act of 1937.

Subtitle C—Enforcement Provisions

SEC. 541. IMPLEMENTATION.

(a) **ISSUANCE OF NECESSARY REGULATIONS.**—Notwithstanding section 7(o) of the Department of Housing and Urban Development Act or part 10 of title 24, Code of Federal Regulations (as in existence on the date of enactment of this Act), the Secretary shall issue such regulations as the Secretary determines to be necessary to implement this subtitle and the amendments made by this subtitle in accordance with section 552 or 553 of title 5, United States Code, as determined by the Secretary.

(b) **USE OF EXISTING REGULATIONS.**—In implementing any provision of this subtitle, the Secretary may, in the discretion of the Secretary, provide for the use of existing regulations to the extent appropriate, without rulemaking.

SEC. 542. INCOME VERIFICATION.

(a) **REINSTITUTION OF REQUIREMENTS REGARDING HUD ACCESS TO CERTAIN INFORMATION OF STATE AGENCIES.**—

(1) **IN GENERAL.**—Section 303(i) of the Social Security Act is amended by striking paragraph (5).

(2) **EFFECTIVE DATE.**—The amendment made by this subsection shall apply to any request for information made after the date of the enactment of this Act.

(b) **REPEAL OF TERMINATION REGARDING HOUSING ASSISTANCE PROGRAMS.**—Section 6103(1)(7)(D) of the Internal Revenue Code of 1986 is amended by striking the last sentence.

Part 1—FHA Single Family and Multifamily Housing

SEC. 551. AUTHORIZATION TO IMMEDIATELY SUSPEND MORTGAGEES.

Section 202(c)(3)(C) of the National Housing Act (12 U.S.C. 1708(c)(3)(C)) is amended by inserting after the first sentence the following: "Notwithstanding paragraph (4)(A), a suspension shall be effective upon issuance by the Board if the Board determines that there exists adequate evidence that immediate action is required to protect the financial interests of the Department or the public."

SEC. 552. EXTENSION OF EQUITY SKIMMING TO OTHER SINGLE FAMILY AND MULTIFAMILY HOUSING PROGRAMS.

Section 254 of the National Housing Act (12 U.S.C. 1715e-19) is amended to read as follows:

"SEC. 254. EQUITY SKIMMING PENALTY.

"(a) **IN GENERAL.**—Whoever, as an owner, agent, or manager, or who is otherwise in custody, control, or possession of a multifamily project or a 1- to 4-family residence that is security for a mortgage note that is described in subsection (b), willfully uses or authorizes the use of any part of the rents, assets, proceeds, income, or other funds derived from property covered by that mortgage note for any purpose other than to meet reasonable and necessary expenses that include expenses approved by the Secretary if such approval is required, in a period during which the mortgage note is in default or the project is in a nonsurplus cash position, as defined by the regulatory agreement covering the property, or the mortgagor has failed to comply with the provisions of such other form of regulatory control imposed by the Secretary, shall be fined not more than \$500,000, imprisoned not more than 5 years, or both.

"(b) **MORTGAGE NOTES DESCRIBED.**—For purposes of subsection (a), a mortgage note is described in this subsection if it—

"(1) is insured, acquired, or held by the Secretary pursuant to this Act;

"(2) is made pursuant to section 202 of the Housing Act of 1959 (including property still subject to section 202 program requirements that existed before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act); or

"(3) is insured or held pursuant to section 542 of the Housing and Community Development Act of 1992, but is not reinsured under section 542 of the Housing and Community Development Act of 1992."

SEC. 553. CIVIL MONEY PENALTIES AGAINST MORTGAGEES, LENDERS, AND OTHER PARTICIPANTS IN FHA PROGRAMS.

(a) **CHANGE TO SECTION TITLE.**—Section 536 of the National Housing Act (12 U.S.C. 1735f-14) is amended by striking the section heading and the section designation and inserting the following:

"SEC. 536. CIVIL MONEY PENALTIES AGAINST MORTGAGEES, LENDERS, AND OTHER PARTICIPANTS IN FHA PROGRAMS."

(b) **EXPANSION OF PERSONS ELIGIBLE FOR PENALTY.**—Section 536(a) of the National Housing Act (12 U.S.C. 1735f-14(a)) is amended—

(1) in paragraph (1), by striking the first sentence and inserting the following: "If a mortgagor approved under the Act, a lender holding a contract of insurance under title I, or a principal, officer, or employee of such mortgagee or lender, or other person or entity participating in either an insured mortgage or title I loan transaction under this Act or providing assistance to the borrower in connection with any such loan, including sellers of the real estate involved, borrowers, closing agents, title companies, real estate agents, mortgage brokers, appraisers, loan correspondents and dealers, knowingly and materially violates any applicable provision of subsection (b), the Secretary may impose a civil money penalty on the mortgagee or lender, or such other person or entity, in accordance with this section. The penalty under this paragraph shall be in addition to any other available civil remedy or any available criminal penalty, and may be imposed whether or not the Secretary imposes other administrative sanctions."; and

(2) in paragraph (2)—

(A) in the first sentence, by inserting "or such other person or entity" after "lender"; and

(B) in the second sentence, by striking "provision" and inserting "the provisions".

(c) **ADDITIONAL VIOLATIONS FOR MORTGAGEES, LENDERS, AND OTHER PARTICIPANTS IN FHA PROGRAMS.**—Section 536(b) of the National Housing Act (12 U.S.C. 1735f-14(b)) is amended—

(1) by redesignating paragraph (2) as paragraph (3);

(2) by inserting after paragraph (1) the following:

"(2) The Secretary may impose a civil money penalty under subsection (a) for any knowing and material violation by a principal, officer, or employee of a mortgagee or lender, or other participants in either an insured mortgage or title I loan transaction under this Act or provision of assistance to the borrower in connection with any such loan, including sellers of the real estate involved, borrowers, closing agents, title companies, real estate agents, mortgage brokers, appraisers, loan correspondents, and dealers for—

"(A) submission to the Secretary of information that was false, in connection with any mortgage insured under this Act, or any loan that is covered by a contract of insurance under title I of this Act;

"(B) falsely certifying to the Secretary or submitting to the Secretary a false certification by another person or entity; or

"(C) failure by a loan correspondent or dealer to submit to the Secretary information which is

required by regulations or directives in connection with any loan that is covered by a contract of insurance under title I."; and

(3) in paragraph (3), as redesignated, by striking "or paragraph (1)(F)" and inserting "or (F), or paragraph (2) (A), (B), or (C)".

(d) **CONFORMING AND TECHNICAL AMENDMENTS.**—Section 536 of the National Housing Act (12 U.S.C. 1735f-14) is amended—

(1) in subsection (c)(1)(B), by inserting after "lender" the following: "or such other person or entity";

(2) in subsection (d)(1)—

(A) by inserting "or such other person or entity" after "lender"; and

(B) by striking "part 25" and inserting "parts 24 and 25"; and

(3) in subsection (e), by inserting "or such other person or entity" after "lender" each place that term appears.

Part 2—FHA Multifamily Provisions

SEC. 561. CIVIL MONEY PENALTIES AGAINST GENERAL PARTNERS, OFFICERS, DIRECTORS, AND CERTAIN MANAGING AGENTS OF MULTIFAMILY PROJECTS.

(a) **CIVIL MONEY PENALTIES AGAINST MULTIFAMILY MORTGAGORS.**—Section 537 of the National Housing Act (12 U.S.C. 1735f-15) is amended—

(1) in subsection (b)(1), by striking "on that mortgagor" and inserting the following: "on that mortgagor, on a general partner of a partnership mortgagor, or on any officer or director of a corporate mortgagor";

(2) in subsection (c)—

(A) by striking the subsection heading and inserting the following:

"(c) **OTHER VIOLATIONS.**—"; and

(B) in paragraph (1)—

(i) by striking "VIOLATIONS.—The Secretary may" and all that follows through the colon and inserting the following:

"(A) **LIABLE PARTIES.**—The Secretary may also impose a civil money penalty under this section on—

"(i) any mortgagor of a property that includes 5 or more living units and that has a mortgage insured, coinsured, or held pursuant to this Act;

"(ii) any general partner of a partnership mortgagor of such property;

"(iii) any officer or director of a corporate mortgagor;

"(iv) any agent employed to manage the property that has an identity of interest with the mortgagor, with the general partner of a partnership mortgagor, or with any officer or director of a corporate mortgagor of such property; or

"(v) any member of a limited liability company that is the mortgagor of such property or is the general partner of a limited partnership mortgagor or is a partner of a general partnership mortgagor.

"(B) **VIOLATIONS.**—A penalty may be imposed under this section upon any liable party under subparagraph (A) that knowingly and materially takes any of the following actions:"

(ii) in subparagraph (B), as designated by clause (i), by redesignating the subparagraph designations (A) through (L) as clauses (i) through (xii), respectively;

(iii) by adding after clause (xii), as redesignated by clause (ii), the following:

"(xiii) Failure to maintain the premises, accommodations, any living unit in the project, and the grounds and equipment appurtenant thereto in good repair and condition in accordance with regulations and requirements of the Secretary, except that nothing in this clause shall have the effect of altering the provisions of an existing regulatory agreement or federally insured mortgage on the property.

"(xiv) Failure, by a mortgagor, a general partner of a partnership mortgagor, or an officer or

director of a corporate mortgagor, to provide management for the project that is acceptable to the Secretary pursuant to regulations and requirements of the Secretary.

"(xv) Failure to provide access to the books, records, and accounts related to the operations of the mortgaged property and of the project."; and

(iv) in the last sentence, by deleting "of such agreement" and inserting "of this subsection";

(3) in subsection (d)—

(A) in paragraph (1)(B), by inserting after "mortgagor" the following: ", general partner of a partnership mortgagor, officer or director of a corporate mortgagor, or identity of interest agent employed to manage the property"; and

(B) by adding at the end the following:

"(5) PAYMENT OF PENALTY.—No payment of a civil money penalty levied under this section shall be payable out of project income.";

(4) in subsection (e)(1), by deleting "a mortgagor" and inserting "an entity or person";

(5) in subsection (f), by inserting after "mortgagor" each place such term appears the following: ", general partner of a partnership mortgagor, officer or director of a corporate mortgagor, or identity of interest agent employed to manage the property";

(6) by striking the heading of subsection (f) and inserting the following: "CIVIL MONEY PENALTIES AGAINST MULTIFAMILY MORTGAGORS, GENERAL PARTNERS OF PARTNERSHIP MORTGAGORS, OFFICERS AND DIRECTORS OF CORPORATE MORTGAGORS, AND CERTAIN MANAGING AGENTS"; and

(7) by adding at the end the following:

"(k) IDENTITY OF INTEREST MANAGING AGENT.—In this section, the terms 'agent employed to manage the property that has an identity of interest' and 'identity of interest agent' mean an entity—

"(1) that has management responsibility for a project;

"(2) in which the ownership entity, including its general partner or partners (if applicable) and its officers or directors (if applicable), has an ownership interest; and

"(3) over which the ownership entity exerts effective control.".

(b) IMPLEMENTATION.—

(1) PUBLIC COMMENT.—The Secretary shall implement the amendments made by this section by regulation issued after notice and opportunity for public comment. The notice shall seek comments primarily as to the definitions of the terms "ownership interest in" and "effective control", as those terms are used in the definition of the terms "agent employed to manage the property that has an identity of interest" and "identity of interest agent".

(2) TIMING.—A proposed rule implementing the amendments made by this section shall be published not later than 1 year after the date of enactment of this Act.

(c) APPLICABILITY OF AMENDMENTS.—The amendments made by subsection (a) shall apply only with respect to—

(1) violations that occur on or after the effective date of the final regulations implementing the amendments made by this section; and

(2) in the case of a continuing violation (as determined by the Secretary of Housing and Urban Development), any portion of a violation that occurs on or after that date.

SEC. 562. CIVIL MONEY PENALTIES FOR NON-COMPLIANCE WITH SECTION 8 HAP CONTRACTS.

(a) BASIC AUTHORITY.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) by designating the second section designated as section 27 (as added by section 903(b) of Public Law 104-193 (110 Stat. 2348)) as section 28; and

(2) by adding at the end the following:

"SEC. 29. CIVIL MONEY PENALTIES AGAINST SECTION 8 OWNERS.

"(a) IN GENERAL.—

"(1) EFFECT ON OTHER REMEDIES.—The penalties set forth in this section shall be in addition to any other available civil remedy or any available criminal penalty, and may be imposed regardless of whether the Secretary imposes other administrative sanctions.

"(2) FAILURE OF SECRETARY.—The Secretary may not impose penalties under this section for a violation, if a material cause of the violation is the failure of the Secretary, an agent of the Secretary, or a public housing agency to comply with an existing agreement.

"(b) VIOLATIONS OF HOUSING ASSISTANCE PAYMENT CONTRACTS FOR WHICH PENALTY MAY BE IMPOSED.—

"(1) LIABLE PARTIES.—The Secretary may impose a civil money penalty under this section on—

"(A) any owner of a property receiving project-based assistance under section 8;

"(B) any general partner of a partnership owner of that property; and

"(C) any agent employed to manage the property that has an identity of interest with the owner or the general partner of a partnership owner of the property.

"(2) VIOLATIONS.—A penalty may be imposed under this section for a knowing and material breach of a housing assistance payments contract, including the following—

"(A) failure to provide decent, safe, and sanitary housing pursuant to section 8; or

"(B) knowing or willful submission of false, fictitious, or fraudulent statements or requests for housing assistance payments to the Secretary or to any department or agency of the United States.

"(3) AMOUNT OF PENALTY.—The amount of a penalty imposed for a violation under this subsection, as determined by the Secretary, may not exceed \$25,000 per violation.

"(c) AGENCY PROCEDURES.—

"(1) ESTABLISHMENT.—The Secretary shall issue regulations establishing standards and procedures governing the imposition of civil money penalties under subsection (b). These standards and procedures—

"(A) shall provide for the Secretary or other department official to make the determination to impose the penalty;

"(B) shall provide for the imposition of a penalty only after the liable party has received notice and the opportunity for a hearing on the record; and

"(C) may provide for review by the Secretary of any determination or order, or interlocutory ruling, arising from a hearing and judicial review, as provided under subsection (d).

"(2) FINAL ORDERS.—

"(A) IN GENERAL.—If a hearing is not requested before the expiration of the 15-day period beginning on the date on which the notice of opportunity for hearing is received, the imposition of a penalty under subsection (b) shall constitute a final and unappealable determination.

"(B) EFFECT OF REVIEW.—If the Secretary reviews the determination or order, the Secretary may affirm, modify, or reverse that determination or order.

"(C) FAILURE TO REVIEW.—If the Secretary does not review that determination or order before the expiration of the 90-day period beginning on the date on which the determination or order is issued, the determination or order shall be final.

"(3) FACTORS IN DETERMINING AMOUNT OF PENALTY.—In determining the amount of a penalty under subsection (b), the Secretary shall take into consideration—

"(A) the gravity of the offense;

"(B) any history of prior offenses by the violator (including offenses occurring before the enactment of this section);

"(C) the ability of the violator to pay the penalty;

"(D) any injury to tenants;

"(E) any injury to the public;

"(F) any benefits received by the violator as a result of the violation;

"(G) deterrence of future violations; and

"(H) such other factors as the Secretary may establish by regulation.

"(4) PAYMENT OF PENALTY.—No payment of a civil money penalty levied under this section shall be payable out of project income.

"(d) JUDICIAL REVIEW OF AGENCY DETERMINATION.—Judicial review of determinations made under this section shall be carried out in accordance with section 537(e) of the National Housing Act.

"(e) REMEDIES FOR NONCOMPLIANCE.—

"(1) JUDICIAL INTERVENTION.—

"(A) IN GENERAL.—If a person or entity fails to comply with the determination or order of the Secretary imposing a civil money penalty under subsection (b), after the determination or order is no longer subject to review as provided by subsections (c) and (d), the Secretary may request the Attorney General of the United States to bring an action in an appropriate United States district court to obtain a monetary judgment against that person or entity and such other relief as may be available.

"(B) FEES AND EXPENSES.—Any monetary judgment awarded in an action brought under this paragraph may, in the discretion of the court, include the attorney's fees and other expenses incurred by the United States in connection with the action.

"(2) NONREVIEWABILITY OF DETERMINATION OR ORDER.—In an action under this subsection, the validity and appropriateness of the determination or order of the Secretary imposing the penalty shall not be subject to review.

"(f) SETTLEMENT BY SECRETARY.—The Secretary may compromise, modify, or remit any civil money penalty which may be, or has been, imposed under this section.

"(g) DEPOSIT OF PENALTIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, if the mortgage covering the property receiving assistance under section 8 is insured or formerly insured by the Secretary, the Secretary shall apply all civil money penalties collected under this section to the appropriate insurance fund or funds established under this Act, as determined by the Secretary.

"(2) EXCEPTION.—Notwithstanding any other provision of law, if the mortgage covering the property receiving assistance under section 8 is neither insured nor formerly insured by the Secretary, the Secretary shall make all civil money penalties collected under this section available for use by the appropriate office within the Department for administrative costs related to enforcement of the requirements of the various programs administered by the Secretary.

"(h) DEFINITIONS.—In this section—

"(1) the term 'agent employed to manage the property that has an identity of interest' means an entity—

"(A) that has management responsibility for a project;

"(B) in which the ownership entity, including its general partner or partners (if applicable), has an ownership interest; and

"(C) over which such ownership entity exerts effective control; and

"(2) the term 'knowing' means having actual knowledge of or acting with deliberate ignorance or of reckless disregard for the prohibitions under this section.".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply only with respect to—

(1) violations that occur on or after the effective date of final regulations implementing the amendments made by this section; and

(2) in the case of a continuing violation (as determined by the Secretary of Housing and Urban Development), any portion of a violation that occurs on or after such date.

(c) IMPLEMENTATION.—

(1) REGULATIONS.—

(A) IN GENERAL.—The Secretary shall implement the amendments made by this section by regulation issued after notice and opportunity for public comment.

(B) COMMENTS SOUGHT.—The notice under subparagraph (A) shall seek comments as to the definitions of the terms "ownership interest in" and "effective control", as such terms are used in the definition of the term "agent employed to manage such property that has an identity of interest".

(2) TIMING.—A proposed rule implementing the amendments made by this section shall be published not later than 1 year after the date of enactment of this Act.

SEC. 563. EXTENSION OF DOUBLE DAMAGES REMEDY.

Section 421 of the Housing and Community Development Act of 1987 (12 U.S.C. 1715z-4a) is amended—

(1) in subsection (a)(1)—

(A) in the first sentence, by striking "Act; or (B)" and inserting the following: "Act; (B) a regulatory agreement that applies to a multifamily project whose mortgage is insured or held by the Secretary under section 202 of the Housing Act of 1959 (including property subject to section 202 of such Act as it existed before enactment of the Cranston-Gonzalez National Affordable Housing Act of 1990); (C) a regulatory agreement or such other form of regulatory control as may be imposed by the Secretary that applies to mortgages insured or held by the Secretary under section 542 of the Housing and Community Development Act of 1992, but not re-insured under section 542 of the Housing and Community Development Act of 1992; or (D)"; and

(B) in the second sentence, by inserting after "agreement" the following: ", or such other form of regulatory control as may be imposed by the Secretary,";

(2) in subsection (a)(2), by inserting after "Act," the following: "(under section 202 of the Housing Act of 1959 (including section 202 of such Act as it existed before enactment of the Cranston-Gonzalez National Affordable Housing Act of 1990) and under section 542 of the Housing and Community Development Act of 1992,";

(3) in subsection (b), by inserting after "agreement" the following: ", or such other form of regulatory control as may be imposed by the Secretary,";

(4) in subsection (c)—

(A) in the first sentence, by inserting after "agreement" the following: ", or such other form of regulatory control as may be imposed by the Secretary,"; and

(B) in the second sentence, by inserting before the period the following: "or, in the case of any project for which the mortgage is held by the Secretary under section 202 of the Housing Act of 1959 (including property subject to section 202 of such Act as it existed before enactment of the Cranston-Gonzalez National Affordable Housing Act of 1990), to the project or to the Department for use by the appropriate office within the Department for administrative costs related to enforcement of the requirements of the various programs administered by the Secretary, as appropriate"; and

(5) in subsection (d), by inserting after "agreement" the following: ", or such other form of regulatory control as may be imposed by the Secretary,".

SEC. 564. OBSTRUCTION OF FEDERAL AUDITS.

Section 1516(a) of title 18, United States Code, is amended by inserting after "under a contract or subcontract," the following: "or relating to any property that is security for a mortgage note that is insured, guaranteed, acquired, or held by the Secretary of Housing and Urban Development pursuant to any Act administered by the Secretary,".

Subtitle D—Office of Multifamily Housing Assistance Restructuring

SEC. 571. ESTABLISHMENT OF OFFICE OF MULTIFAMILY HOUSING ASSISTANCE RESTRUCTURING.

There is hereby established an office within the Department of Housing and Urban Development, which shall be known as the Office of Multifamily Housing Assistance Restructuring.

SEC. 572. DIRECTOR.

(a) APPOINTMENT.—The Office shall be under the management of a Director, who shall be appointed by the President by and with the advice and consent of the Senate, from among individuals who are citizens of the United States and have a demonstrated understanding of financing and mortgage restructuring for affordable multifamily housing. Not later than 60 days after the date of the enactment of this Act, the President shall submit to the Senate a nomination for initial appointment to the position of Director.

(b) VACANCY.—A vacancy in the position of Director shall be filled in the manner in which the original appointment was made under subsection (a).

(c) DEPUTY DIRECTOR.—

(1) IN GENERAL.—The Office shall have a Deputy Director who shall be appointed by the Director from among individuals who are citizens of the United States and have a demonstrated understanding of financing and mortgage restructuring for affordable multifamily housing.

(2) FUNCTIONS.—The Deputy Director shall have such functions, powers, and duties as the Director shall prescribe. In the event of the death, resignation, sickness, or absence of the Director, the Deputy Director shall serve as acting Director until the return of the Director or the appointment of a successor pursuant to subsection (b).

SEC. 573. DUTY AND AUTHORITY OF DIRECTOR.

(a) DUTY.—The Secretary shall, acting through the Director, administer the program of mortgage and rental assistance restructuring for eligible multifamily housing projects under subtitle A. During the period before the Director is appointed, the Secretary may carry out such program.

(b) AUTHORITY.—The Director is authorized to make such determinations, take such actions, issue such regulations, and perform such functions assigned to the Director under law as the Director determines necessary to carry out such functions, subject to the review and approval of the Secretary. The Director shall semiannually submit a report to the Secretary regarding the activities, determinations, and actions of the Director.

(c) DELEGATION OF AUTHORITY.—The Director may delegate to officers and employees of the Office (but not to contractors, subcontractors, or consultants) any of the functions, powers, and duties of the Director, as the Director considers appropriate.

(d) INDEPENDENCE IN PROVIDING INFORMATION TO CONGRESS.—

(1) IN GENERAL.—Notwithstanding subsection (a) or (b), the Director shall not be required to obtain the prior approval, comment, or review of any officer or agency of the United States before submitting to the Congress, or any committee or subcommittee thereof, any reports, recommendations, testimony, or comments if such submissions include a statement indicating that the

views expressed therein are those of the Director and do not necessarily represent the views of the Secretary or the President.

(2) REQUIREMENT.—If the Director determines at any time that the Secretary is taking or has taken any action that interferes with the ability of the Director to carry out the duties of the Director under this Act or that affects the administration of the program under subtitle A of this Act in manner that is inconsistent with the purposes of this Act, including any proposed action by the Director, in the discretion of the Director, that is overruled by the Secretary, the Director shall immediately report directly to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding such action. Notwithstanding subsection (a) or (b), any determination or report under this paragraph by the Director shall not be subject to prior review or approval of the Secretary.

SEC. 574. PERSONNEL.

(a) OFFICE PERSONNEL.—The Director may appoint and fix the compensation of such officers and employees of the Office as the Director considers necessary to carry out the functions of the Director and the Office. Officers and employees may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.

(b) COMPARABILITY OF COMPENSATION WITH FEDERAL BANKING AGENCIES.—In fixing and directing compensation under subsection (a), the Director shall consult with, and maintain comparability with compensation of officers and employees of the Federal Deposit Insurance Corporation.

(c) PERSONNEL OF OTHER FEDERAL AGENCIES.—In carrying out the duties of the Office, the Director may use information, services, staff, and facilities of any executive agency, independent agency, or department on a reimbursable basis, with the consent of such agency or department.

(d) OUTSIDE EXPERTS AND CONSULTANTS.—The Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

SEC. 575. BUDGET AND FINANCIAL REPORTS.

(a) FINANCIAL OPERATING PLANS AND FORECASTS.—Before the beginning of each fiscal year, the Secretary shall submit a copy of the financial operating plans and forecasts for the Office to the Director of the Office of Management and Budget.

(b) REPORTS OF OPERATIONS.—As soon as practicable after the end of each fiscal year and each quarter thereof, the Secretary shall submit a copy of the report of the results of the operations of the Office during such period to the Director of the Office of Management and Budget.

(c) INCLUSION IN PRESIDENT'S BUDGET.—The annual plans, forecasts, and reports required under this section shall be included (1) in the Budget of the United States in the appropriate form, and (2) in the congressional justifications of the Department of Housing and Urban Development for each fiscal year in a form determined by the Secretary.

SEC. 576. LIMITATION ON SUBSEQUENT EMPLOYMENT.

Neither the Director nor any former officer or employee of the Office who, while employed by the Office, was compensated at a rate in excess of the lowest rate for a position classified higher than GS-15 of the General Schedule under section 5107 of title 5, United States Code, may, during the 2-year period beginning on the date of separation from employment by the Office, accept compensation from any party (other than a Federal agency) having any financial interest

in any mortgage restructuring and rental assistance sufficiency plan under subtitle A or comparable matter in which the Director or such officer or employee had direct participation or supervision.

SEC. 577. AUDITS BY GAO.

The Comptroller General shall audit the operations of the Office in accordance with generally accepted Government auditing standards. All books, records, accounts, reports, files, and property belonging to, or used by, the Office shall be made available to the Comptroller General. Audits under this section shall be conducted annually for the first 2 fiscal years following the date of the enactment of this Act and as appropriate thereafter.

SEC. 578. SUSPENSION OF PROGRAM BECAUSE OF FAILURE TO APPOINT DIRECTOR.

(a) **IN GENERAL.**—If, upon the expiration of the 12-month period beginning on the date of the enactment of this Act, the initial appointment to the office of Director has not been made, the operation of the program under subtitle A shall immediately be suspended and such provisions shall not have any force or effect during the period that ends upon the making of such appointment.

(b) **INTERIM APPLICABILITY OF DEMONSTRATION PROGRAM.**—Notwithstanding any other provision of law, during the period referred to in subsection (a), the Secretary shall carry out sections 211 and 212 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997. For purposes of applying such sections pursuant to the authority under this section, the term "expiring contract" shall have the meaning given in such sections, except that such term shall also include any contract for project-based assistance under section 8 of the United States Housing Act of 1937 that expires during the period that the program is suspended under subsection (a).

SEC. 579. TERMINATION.

(a) **REPEAL.**—Subtitle A (except for section 524) and subtitle D (except for this section) are repealed effective October 1, 2001.

(b) **EXCEPTION.**—Notwithstanding the repeal under subsection (a), the provisions of subtitle A (as in effect immediately before such repeal) shall apply with respect to projects and programs for which binding commitments have been entered into under this Act before October 1, 2001.

(c) **TERMINATION OF DIRECTOR AND OFFICE.**—The Office of Multifamily Housing Assistance Restructuring and the position of Director of such Office shall terminate upon September 30, 2001.

(d) **TRANSFER OF AUTHORITY.**—Effective upon the termination under subsection (c), any authority and responsibilities assigned to the Director that remain applicable after such date pursuant to subsection (b) are transferred to the Secretary.

This Act may be cited as the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998".

And the Senate agree to the same.

JERRY LEWIS,
TOM DELAY,
JAMES T. WALSH,
DAVE HOBSON,
JOE KNOLLENBERG,
R.P. FRELINGHUYSEN,
ROGER F. WICKER,
BOB LIVINGSTON,
LOUIS STOKES,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
CARRIE P. MEEK,
DAVID E. PRICE,
DAVE OBEY,

Managers on the Part of the House.

CHRISTOPHER S. BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
BEN NIGHTHORSE
CAMPBELL,
LARRY E. CRAIG,
THAD COCHRAN,
BARBARA A. MIKULSKI,
PATRICK J. LEAHY,
FRANK R. LAUTENBERG,
TOM HARKIN,
BARBARA BOXER,
ROBERT C. BYRD,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2158) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report.

The language and allocations set forth in House Report 105-175 and Senate Report 105-53 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or Senate have directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

**VETERANS HEALTH ADMINISTRATION
MEDICAL CARE**

Appropriates \$17,057,396,000 for medical care, instead of \$17,006,846,000 as proposed by the House and \$17,026,846,000 as proposed by the Senate.

The increase of \$98,550,000 consists of the following additions to the budget request:

+\$68,000,000 to continue the funding of compensation and pension examinations from the medical care account.

+\$30,550,000 as a general increase, subject to approval in the operating plan.

The conferees agree that within the total amount provided, \$6,000,000 is to establish the Musculoskeletal Disease Prevention and Treatment Research Center at the Jerry L. Pettis Memorial VA Medical Center in Loma Linda, California. This amount is in addition to the amount that would otherwise be made available to VISN 22.

The conferees wish to emphasize language in the House and Senate reports regarding expanding an outpatient clinic in Williamsport, Pennsylvania; activation costs for construction projects at the medical centers in Wilkes-Barre, Pennsylvania and Phoenix, Arizona; and the demonstration project involving the Clarksburg VA Medical Center and Ruby Memorial Hospital. The VA is urged to

establish a community based outpatient clinic in Brookhaven, New York.

Deletes language proposed by the House and stricken by the Senate enabling compensation and pension exams to be directly funded from Veterans Benefits Administration resources. The Administration proposed that the cost of conducting medical examinations with respect to veterans' claims for compensation or pension be reimbursed from the general operating expenses appropriation. The conferees expect the results of a soon to begin pilot program to contract for compensation and pension exams will determine the advisability of this concept.

Delays the availability of \$570,000,000 of the medical care appropriation in the equipment and land and structures object classifications until August 1, 1998, instead of delaying the availability of \$565,000,000 as proposed by the House and \$550,000,000 as proposed by the Senate.

Inserts language as proposed by the House earmarking not to exceed \$5,000,000 for a pilot program on the cost-effectiveness of contracting with local hospitals in East Central Florida for the provision of non-emergent inpatient health care needs of veterans. The VA is to submit a report to the Committees on Appropriations on how it plans to conduct the demonstration program prior to implementation.

Inserts modifications to identical language proposed by the House and the Senate making amounts recovered or collected and deposited in the Department of Veterans Affairs Medical Care Collections Fund available for general purposes of the medical care appropriation, including administrative costs associated with collecting such funds. The modifications reflect the authorizing legislation which was enacted subsequent to House and Senate consideration of the appropriations bill. The conference agreement also provides for the availability of any moneys deposited in the Fund due to a shortfall that is in excess of \$25,000,000 below the \$604,000,000 estimated to be recovered, as authorized in Public Law 105-33, the Balanced Budget Act of 1997. Including this language on shortfalls is scored as costing \$15,000,000 in budget authority and \$14,000,000 in outlays. The conferees wish to make clear that the \$15,000,000 is not the amount that would be made available in the event of a shortfall, rather it is the cost scored for permitting funds deposited by the Secretary of the Treasury to be made available from the Fund to the VA for health care. The actual amount of the funds made available would depend upon the amount of the shortfall. The language proposed by the House in section 108 of the VA administrative provisions dealing with a potential shortfall is deleted due to the enactment of authorizing legislation and language carried under this heading.

The House report contained a request that the General Accounting Office study and report on the effects of Veterans Integrated Service Networks (VISN) and Veterans Equitable Resource Allocation (VERA) processes and their implementation. The report was to be completed in four months. The Secretary was directed, pending receipt of the GAO report, to fund all VISNs at least at the fiscal year 1996 level. The Senate report indicated support for the implementation of VISN and VERA. It also expressed opposition to efforts to thwart VERA. The conference agreement retains the GAO report requirements, modified to direct that the report be completed in nine months. The conference agreement does not direct the VA to fund all VISNs at least at the fiscal year 1996 level.

The conferees support the pilot diabetes project in New England and Hawaii funded through the Department of Defense. The two-year pilot demonstration program shows promise for improved and innovative methods of diabetes detection, prevention, and care.

The conferees encourage VA to examine carefully the work in Detroit associated with the PARMIN, population and resource management information network. The conferees further encourage VA to consider setting aside an appropriate amount for the development and analytical work associated with the PARMIN system, and have the VA report back to the Committees on Appropriations as to the viability of this project within 120 days of enactment of this Act.

MEDICAL AND PROSTHETIC RESEARCH

Appropriates \$272,000,000 for medical and prosthetic research, instead of \$292,000,000 as proposed by the House and \$267,000,000 as proposed by the Senate. The conference agreement includes \$10,000,000 for research into Parkinson's disease. The VA is to report to the Committees on Appropriations with detailed plans on how it plans to spend these research funds.

Deletes language proposed by the House and stricken by the Senate earmarking \$25,000,000 of the appropriation for medical research relating to Gulf War illnesses afflicting Persian Gulf veterans. The committee of conference is concerned with illnesses reported by some Gulf War veterans. However, the VA indicates that it is not possible to utilize effectively \$25,000,000 for such research. The conferees agree that the VA is to utilize \$12,500,000 of the appropriation for such purposes, and to submit information with the operating plan on how the funds will be spent. The conferees note that the Federal Government is also spending money on this effort in the Department of Defense, the National Institute of Environmental Health Sciences, and the Centers for Disease Control.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Appropriates \$59,860,000 for medical administration and miscellaneous operating expenses, instead of \$60,160,000 as proposed by the House and the Senate. The decrease of \$300,000 is a general reduction from the budget request, subject to approval in the operating plan. Additional information on the reduction can be found in this report under the general operating expenses account.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Appropriates \$786,135,000 for general operating expenses, instead of \$853,385,000 as proposed by the House and \$786,385,000 as proposed by the Senate. This amount includes the following changes to the budget request:

-\$68,000,000 requested to fund compensation and pension examinations from the general operating expenses appropriation. Funds for these purposes continue to be included in the medical care account.

+\$8,000,000, subject to approval in the operating plan, for activities such as higher than anticipated contracting costs to ensure compliance with Year 2000 computer problems, retaining Veterans Benefits Administration staff to improve the timeliness of processing veterans claims, development and implementation of capacities that will enable effective Department-wide strategic planning and management, information technology priorities delineated in the recent National Academy of Public Administration report, and other priorities recommended by NAPA.

Consideration should be given to reprogramming funds from activities identified by NAPA as lower priority, such as VETSNET. The VA should consider this a one-time adjustment to address on-going concerns. Future budget requests are to include adequate funds for administrative costs.

-\$150,000 from the \$3,630,000 requested for the Office of the Secretary.

-\$100,000 from the \$2,373,000 requested for the Office of the Assistant Secretary for Congressional Affairs.

The conferees are concerned about the responsiveness of the Department of Veterans Affairs to Congressional inquiries regarding the implementation of the VERA system. The committee of conference directs the Department to communicate with Congress on the development of this new allocation system, as well as all other matters of interest, in a timely and informative manner. The conferees are particularly disturbed by the implementation of the VERA system within VISN 4. It is the understanding of the conferees that the VA failed to provide any information regarding the 40 different funding scenarios that were run in VISN 4 before deciding on a final allocation. Further, some hospitals within VISN 4 received allocations above their budget request, while some hospitals were targeted for cuts. The conferees are concerned that no satisfactory justification for this discrepancy has been provided. Additionally, the committee of conference understands that harsh and unfair personnel policies have been implemented in at least one hospital within VISN 4. The conferees emphasize that such activity will not be tolerated.

In an effort to address these issues, the conferees expect the Department to provide a full and detailed report, not later than December 15, 1997, to the Committees on Appropriations. This report should include but not be limited to: a complete explanation of the funding allocation within VISN 4, including all 40 funding scenarios in the Stars and Stripes Health Care Network, the specific methodology used to reach the final allocation within the VISN 4 network, a detailed justification for any funding increases or decreases provided to any hospital within VISN 4 throughout fiscal year 1997, and a detailed evaluation of the formulas and funding methodology used for the allocation of resources during fiscal year 1997.

Finally, the Secretary, the Assistant Secretary for Congressional Affairs, and the Under Secretary for Health are immediately to take appropriate action to ensure that the agency is more responsive to Congressional inquiries, and that responses to requests for information are timely and provide clear, specific, and forthcoming explanations. The committee of conference directs that \$3,480,000 will be available for the Office of the Secretary, a reduction of \$150,000 below the budget request. An amount of \$2,273,000 will be available for the Office of the Assistant Secretary for Congressional Affairs, a \$100,000 reduction below the budget request. The conferees direct that none of the reduction is to be applied to the Congressional liaison offices. An amount of \$59,860,000 will be made available for the medical and miscellaneous operating expenses account, a decrease of \$300,000 below the budget request. The total amount of these savings, \$550,000, will be provided as an increase to the medical care account for providing health care to veterans.

Deletes language proposed by the House and stricken by the Senate enabling compensation and pension medical examinations

to be directly funded from Veterans Benefits Administration resources. Such exams will continue to be funded from the medical care appropriation.

Inserts language proposed by the House and stricken by the Senate prohibiting the VA from proceeding with the relocation of loan guaranty divisions of the Regional Office in St. Petersburg, Florida to Atlanta, Georgia. The conferees do not believe the VA has adequately justified the proposed relocation. Any future relocation proposal should include a detailed cost-benefit analysis including comparison of savings for the cost of space and personnel.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

Adds technical change to the bill language for the Veterans Housing Benefit Program Fund Program Account facilitating the transition during fiscal year 1998 from the previous direct and guaranteed housing loan program accounts to the new appropriation. These provisions have recently been requested by the VA, but were not included in either the House or Senate bills.

CONSTRUCTION, MAJOR PROJECTS

Appropriates \$177,900,000 for construction, major projects, instead of \$159,600,000 as proposed by the House and \$92,800,000 as proposed by the Senate. The conference agreement includes the following changes from the budget estimate:

+\$26,300,000 for construction of an ambulatory care addition at the Asheville, North Carolina VA Medical Center.

+\$21,100,000 for construction of an ambulatory care addition at the Lyons, New Jersey VA Medical Center.

+\$7,700,000 for the ward renovations for patient privacy project at the Omaha, Nebraska VA Medical Center.

+\$26,000,000 for the environmental improvements project at the Waco, Texas VA Medical Center.

+\$4,000,000 for the columbarium component of the development and improvement project at the National Memorial Cemetery of Arizona. This amount is in addition to the \$9,100,000 requested and included in the total for major construction for the development and improvement of this cemetery project.

+\$12,400,000 for the patient privacy/environmental improvements project at the Pittsburgh, Pennsylvania VA Medical Center.

+\$900,000 for planning of a new national cemetery in Oklahoma City, Oklahoma.

Inserts language proposed by the Senate making \$32,100,000 earmarked in the 1997 Appropriations act for a replacement hospital at Travis Air Force Base available to implement the recommendations contained in the final report entitled "Assessment of Veterans' Health Care Needs in Northern California," modified to make such funds generally available for major construction projects approved in the budgetary process. This \$32,100,000 together with \$38,700,000 provided in previous Appropriations Acts for the replacement of the hospital at Martinez, makes a total of \$70,800,000 available for capital funding for construction projects in northern California. Instead of a replacement hospital to be built at David Grant Medical Center at Travis Air Force Base, the VA recommends capital funding for a project in northern California which consists of the following elements:

\$48,000,000 to renovate and add to the existing McClellan Hospital at Mather Field, Sacramento, California, for VA inpatient and outpatient services.

\$13,500,000 to construct a new VA outpatient clinic at Travis Air Force Base, Fairfield, California.

\$3,100,000 to upgrade the existing outpatient clinic at the former Mare Island Naval Shipyard, Vallejo, California, for a VA outpatient clinic.

\$3,200,000 to upgrade the existing VA outpatient clinic at Martinez, California, and

\$3,000,000 to develop new VA outpatient clinics at Auburn, Chico, Eureka, and Merced, California.

In addition to these capital plans, the VA has reached agreement with the Department of Defense about the Air Force making available up to 100 beds at David Grant Medical Center to provide inpatient care associated with the VA outpatient clinic to be built there. The conferees understand that the VA will pursue contracting arrangements with community health care facilities in Martinez and Redding, California, to improve access to inpatient services for veterans in those areas.

The conferees agree with the utilization of the \$70,800,000 in previously appropriated funds for the construction of facilities in northern California as proposed by the VA and outlined in this statement. The conferees agree with increasing to 100 the number of inpatient beds at Travis, and contracting the community health care facilities in Martinez and Redding for inpatient services. This plan will provide better access to health care services for the veterans in northern California and save funds.

The conferees recognize that the cost estimates are tentative and expect the VA to notify the Committees on Appropriations of any changes in the cost estimates for the individual components of this single project prior to proceeding to construction bid. The conferees also recognize that the majority of the plan requires authorization by the legislative committees, and anticipate that the construction authorization process will proceed in a timely manner so as to benefit veterans in northern California.

Deletes language proposed by the House and the Senate requiring the General Accounting Office to review and report on construction projects where obligations are not incurred within prescribed time limitations. The VA is still required to report all such delays in obligating major construction funds to the Committees on Appropriations.

CONSTRUCTION, MINOR PROJECTS

Appropriates \$175,000,000 for construction, minor projects, instead of \$176,500,000 as proposed by the House and \$166,300,000 as proposed by the Senate. The amount provided includes funds for the following activities:

+ \$1,500,000 for the expansion of the existing National Cemetery in Mobile, Alabama.

+ \$1,500,000 to increase the number of niches at the columbarium at the National Memorial Cemetery of the Pacific by 5,000.

The conferees urge the VA to utilize the balance of the addition to increase funding for converting inpatient space to outpatient activities use.

The conferees note the recent request for approval of a reprogramming request of construction, major projects funds to complete the third floor of the Regional Office in Jackson, Mississippi. The proposed reprogramming request of \$1,000,000 for the project in Jackson is approved.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriates \$80,000,000 for grants for construction of State extended care facilities as proposed by the Senate, instead of \$54,500,000 as proposed by the House.

ADMINISTRATIVE PROVISIONS

Deletes language proposed by the House and stricken by the Senate in section 108 as-

uring that, upon enactment of legislation establishing the Medical Collection Fund, \$579,000,000 shall be available for veterans medical care if a shortfall in recoveries in excess of \$25,000,000 occurs. The enactment of authorizing legislation and language carried under the medical care appropriation provide such assurance. The committee of conference wishes to make clear that the VA is expected to take all actions necessary to meet or exceed the amount of funds projected to be collected.

Inserts language proposed by the Senate in section 108 restoring the authority of the VA to request waivers of the home residency requirement for doctors employed at VA medical facilities on J-1 visas.

Deletes language proposed by the Senate in section 109 limiting the use of the locality pay differential to provide a pay increase to an employee transferred as a result of charges of sexual harassment. The conferees wish to make clear that the VA Secretary is to take all appropriate steps to ensure that a "zero tolerance" policy toward sexual harassment is implemented in all VA facilities and offices, including the strongest possible sanctions against employees engaging in such practices.

Inserts language, section 109, extending the availability of previously appropriated funds for a capital lease. This administrative provision was not included in either the House or Senate bills. Without this language, certain funds for a multi-year capital lease would lapse and the VA would be required to, in effect, pay twice for the lease.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

Appropriates \$9,373,000,000 for the housing certificate fund instead of \$10,393,000,000 as proposed by the House and \$10,119,000,000 as proposed by the Senate. Of this amount, \$8,180,000,000 is provided for expiring or terminated section 8 project-based and tenant-based subsidy contracts instead of \$9,200,000,000 as proposed by the House and \$8,666,000,000 as proposed by the Senate. Additionally, \$850,000,000 is provided for section 8 amendments as proposed by the House instead of \$1,110,000,000 as proposed by the Senate. Finally, \$40,000,000 is earmarked for section 8 certificates and vouchers necessary to relocate any nonelderly, disabled persons and their families who choose to move from a project designated for elderly persons only, as proposed by the Senate, rather than \$50,000,000 as proposed by the House. Language is included to make the requirements for using these funds more flexible. Additional language is included to clarify that eligible residents may receive section 8 enhanced vouchers, also known as "sticky" vouchers, if an owner of the property chooses to prepay the outstanding indebtedness as authorized under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (Preservation Program or LIHPRHA).

SECTION 8 RESERVE PRESERVATION ACCOUNT

The conferees agree to provide HUD with authority to maintain a section 8 Reserve Preservation Account for the purpose of collecting recaptured excess section 8 reserve funds.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

The conferees agree to rescind \$550,000,000 of recaptured section 8 reserve funds.

PUBLIC HOUSING CAPITAL FUND

The Senate proposed language setting aside funds for the Economic Development

and Supportive Services (EDSS) program within the Public Housing Capital Fund. The conferees have instead included this language within the Community Development Block Grants (CDBG) account as proposed by the House. Language is added to the Public Housing Capital Fund account to clarify that HUD may spend up to \$5,000,000 for the Tenant Opportunity Program as proposed by the Senate.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

Appropriates \$310,000,000 for the Drug Elimination Grants program, including \$20,000,000 for the "New Approach Anti-Drug Program," instead of funding this new program with a \$30,000,000 set-aside within the CDBG account, as proposed by the Senate. The House did not appropriate funds for this purpose.

The "New Approach Anti-Drug Program" authorizes HUD to make competitive grants to entities managing or operating public housing developments, federally assisted multifamily housing developments or other multifamily housing developments for low-income families supported by non-Federal governmental entities or nonprofits. The funds may be used to provide, augment, or assist in the investigation and/or prosecution of drug-related criminal activity in and around low-income housing, and to provide assistance for capital improvements directly related to security. The conferees note that none of the funds under this account should be used to reduce the local cost of and responsibility for law enforcement activities with Federal funding.

Appropriates \$10,000,000 for the Office of Inspector General for Operation Safe Home as proposed by the House instead of \$5,000,000 as proposed by the Senate.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

Appropriates \$550,000,000 to revitalize severely distressed public housing as proposed by the Senate instead of \$524,000,000 as proposed by the House. Of the total amount appropriated, \$10,000,000 is provided for technical assistance as proposed by the Senate instead of \$5,000,000 as proposed by the House. Additionally, as proposed by the Senate, a new demonstration to demolish obsolete elderly public housing projects is funded at \$26,000,000 rather than \$50,000,000 as proposed by the Senate, with a specific set-aside of up to \$10,000,000 for Heritage House in Kansas City, Missouri.

The conferees direct HUD to provide an evaluation of the current status of the HOPE VI program and report to Congress by June 30, 1998. This report should identify and analyze public housing facilities which are eligible for funding as obsolete public housing under the new demonstration program, and should include recommendations on innovative approaches to revitalizing this housing so it meets the special needs of the elderly and the disabled. Finally, the conferees request HUD to advise the Congress on the current extent, status, and cost of deferred maintenance for the entire public housing stock, and to include recommendations on innovative ways for public housing agencies to address more effectively these maintenance needs through the Public Housing Capital Fund and through other funding sources and approaches.

NATIVE AMERICAN HOUSING BLOCK GRANTS

Appropriate \$600,000,000 for Native American Housing Block Grants instead of \$650,000,000 as proposed by the House and \$485,000,000 as proposed by the Senate.

The conferees agree to provide \$5,000,000 for the loan guarantee program authorized under section 601 of the Native American Housing Assistance and Self-Determination Act as proposed by the Senate. The House did not provide funds for this program. Like the Native American Housing Block Grants program, the section 601 program is less than one year old. The program was developed to provide Native Americans the ability to gain access to private investment and capital from financial institutions, builders, and nonprofits. This access is necessary if tribes are to improve their economic conditions and reduce housing shortages. At this time, however, few tribes have the financial expertise to utilize the section 601 program effectively. Therefore, for fiscal year 1998, HUD is directed to provide these funds on a demonstration basis to tribes that have experience with complex financial transactions and to study carefully their use so that lessons learned may be incorporated into regulations regarding implementation of this program throughout Indian areas.

INDIAN HOUSING LOAN GUARANTEE FUND
PROGRAM ACCOUNT

Appropriates \$5,000,000 for the cost of guaranteed loans instead of \$3,000,000 as proposed by the House and \$6,000,000 as proposed by the Senate. This amount will subsidize total loan principal not to exceed \$73,800,000.

CAPITAL GRANTS/CAPITAL LOANS PRESERVATION
ACCOUNT

Appropriates \$10,000,000 for Capital Grants/Capital Loans Preservation, instead of no funds, as proposed by the House. The Senate proposed to fund prepayments with any excess interest reduction payment funds and included additional reforms to the existing program.

To compensate organizations that incurred costs of appraisals and preparing plans of action, the conferees agree to provide \$10,000,000. However, the conferees do not intend to imply that any costs associated with this program constitute an obligation of HUD. The award of close-out costs are to be determined in the sole discretion of the Secretary.

In addition, the conferees emphasize that adequate funding is provided under the section 8 contract renewal account to provide enhanced vouchers to eligible low- or moderate-income families residing in a federally-assisted project eligible for the Preservation program on the date of the prepayment of voluntary termination.

COMMUNITY PLANNING AND DEVELOPMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH
AIDS

Includes language authorizing HUD to provide grants, of no more than \$250,000, to non-profit organizations that deliver meals to homebound persons who suffer from acquired immunodeficiency syndrome, as proposed by the House. The Senate did not include this provision.

COMMUNITY DEVELOPMENT BLOCK GRANTS

Appropriates \$4,675,000,000 for the Community Development Block Grants program, instead of \$4,600,000,000 as proposed by the House and Senate, to avert decreases in funding allocations that may be caused by the increased number of set-asides. For the Economic Development and Supportive Services Program, \$55,000,000 is provided, including a set-aside of up to \$5,000,000 for the Moving to Work program. Within the \$55,000,000 provided for economic development and supportive services, the conferees have specified that no less than \$7,000,000 shall be used for

grant for service coordinators and congregate services for the elderly and disabled. The conferees understand this amount to be sufficient to renew all service coordinator and congregate services grants expiring in fiscal year 1998, and intend that all such grants be renewed except in cases where HUD has a specific reason (such as poor performance by the grantee or lack of continuing need) not to renew a particular grant. The conferees emphasize that the \$7,000,000 is not a ceiling or target for spending on service coordinators and congregate services, but rather simply an absolute floor to ensure that sufficient funding is reserved for renewals before other allocations are made. The conferees consider service coordinators and other supportive services to be valuable tools for promoting self-sufficiency and improving the quality of life of elderly and disabled residents of public and assisted housing.

For grants pursuant to section 107, the conferees provide \$32,000,000 instead of \$25,100,000 as proposed by the House and \$30,000,000 as proposed by the Senate, and \$7,500,000 for the Community Outreach Partnership Program instead of \$11,500,000 as proposed by the House and \$12,500,000 as proposed by the Senate. Targeted set-asides within these accounts are moved to the Economic Development Initiative program.

Additionally, the conferees agree to appropriate \$16,700,000 for grants to self-help housing provided pursuant to section 11 of the Housing Opportunity Program Extension Act of 1996, as proposed by the House; \$35,000,000 for YouthBuild as proposed by the Senate rather than \$30,000,000 as proposed by the House; and \$15,000,000 for Capacity Building for Community Development and Affordable Housing, as authorized under section 4 of the HUD Demonstration Act of 1993, rather than \$30,000,000 as proposed by the Senate. The House did not provide funds for this program. Language was included to limit these funds to the original grantees under section 4.

In providing \$35,000,000 for YouthBuild, the conferees have demonstrated that they support the maintenance and expansion of the YouthBuild program. However, in order to promote a comprehensive approach for supporting and expanding YouthBuild, the Secretary is directed to coordinate with the Secretaries of Labor, Health and Human Services, and Education, and the Attorney General, as well as the Directors of School-to-Work Opportunities, the Corporation for National and Community Service, and the Job Corps, in conjunction with YouthBuild USA, in the development and implementation of a plan for expansion of YouthBuild. YouthBuild is a comprehensive program that has relevance for all of these agencies.

Appropriates \$138,000,000 for the Economic Development Initiative instead of \$50,000,000 as proposed by the Senate and \$40,000,000 as proposed by the House. Targeted grants are provided for the following special projects:

- \$3,000,000 to the City of Highland, California, to redevelop the Fifth Street Bridge;
- \$50,000 to the Cheltenham Township in Cheltenham, Pennsylvania, to restore the Cheltenham Park;
- \$250,000 to the City of Jacksonville, Florida, for the Tallyrand Redevelopment Project;
- \$15,000 to the Arab Police Department in Arab, Illinois, for the Multidepartmental Training Complex;
- \$1,250,000 to the Stevens Institute of Business Technology in Hoboken, New Jersey, for the construction of the Laboratory for Business Innovation;

—\$250,000 to the County of Inyo, California, to plan and design the Lower Owens River project;

—\$50,000 to Springfield Township, Pennsylvania, for the purpose of Springfield's park restoration;

—\$400,000 for the National Center for Appropriate Technology in Butte, Montana, for the purpose of making improvements in the energy efficiency of low-income housing;

—\$200,000 to Ohio Wesleyan University in Delaware, Ohio, for the purpose of renovating Edgar Hall;

—\$1,000,000 to the Garden State Cancer Center in Belleville, New Jersey, for the purpose of diagnosis, detection, and treatment of cancer utilizing such radioimmunodetection and radioimmunotherapy technology;

—\$250,000 to the County of San Bernardino, California, for economic development at Norton Air Force Base;

—\$50,000 to the City of Norristown Borough in Norristown, Pennsylvania, for recreational park development and open space preservation;

—\$500,000 to Olive Crest Homes and Services for Abused Children in Perris, California;

—\$50,000 to Landsdale Borough in Landsdale, Pennsylvania, for recreational parks development and open space preservation;

—\$200,000 to the National Afro-American Museum in Wilberforce, Ohio, for an educational training program;

—\$150,000 to the City of San Diego, California, for the Beach Area Low Flow Storm Diversion program and safety needs;

—\$1,000,000 to the World Congress on Information Technology in Fairfax, Virginia;

—\$600,000 to the City of Kendleton, Fort Bend County, Texas, for the upgrading of the sewer and water system;

—\$2,000,000 to the Long Island Jewish Medical Center in New Hyde Park, New York;

—\$1,500,000 to the Southeastern Pennsylvania Consortium for Higher Education for the purpose of data collection applicable to social public policy;

—\$50,000 to the Roslyn Boys and Girls Club in Roslyn, Pennsylvania, for the completion of renovations;

—\$500,000 to the Clark County Heritage Center in Springfield, Ohio, for the purpose of acquiring, remodeling, and equipping the Old Marketplace;

—\$1,350,000 to Buena Vista University in Buena Vista County, Iowa, for the Distance Learning Center for Community Outreach and Development;

—\$1,000,000 to the City of Mandeville, Louisiana, to develop a trailhead along the Tammany Trace Rails-to-Trails;

—\$2,000,000 to Goodwill Industries of Northeast Pennsylvania in Scranton, Pennsylvania, to renovate and convert the North Scranton Intermediate School into low-income elderly housing;

—\$900,000 to the Museum of Science and Industry in Chicago, Illinois, for the purpose of restoring a U505 submarine;

—\$1,750,000 to the Alliance Community Hospital in Alliance, Ohio, for the purpose of developing the Eldercare Complex;

—\$250,000 to the Boys and Girls Club of Greater Washington, D.C., for the purpose of creating a Capitol Hill Youth Anti-Crime program;

—\$450,000 to Rural Enterprises in the City of Durant, Oklahoma, for the purpose of assisting businesses in economically distressed rural areas;

—\$350,000 to the Esperanza Community Housing Corporation, \$250,000 to the Central

American Resource Center, and \$150,000 to the Little Tokyo Service Center in Los Angeles, California, for the purpose of implementing job training, career development, and affordable housing programs;

—\$350,000 to the Plymouth Renewal Center in Louisville, Kentucky, for renovating and providing tutoring, counseling and training programs for at-risk youths;

—\$500,000 to the City of Baldwinville, New York, for the purpose of participating in and revitalizing areas around the Canal Corridor Initiative;

—\$1,000,000 for Pennsylvania Education and Telecommunications Exchange Network (PETE NET), for the purpose of developing a resource-sharing network;

—\$2,000,000 to the Kentucky Highlands Investment Corporation in London, Laurel County, Kentucky, for the purpose of assisting start-up and expanding enterprises;

—\$500,000 for Onondaga Community College, in Onondaga County, New York, for the Applied Technology Center;

—\$1,500,000 to the Geyserville Visitors Center in Sonoma County, California, for the purpose of a visitors and intermodal transportation center;

—\$1,135,000 to the Canaan Community Development Corporation in Louisville, Kentucky, for the purpose of promoting entrepreneurial opportunities in economically deprived areas;

—\$500,000 for the Syracuse Community Health Center in Syracuse, New York, for the purpose of establishing accessible health care centers;

—\$3,220,000 for enlarging and updating the Scarborough Library at Shepherd College in Shepherdstown, WV;

—\$2,000,000 for the State of Maryland for brownfields activities in the Baltimore, MD metropolitan region;

—\$2,000,000 for Ogden Utah, for the economic redevelopment of downtown Ogden, UT;

—\$2,000,000 for the renovation of the Albright-Knox Art Gallery in Buffalo, NY;

—\$400,000 for the completion of a regional landfill in Charles Mix County, SD;

—\$2,500,000 for the construction of a building related to the Bushnell Theater in Hartford, CT;

—\$2,500,000 for exhibit and program development at Discovery Place in Charlotte, NC;

—\$600,000 for the development of the West Maui Community Resource Center in West Maui, HI;

—\$1,350,000 for the renovation of the Paramount Theater in Rutland, VT;

—\$250,000 for the Vermont Science Center in St. Albans, VT;

—\$900,000 for the Lake Champlain Science Center in Burlington, VT;

—\$350,000 for Rutland County Community Land Trust to restore low-income housing throughout the Rutland City, Vermont, area;

—\$2,000,000 for the renovation of the Tapley Street Operations Center in Springfield, MA;

—\$2,000,000 to develop abandoned industrial sites in the city of Perth Amboy, NJ;

—\$2,500,000 to the New Mexico Office of Cultural Affairs for the New Mexico Hispanic Cultural Center;

—\$400,000 for the Riverbend Research and Training Park in Post Falls, ID;

—\$2,500,000 in total funding to the University of Missouri including \$2,000,000 for the plant genetics research unit and \$500,000 for the Delta Research Telecommunications Resource Center;

—\$2,000,000 for the Cleveland Avenue YMCA in Montgomery, AL, to build a cultural arts center;

—\$1,000,000 for Covenant House in Anchorage, AK;

—\$80,000 to complete construction of the senior center in the city of East Providence, Rhode Island;

—\$350,000 for Kids Bridge/New Jersey's Learning Museum to renovate a site in Red Bank, Monmouth County, New Jersey;

—\$650,000 for the East Los Angeles Community Union (TELACU) to revitalize the economy of East Los Angeles, California;

—\$1,000,000 to the Journey Museum in Rapid City, SD, for Native American and minority outreach program;

—\$500,000 for infrastructure development in Puna, HI;

—\$500,000 for a washeteria and related water facilities for Sheldon Point, Alaska;

—\$1,500,000 for training facilities and equipment for Alaska One;

—\$500,000 to Southwest Economic Development Community Development Corporation of Seattle, WA, for Rainer Valley Square;

—\$500,000 for the completion of The CORE Center in Chicago, IL, a free-standing, specialized, outpatient, HIV and Infectious Disease Center;

—\$1,000,000 for training facilities and equipment in the City of Jackson, Mississippi for a downtown multimodal transit center (phase II);

—\$1,000,000 for the Carter County Chamber of Commerce for trade and development activities for Carter County, Montana;

—\$500,000 for expansion of the community health center in Allendale, SC;

—\$600,000 to University of New Orleans in New Orleans, LA, for Revitalization of Central Cities;

—\$1,000,000 for Morgan State University in Baltimore, MD, for studies related to fields of science and mathematics;

—\$2,000,000 for the expansion and start-up costs associated with the expansion of Hofstra University's Business Development Center;

—\$1,000,000 for community development activities at LeClede Town in St. Louis, MO;

—\$1,500,000 for the University of Colorado for its Health Sciences Center;

—\$2,000,000 to the City of Compton, California, for revitalizing distressed areas;

—\$700,000 for the Philadelphia Development Partnership for economic development in Philadelphia, PA;

—\$700,000 for Lehigh Valley, PA, for the development of an aquatic and fitness center;

—\$1,850,000 to Coastal Enterprises, Inc. of Wiscasset, Maine, for its economic development and rural housing programs;

—\$550,000 to the Town of Easthampton, Massachusetts, for the purchase and refurbishment of a new senior center facility;

—\$950,000 to Memorial Health Care, Inc. for establishment of the Community Health Care Center of Central Massachusetts in Worcester, Massachusetts;

—\$950,000 to the Regional Center for Economic, Community, and Professional Development of the University of North Carolina at Pembroke, for construction of a centralized facility;

—\$950,000 to the Turtle Mountain Community College in North Dakota, for completion of the Turtle Mountain Economic Development and Education Complex;

—\$950,000 to the Ruskin Tropical Aquaculture Laboratory in Ruskin, Florida, for construction and equipment for a hatchery, nutrition laboratory and water quality laboratory;

—\$500,000 to the to the City of Murfreesboro, Tennessee, for renovation work at the Bradley Academy;

—\$450,000 to the City of Hobart, Indiana, for water and sewer line installation in the Green Acres subdivision;

—\$2,400,000 to the Metropolitan Miami Action Plan to initiate the revitalization of the Overtown section of Miami, Florida;

—\$1,400,000 to the City of Toledo, Ohio, for the continued revitalization of the downtown, near downtown corridor, and community service centers;

—\$150,000 to "Friends of George C. Marshall" of Uniontown, Pennsylvania, for development of the George C. Marshall Memorial Plaza in Uniontown;

—\$400,000 to the Eureka Coal Heritage Foundation, Inc. of Windber, Pennsylvania, for renovation of the Arcadia Theater;

—\$200,000 to Barnesboro Borough, Pennsylvania, for construction of the West Branch Timber Pedestrian Bridge;

—\$550,000 to the Indiana Free Library, Inc. of Indiana, Pennsylvania, to upgrade and renovate the Indiana Free Library;

—\$1,200,000 to the Pacific Science Center in Seattle, Washington, for refurbishment and expansion;

—\$500,000 to the California Science Museum Foundation in Los Angeles for planning and design of the Pacific Environmental Interactive Center;

—\$400,000 to Chicanos Por La Causa for construction of a small business incubator facility in Phoenix, Arizona;

—\$100,000 to the Urban League of Metropolitan St. Louis, Mo, for purchase and renovation of a building to house its Community Outreach Center;

—\$50,000 to the Harambee Institute of St. Louis, Missouri, for purchase and renovation of an arts education facility;

—\$100,000 to the St. Louis Black Repertory Company of St. Louis, Missouri, for purchase, expansion and renovation of a facility;

—\$100,000 to Better Family Life, Inc. of St. Louis, Missouri, for construction of a new facility to expand existing school-based programs and cultural programs;

—\$50,000 to the Portfolio Gallery and Educational Center of St. Louis, Missouri, renovation and expansion of its cultural arts training and education facility;

—\$50,000 to the City of Wellston, Missouri, for revitalization of its city hall;

—\$50,000 to the City of Kinloch, Missouri, to assist with the city's housing revitalization efforts;

—\$400,000 to Columbia University in New York City for its Audubon Research Park;

—\$100,000 to the Hebrew Academy for Special Children for its school in Rockland County, New York;

—\$500,000 to Community Build, Inc. of Los Angeles, for development of a business incubator and technology center;

—\$500,000 to Children's Hospital of Oakland, California, for construction of research and laboratory facilities as part of the Martin Luther King, Jr. Plaza project;

—\$500,000 to Nazareth College of Rochester, New York, for library renovation, expansion and equipment;

—\$500,000 to the Center for International Business Education at the University of San Francisco for a model program for training in international commerce, environmental management and business ethics;

—\$500,000 for the Urban League of Greater Cleveland, Ohio, for programs in the area of employment, job training, education, housing, and/or elderly services;

—\$500,000 for the Harvard Community Services Center of Cleveland, Ohio, to expand the intergenerational program involving youth and senior citizens;

—\$300,000 to the Helen S. Brown Senior Citizens Center of East Cleveland, Ohio, to complete the renovation of the Center and for expansion of elderly services;

—\$500,000 to Project East, Inc., DBA East Cleveland Straight Talk, of Shaker Heights, Ohio, for substance abuse counseling and prevention services;

—\$500,000 to the Health and Education Institute of the Olivet Housing and Community Development Corporation of Cleveland, Ohio, for health and education initiatives and services;

—\$600,000 to the City of Grafton, West Virginia, for economic development, community revitalization and housing-related activities;

—\$350,000 to Preston County, West Virginia, to be distributed as follows: \$175,000 for Arthur Dale Heritage, Inc. and \$175,000 for the Kingwood MainStreet program to pursue economic development, downtown revitalization, and historic preservation initiatives;

—\$450,000 to the City of Parkersburg, West Virginia, for economic development and community revitalization efforts;

—\$800,000 to the City of Lorain, Ohio, for health care conversion initiative at the site of the former St. Joseph's Hospital;

—\$200,000 to the Hampton University Aviation Maintenance Training Learning Center of Hampton, Virginia, to continue the development of courseware central to the curriculum;

—\$100,000 to the Diabetes Institute of Hampton, Virginia, to assist in the development of diagnostic and treatment protocols;

—\$50,000 to the Hampton City Schools Achievable Dream Program in Hampton, Virginia; and

—\$500,000 for the Callaway, Florida, Waste Water Expansion Program, to assist with the city's water separation and expansion plans.

Language is included providing that clean-up and redevelopment of areas deemed to be Brownfields are eligible activities under CDBG as proposed by the Senate, and to exempt a grant for Oglesby, Illinois, from the public comment waiting period for an environmental assessment as proposed by the House.

Language is included to create a new rural economic development program funded at \$25,000,000 instead of \$42,000,000 as proposed by the Senate. HUD is required to target up to \$4,000,000 each to areas in Alaska, Missouri, and Iowa.

Additionally, \$25,000,000 is included for a Neighborhood Initiative program to test whether housing benefits can be integrated more effectively with welfare reform initiatives. Of the amount made available, \$15,000,000 is provided to the County of San Bernardino, California, to implement its neighborhood initiative program. The County of San Bernardino should work with the cities of San Bernardino, Highland, and Redlands in designing its initiative.

The conferees encourage HUD, when awarding the Neighborhood Initiative funds, to consider the following factors: 1) economic development strategies that utilize local community-based partnerships between businesses, non-profits and the public sector; 2) neighborhood revitalization efforts that integrate sustainable community and building design processes; 3) input by residents and other stakeholders; 4) creation of homeownership opportunities; 5) links between housing programs and welfare reform initiatives in the neighborhood; and 6) links between workforce development strategies and economic development strategies.

Finally, a new provision is included that limits the use of the \$500,000,000 made avail-

able under the Community Development Block Grants account in the 1997 Emergency Supplemental Appropriations Act to not more than \$3,500,000 for the non-Federal cost-share of a levee project at Devils Lake, North Dakota. The conferees direct that the remaining emergency CDBG funds originally allocated by HUD for this project be made available to the State of North Dakota for other emergency activities consistent with the intent of the Supplemental Appropriations and Rescissions Act of 1997 (Public Law 105-18). In addition, HUD is directed to provide the State of North Dakota with a waiver allowing it to use its annual CDBG allocation for any remaining portion of the non-Federal cost-share of this project. Finally, language is included that prohibits HUD from providing any additional waivers in excess of \$100,000 in emergency CDBG funds for the non-Federal cost-share of projects funded by the Secretary of the Army through the Corps of Engineers.

This provision was added recognizing the serious risk of flooding facing the community of Devils Lake while addressing serious concerns that emergency CDBG funding has become an unregulated fund of Federal dollars which are allocated without regard to standard requirements or adequate oversight. The conferees are very concerned that the unregulated use of CDBG funds will lead to uses which are unintended and bear little relation to the broad requirements of the traditional CDBG program. The growth of costs and the increasingly broad uses for emergency activities associated with both the CDBG program and the Federal Emergency Management Agency programs are troubling to the conferees, especially because these costs threaten the ability of the VA/HUD Appropriations Subcommittees to fund adequately the other programs within their jurisdiction.

BROWNFIELDS REDEVELOPMENT

The conferees have included \$25,000,000 to fund HUD's contribution to resolving Brownfields problems. This funding is to be used for activities eligible under the CDBG program. The conferees direct HUD to coordinate activities with other agencies responsible for environmental clean up activities and to provide the committees of jurisdiction with semi-annual reports describing coordinated efforts and an explanation of how this program, which has no specific authorization, will be implemented.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

Appropriates \$5,000,000 for empowerment zones and enterprise communities for planning purposes. The Senate proposed to fund the program at \$25,000,000 and the House did not include funds for this purpose. The conferees expect HUD to develop guidelines for implementing this program.

Furthermore, HUD is directed to ensure that the ongoing evaluation by Abt Associates evaluates the performance of existing EZ/ECs. The study shall measure the success of existing EZ/ECs in meeting such objectives as job creation, reducing resident unemployment in the EZ/EC, and enhancing public safety. The study should provide recommendations for improving existing EZ/EC performance and crafting more effective guidelines for strategic plans for any possible future EZ/ECs.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriates \$1,500,000,000 for the HOME program, as proposed by the House rather than \$1,400,000,000 as proposed by the Senate. Of this amount, \$20,000,000 is included for

Housing Counseling as proposed by the Senate rather than \$15,000,000 as proposed by the House, and \$10,000,000 is included for a program to demonstrate ways to expand the secondary market for non-conforming loans as proposed by the House. The conferees underscore their intention that this demonstration focus solely on strategies to expand the secondary market for affordable home mortgage credit from private lenders. The conferees agree that participants in the demonstration should be selected on a competitive basis based on the criteria in the statute and contained in the House report. It is expected that the credibility and impact of the demonstration will be maximized to the extent that the Secretary awards priority in the selection process to organizations which have the following characteristics: 1) state-wide or multi-state service areas; 2) sophisticated existing data collection capabilities, including adequate loan portfolio monitoring and analysis systems; 3) a demonstrated strong track record of leveraging public-sector funds for secondary market activities; and willingness to match funds awarded under this section with non-Federal funds; and 4) a mix between rural and urban loans.

HOMELESS ASSISTANCE GRANTS

Deletes language proposed by the Senate which allows HUD to transfer and merge any unobligated balances from Homeless programs into a consolidated account. This issue will be addressed when a consolidated homeless assistance program is authorized and enacted.

HOUSING PROGRAMS

HOUSING PROGRAMS FOR SPECIAL POPULATIONS

Includes language authorizing HUD to utilize amounts appropriated to these programs to provide supportive services as proposed by the Senate. The House did not include such language. The conferees believe it is appropriate that supportive services provided for persons who live in buildings financed with these funds should be paid for from these accounts rather than decreasing the scarce supportive services funds provided for families residing in public and assisted housing.

The conferees reaffirm report language contained in both House and Senate committee reports regarding the Office of Manufactured Housing, but have decided against providing a separate account for that program office.

FEDERAL HOUSING ADMINISTRATION

FHA-MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

Transfers not more than \$12,112,000 from amounts derived from the FHA-MMI fund to the Office of Inspector General as proposed by the Senate instead of transferring \$7,112,000 as proposed by the House.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriates \$36,500,000 for research and technology related to housing issues instead of \$39,000,000 as proposed by the House and \$34,000,000 as proposed by the Senate.

The conferees have provided a set-aside of \$500,000 from the Department's Research and Technology account for the National Academy of Public Administration (NAPA) to evaluate HUD's efforts to implement needed management systems and processes. Systems to be evaluated include contracting procedures, basic administrative organization, development of personnel requirements based on meaningful measures, and HUD's compliance with the Government Performance and Results Act. This set-aside augments \$1,000,000 appropriated under the 1997 Emergency Supplemental Appropriations Act.

Currently, the General Accounting Office (GAO) and the HUD Inspector General (IG) are reviewing HUD's contracting requirements and implementation procedures; therefore, the conferees do not intend for NAPA to duplicate the GAO's and/or the IG's work. It is intended, however, that NAPA's study will complement the other reviews.

**FAIR HOUSING AND EQUAL OPPORTUNITY
FAIR HOUSING ACTIVITIES**

Appropriates \$30,000,000 for fair housing activities, \$15,000,000 of which is for activities under the Fair Housing Initiatives Program (FHIP) as proposed by the House instead of \$10,000,000 for FHIP as proposed by the Senate.

**MANAGEMENT AND ADMINISTRATION
SALARIES AND EXPENSES**

Appropriates \$1,000,826,000 for salaries and expenses instead of \$1,005,826,000 as proposed by the House and \$954,826,000 as proposed by the Senate. This modest decrease from the budget request is included to encourage the Secretary to be more forthcoming about providing information to Congress when it is requested.

HUD is undergoing Department-wide reorganization to improve delivery of services, management, and performance. The conferees agree that HUD must reorganize the manner in which it operates if it is to survive into the next century. It is the strongly held belief of the conferees that HUD must be in a position, both programmatically and operationally, to provide the highest level of opportunity for Americans to live in decent, safe and affordable homes.

The reorganization plan suggested by HUD involves consolidating offices and program functions. Additionally, the plan implements Congressional direction to decrease staff levels. Because these actions will change the manner in which HUD's services are provided, and where they are provided, Congress must be kept well-informed about how they are to be implemented, how they will impact Congressionally-mandated programs, and how they will affect services at a local level. Accordingly, the conferees direct HUD to provide the information listed below:

Submission Date:

January 15, 1998—1. Cost-benefit analysis of the newly created offices, including the Assessment Center, the Section 8 Center, and the Enforcement Center;

January 15, 1998—2. Schedule of events—rough estimate of dates for plan implementation, including when HUD will undertake and complete significant actions (i.e., new offices, staff moves);

Upon submission of President's Budget Request—3. Annualized funding projections needed to carry out the management plan;

January 15, 1998—4. Explanation of modernization and integration of financial/management information systems and how the systems will develop internal controls and improve HUD's ability to monitor and measure program performance;

January 15, 1998—5. Explanation of the resources (financial, information, staff) needed to effectively manage and operate HUD's core programs; and

Enactment of VA/HUD Appropriations Measure—6. Legal analysis of Dole Amendment applicability to HUD's reorganization plan.

The conferees support the emphasis and function of the Department's proposed Enforcement, Assessment, and Section 8 Centers and do not want to impede these much needed reforms. However, as the Manage-

ment 2020 plan involves location decisions, including moving staff from Headquarters, until Congress is provided with the information listed above, and the committees of jurisdiction have had a reasonable opportunity to review and to comment upon this information, HUD is directed to take no significant actions that involve geographically relocating staff or entering into binding commitments for office space, as related to the three new proposed center locations: Name-ly, the Assessment Center, the Enforcement Center, and the Section 8 Center.

OFFICE OF INSPECTOR GENERAL

Appropriates \$66,850,000 for the Office of Inspector General as proposed by the House instead of \$57,850,000 as proposed by the Senate. Of this amount, \$16,283,000 is transferred from various FHA funds as proposed by the Senate instead of \$11,283,000 as proposed by the House and \$10,000,000 is provided for Operation Safe Home as proposed by the House instead of \$5,000,000 as proposed by the Senate.

**OFFICE OF FEDERAL HOUSING ENTERPRISE
OVERSIGHT**

SALARIES AND EXPENSES

Appropriates \$16,000,000 for the Office of Federal Housing Enterprise Oversight (OFHEO) rather than \$16,312,000 as proposed by the House and \$15,500,000 as proposed by the Senate. The conferees are concerned about OFHEO's growth as a bureaucracy instead of as an efficient regulatory office.

Additionally, the conferees encourage OFHEO to meet its primary statutory mission of establishing a balanced and effective risk-based capital standard for the Government Sponsored Enterprises (GSEs), as required under the Housing and Community Development Act of 1992.

ADMINISTRATIVE PROVISIONS

Several provisions included in either the House or Senate bills were not adopted by the conferees. Section numbers have been redesignated accordingly.

Section 201. Extends certain public and assisted housing reforms for this fiscal year, as proposed by the Senate. The House included language regarding minimum rents.

Section 203. Waives the requirement that the City of Oglesby, Illinois, have public hearings concerning an environmental assessment, under the Housing and Community Development Act of 1974, as proposed by the House.

Section 204. Extends a provision that provides an incentive for refinancing projects with FAF bonds to lower the cost of section 8 assistance, as proposed by the Senate.

Section 206. Reprograms \$7,100,000 from an industrial park to be used for a Negro Leagues Baseball Museum and jazz museum, as proposed by the Senate.

Section 207. Prohibits prosecution of persons under the Fair Housing Act if the person is engaged in lawful activity, as proposed by the Senate.

Section 208. Requires HUD to maintain public notice and comment rulemaking, as proposed by the Senate.

Section 209. Authorizes cleanup and economic development of Brownfields as an eligible activity under the CDBG program, as proposed by the Senate.

Section 210. Permits partial payment of claims on hospital and health care facilities, as proposed by the Senate.

Section 211. Extends for one year the FHA single family streamlined downpayment program for Alaska and Hawaii as proposed by the Senate. In addition, the conferees direct HUD to study the proposal to streamline the

FHA downpayment formula and to explain its impact on the continental United States. The study should examine how the proposed downpayment formula would favorably or adversely affect each State, how it would impact the FHA insurance fund, whether it would improve homeownership opportunities for low- and moderate-income families, and whether it would cause inappropriate competition by the FHA with mortgage insurance companies. The study should be completed by March 1, 1998.

Section 212. Includes language to provide flexibility for a HOPE VI project in New York, as proposed by the Senate.

Section 213. Includes language to provide HUD with flexibility to make rehabilitation grants and loans in disposing of HUD-owned and HUD-held properties, as proposed by the Senate.

Section 215. Includes language to provide financing alternatives to enhanced vouchers in certain section 236 projects.

Section 216. Includes language making a technical correction to the nursing home insurance program.

Section 217. Includes language to preserve funding for existing HOPWA grantees in the State of Wisconsin to correct an anomaly in the formula which can result in the loss of funds for a state when incidence of AIDS in a large city increases. The conferees reaffirm the direction included in the House report for HUD to examine all problems caused by the existing HOPWA formula and recommended improvements.

Section 218. Includes language to cancel the principal and interest due on HUD-guaranteed water and sewer bonds issued by the Village of Robbins, Illinois.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Appropriates \$26,897,000 for salaries and expenses as proposed by the House, instead of \$23,897,000 as proposed by the Senate.

**CHEMICAL SAFETY AND HAZARD INVESTIGATION
BOARD**

SALARIES AND EXPENSES

Appropriates \$4,000,000 for the Chemical Safety and Hazard Investigation Board as proposed by the Senate. The House had provided no funding for the Board.

The funding provided for fiscal year 1998 will permit the Board to begin start-up operations, including the hiring of up to 20 employees through the fiscal year. While the conferees have agreed to provide funding for the Board, they nevertheless remain concerned that the operational costs not become excessive over the next few years. Rather, the conferees expect the Board to make careful, deliberate decisions with respect to the growth and expansion of both operations and staff. The conferees anticipate that a substantial increase in appropriations in the next few years will not be feasible.

DEPARTMENT OF THE TREASURY

**COMMUNITY DEVELOPMENT FINANCIAL
INSTITUTIONS**

**COMMUNITY DEVELOPMENT FINANCIAL
INSTITUTIONS FUND PROGRAM ACCOUNT**

Appropriates \$80,000,000 for the Community Development Financial Institutions Fund, instead of \$125,000,000 as proposed by the House. The Senate did not provide an appropriation for this account. The conferees have also included in the bill, language restricting the rate of consultants hired by the Fund.

The conferees are aware of and share concerns raised regarding implementation of the program. The conferees recognize and commend the Department of the Treasury for

taking significant steps in recent months to improve systems, procedures, and policies. The conferees agree that action should be taken to ensure, among other things, that: (a) appropriate and timely documentation is provided for the awards process and the evaluation and selection of applicants to receive assistance; (b) all successful applicants are selected pursuant to uniform standards using an objective evaluation system; (c) no individual involved in the evaluation and selection of applicants has a conflict or apparent conflict of interest; (d) none of the funds provided for this program are used for contracts for management or policy consulting services, except for contracts entered into in accordance with federal acquisition regulations with firms having recognized management or policy consulting expertise, or with individuals or firms having recognized expertise in community development lending or investing or services related to review of applications for grants and other awards from the Fund; and (e) ensure sound and impartial administration. The conferees urge the Department to remain diligent in working on systems to ensure proper accountability and management of the Fund's programs.

In place of the General Accounting Office report requested by the Senate, the conferees agree that the GAO should conduct a review of the CDFI program and report to the Congress on the implementation and effectiveness of the program in achieving its goals and objectives.

CONSUMER PRODUCT SAFETY COMMISSION
SALARIES AND EXPENSES

Appropriates \$45,000,000 for the Consumer Product Safety Commission as proposed by the Senate instead of \$44,000,000 as proposed by the House.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS
OPERATING EXPENSES

Appropriates \$425,500,000 for national and community service programs operating expenses, instead of \$200,500,000 as proposed by the House and \$420,500,000 as proposed by the Senate.

Limits funds for administrative expenses to not more than \$27,000,000, instead of \$29,000,000 as proposed by the House and \$25,000,000 as proposed by the Senate. This amount includes funds necessary to administer the National Service Trust.

Limits funds for educational awards to not more than \$70,000,000, of which not to exceed \$5,000,000 shall be available for national service scholarships for high school students performing community service, instead of \$69,000,000 and \$10,000,000, respectively, as proposed by the House and \$59,000,000 and zero, respectively, as proposed by the Senate. The amount for educational awards is higher than the amount in either the House or Senate bill and results from the increase in funding for AmeriCorps grants. The conferees request that the Corporation provide to the Committees on Appropriations a report by June 30, 1998, on the feasibility of privatizing the National Service Trust, including the costs of privatization and recommendations on how privatization could be implemented.

Limits funds for AmeriCorps grants to not more than \$227,000,000, instead of \$201,000,000 as proposed by the House and \$215,000,000 as proposed by the Senate.

Inserts language limiting funds for national direct programs to not more than \$40,000,000 as proposed by the Senate. The House did not propose a limitation on national direct programs.

Deletes language proposed by the Senate earmarking \$20,000,000 of the appropriation for the America Reads Initiative. The House did not propose such an earmarking. The conference agreement includes \$25,000,000 for literacy and mentoring activities.

Deletes language proposed by the Senate restricting other funds available to the Corporation from being used for personnel compensation and other administrative expenses of certain offices. The House did not propose such language. While the conferees are providing this additional flexibility, the Corporation is expected to provide a detailed explanation in the operating plan on how it plans to coordinate the use of administrative funds from any other agency, office or source to administer its operations.

OFFICE OF INSPECTOR GENERAL

Appropriates \$3,000,000 for the office of Inspector General as proposed by the Senate, instead of \$2,000,000 as proposed by the House.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

Appropriates \$9,319,000 for salaries and expenses as proposed by the House, instead of \$9,320,000 as proposed by the Senate.

ENVIRONMENTAL PROTECTION AGENCY

Appropriates \$7,363,046,000 for the Environmental Protection Agency for fiscal year 1998 instead of \$7,205,077,000 as proposed by the House and \$6,975,920,000 as proposed by the Senate. The conferees note that the budget agreement between the Congress and the Administration called for the "operating programs" of the Agency to be funded at a level totaling just over \$3,400,000,000. The funding provided for these operating programs in this agreement totals nearly \$3,350,000,000, thus meeting the spirit of this agreement.

As in past years, the conferees agree that the Agency must limit transfers of funds between programs and activities to not more than \$500,000, except that for the Environmental Programs and Management account only, the Agency may transfer funds of not more than \$500,000 between programs and activities without prior notice to the Committees, and of not more than \$1,000,000 without prior approval of the Committees. No changes may be made to any account or program element, except as approved by the House and Senate Committees on Appropriations, if it is construed to be policy or a change in policy. Any activity or program cited in the joint explanatory statement of the committee of conference shall be construed as the position of the conferees and should not be subject to reduction or reprogramming without prior approval. It is the intent of the conferees that all carryover funds in the various appropriations accounts are subject to normal reprogramming requirements as defined herein.

SCIENCE AND TECHNOLOGY

Appropriates \$631,000,000 for science and technology instead of \$629,223,000 as provided by the House and \$600,000,000 as provided by the Senate. The conferees have included new bill language which provides \$49,600,000 for a particulate matter research program in lieu of language contained in the House bill.

The conferees have agreed to the following increases to the budget request:

1. \$1,250,000 for continuation of the California Regional PM 10&2.5 air quality study.
2. \$2,500,000 for EPSCoR.
3. \$500,000 for continuation of a study of livestock and agricultural pollution abatement at Tarleton State University.

4. \$3,000,000 for the Water Environment Research Foundation.

5. \$2,000,000 for continued research on urban waste management at the University of New Orleans.

6. \$1,300,000 for continued oil spill remediation research at the Louisiana Environmental Research Center at McNeese State University.

7. \$2,000,000 for the Mickey Leland National Urban Air Toxics Research Center. The conferees recognize the value of the air toxics research supported by the Mickey Leland National Urban Air Toxics Research Center in Houston, Texas. However, the conferees are aware that the Center has developed its own method to fill vacancies on the Board of Directors. Because the appointment of the Board of Directors provides for Congressional oversight and assures the continued success of the Center and its undertakings, it is the intent of the conferees that the Leland Center immediately revise its method of appointment of Directors consistent with law and with the original Congressional intent regarding appointment of Directors.

8. \$4,000,000 for the American Water Works Association Research Foundation, including \$1,000,000 for continued research on arsenic.

9. \$3,000,000 for the National Decentralized Water Resource Capacity Development Project, in coordination with EPA, for continued training and research and development.

10. \$1,500,000 for the Integrated Petroleum Environmental Consortium project, to be cost-shared.

11. \$1,750,000 for continued research at the Environmental Lung Center of the National Jewish Medical and Research Center in Denver.

12. \$6,000,000 for continued research of the Salton Sea, including \$1,000,000 to the University of Redlands and \$5,000,000 for the Salton Sea Authority.

13. \$2,000,000 for research on treatment technologies relating to perchlorate within the Crafton-Redlands Plume, to be conducted through the East Valley Water District, California.

14. \$2,000,000 for the Lovelace Respiratory Institute to establish a National Environmental Respiratory Center to coordinate research and information transfer.

15. \$1,000,000 for the Center for Air Toxic Metals at the Energy and Environmental Research Center.

16. \$1,000,000 for the Texas Regional Institute for Environmental Studies to identify and test new cost-effective environmental restoration technologies.

17. \$1,000,000 for the Institute for Environmental and Industrial Science to develop new technologies for controlling radioactive waste, solid waste, and other emissions.

18. \$500,000 for the clean air status and trends network.

19. \$1,500,000 for Johns Hopkins University's School of Hygiene and Public Health to establish a National Center for Environmental Toxicology and Epidemiology.

20. \$1,000,000 to establish the Center for Estuarine and Coastal Ocean Environmental Research to coordinate and further ongoing coastal and environmental research being conducted at the University of South Alabama.

21. \$2,000,000 for continuation of an initiative to transfer technology developed in the federal laboratories to meet the environmental needs of small companies in the Great Lakes region, to be accomplished through a NASA-sponsored Midwest regional technology center working in collaboration with an HBCU from the region.

22. \$6,000,000 for the Mine Waste Technology Evaluation Program and Berkeley pit integrated demonstration activities through the National Waste Technology Testing and Evaluation Center.

23. \$1,500,000 to support external research on *Pfiesteria*. The conferees are concerned about the recent rash of fish killings and human sickness due to a marine biotoxic outbreak labeled *Pfiesteria*, in east coast waterways. In complementing current local and state efforts, the conferees direct a national research program that would evaluate competitive, peer-reviewed proposals to understand the causes, mechanisms, and health and environmental effects of *Pfiesteria*. Additional funding is appropriated in the environmental programs and management account.

The conferees have agreed to the following reductions from the budget request:

1. \$5,078,000 from the Climate Change program.
2. \$6,218,000 from the Global Change program.
3. \$2,000,000 from the Advanced Measurement Initiative.
4. \$8,000,000 from the new Environmental Monitoring for Public Access and Community Tracking program.
5. \$5,000,000 from graduate academic fellowships.
6. \$7,000,000 from advanced funding of a planned fiscal year 1998 lease requirement and savings due to a rate recalculation for the Working Capital Fund.
7. \$21,273,400 as a general reduction.

The conferees are aware that orimulsion, a mixture of bitumen and water, is being considered for generating electricity in the United States. While orimulsion has been used in several countries including Japan, China, Italy and Canada's maritime provinces, it has not been utilized within the United States. Because little is known about the risks associated with the introduction of this new product, the conferees direct EPA to initiate a research activity to provide better scientific data on the qualities and characteristics of this product and the potential environmental impact of its introduction.

In addition to the funds specifically provided for perchlorate research within the Crafton-Redlands Plume, the conferees direct the Agency to work with the Department of Defense, the National Institute of Environmental Health Sciences, and other appropriate federal and state agencies to (1) assess the state of the science on the health effects of perchlorates on humans and the environment and the extent of perchlorate contamination of our nation's drinking water supplies, and, (2) make recommendations to the House and Senate Committees on Appropriations within six months of enactment of this Act on how this emerging problem might be addressed.

The conferees note the important ongoing research activities at EPA to develop a comprehensive view of the air quality impacts resulting from swine confinement operations. The EPA is directed to coordinate these research activities working in conjunction with those efforts currently underway at the Agricultural Research Service and with other public and private research efforts.

Following consultation with the Environmental Protection Agency, the National Academy of Sciences, and numerous scientific and research and stakeholder groups, the conferees have developed a mechanism which, when implemented, will go far toward increasing the breadth of knowledge and fill-

ing research gaps regarding the potential health effects of fine particulate matter (PM). The recommendation of the conferees is meant to build on the research which has already been planned, is underway, or has been completed by EPA, NIEHS, NAS, HEI, and numerous other public and private entities, and its success will rely on the hard work and continued good will of all interested parties.

Although EPA recently issued a revised standard for PM, the Agency also indicated the standard will have no regulatory impact until after the next National Ambient Air Quality Standards (NAAQS) review, currently planned for 2002. The conferees believe a unique opportunity now exists to put into place the mechanism to establish a comprehensive, peer-reviewed, near- and long-term research program which will benefit both the Legislative and Executive branches in decision-making activities regarding PM in the coming years.

To this end, the conferees have included bill language which specifically provides \$49,600,000 for particulate matter research, and further provides that within 30 days of enactment of this Act, EPA shall enter into a contract or cooperative agreement with the National Academy of Sciences (NAS) to develop a comprehensive, prioritized, near- and long-term particulate matter research program, as well as a plan to monitor how this research program is being carried out by all participants in the research effort. The conferees intend the NAS to develop a near-term research plan within four months of execution of the contract with EPA, and expect a long-term plan to be completed within twelve months of execution of the contract. Both plans should be developed on as close to a consensus basis as is practicable following consultation and comprehensive discussions with, but not limited to, representatives of the EPA, the National Institute of Environmental Health Sciences (NIEHS), the Department of Energy (DOE), and the National Oceanic and Atmospheric Administration (NOAA), as well as representatives from such organizations as the Health Effects Institute (HEI), the North American Research Strategy for Tropospheric Ozone (NARSTO), the Chemical Industry Institute of Technology (CIIT), the Lovelace Inhalation Toxicology Research Institute, the American Lung Association, the Electric Power Research Institute (EPRI), EPA's Science Advisory Board and Clean Air Scientific Advisory Committee, and other qualified personnel representing government, industry, and the environmental community. Upon completion of the research plans, the NAS shall simultaneously provide copies to the Congress, to EPA, and to all participating parties.

It is the intention of the conferees that the plan is to be the principal guideline for the Agency's particulate matter research program over the next several years. The conferees expect the Agency to implement the plan, including the conduct of appropriate peer review and the distribution of intramural and extramural funds, in a manner which assures that research as determined in the plan will proceed in an orderly and timely fashion, and according to the priority basis outlined by NAS. The conferees also expect the NAS to monitor the implementation of the research plan and periodically report to the Congress as to the progress of the NAS plan. Should EPA, after its own analysis, disagree with any research topic or priority ranking as determined in the plan, or with any other aspect of the plan, the conferees direct the Agency to provide the Congress

with a detailed analysis of such a disagreement, as well as with a description of what the Agency proposes in lieu thereof. EPA is expected to move forward immediately with its PM research program as outlined in the fiscal year 1998 budget submission. Upon delivery of the NAS research plan, however, the conferees expect the Agency and other federal entities as listed above to review their ongoing particulate matter research activities and, where appropriate, re-focus such activities so as to be consistent with the NAS research plan. The funds provided above the budget request should be targeted to filing research gaps outlined by NAS and not already planned for fiscal year 1998.

In administering the research plan, the conferees expect the Agency to be responsible for the timely announcement of all requests for research proposals, for the thorough review of such proposals, and for the granting and auditing of all funds to conduct such research proposals. Given the importance of developing and publishing as much new research as possible prior to the next NAAQS review planned for PM, the Agency should take every step possible to expedite the delivery of available research funds for both intramural and extramural recipients. Moreover, in the making of specific grants or, in the case of other governmental agencies, a cooperative research agreement pursuant to the research plan, the Agency should be mindful of the various talents and expertise of each of the aforementioned organizations or other research grant applicants may have so as to maximize to the greatest extent possible the quality of the research that is to be conducted.

The conferees understand that the most immediate, or "near-term" PM research needs include, but are not limited to, topics such as toxicological and biological mechanisms, source apportionment, human exposure assessment and monitoring, ambient measurement methods, and epidemiology. NAS is thus expected to focus on these as well as other high priority topics as part of its near-term research plan.

In addition, up to \$8,000,000 of the funds provided herein are to be used to create up to five university-based research centers focused on PM-related environmental and health effects. EPA will select these centers through a competitive peer review process and will ensure consistency with the final research plan formulated by the process outlined above. The centers program is intended to help address the most pressing unanswered questions involved in the air particulate field. A governing criterion for the selection of the proposed centers should be their ability to bring together bio-medical and public health scientists, engineers, environmental scientists, economists, and policy analysts as part of a coordinated and comprehensive data analysis and research effort.

The conferees direct that, prior to completion of the research plan, adequate funds be made available to support an ongoing effort to conduct a thorough inventory of all federal and non-federal research on particulate matter, to initiate key term research, and to conduct a thorough reanalysis of all key long-term studies relating to particulate matter. Priority in the award of grants as outlined in the preceding sentence should be given to organizations which are established independent research institutes funded in partnership with EPA.

Finally, the conferees expect that all research data resulting from this funding will become available to the public, with proper safeguards for researchers' first right of publication, for scientific integrity, for individuals participating in studies, for proprietary

commercial interests, and to prevent scientific fraud and misconduct.

The issue of the new particulate matter standards as outlined by EPA in July of this year, and the potential regulations that may result from these new standards, has resulted in an emotional and politically charged debate principally on the potential economic impacts of regulations based on the new standard. What has unfortunately been diminished in these debates is the almost universal recognition that considerable scientific questions relative to particulate matter remain to be answered. The conferees recognize that while reasonable people may differ as to the interpretation of the facts and that different policy judgments may be arrived at, sufficient facts are not yet available to proceed with future regulations for a new particulate standard. The conferees note that this may be the only realistic opportunity to enlist the support of both the public and private sectors to maximize the use of science so as to better determined the answers that will some day guide future regulatory actions regarding particulate matter.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Appropriates \$1,801,000,000 for environmental programs and management as proposed by the Senate instead of \$1,763,352,000 as proposed by the House.

The conferees have agreed to the following increases to the budget request:

1. \$2,500,000 for the Michigan Biotechnology Institute for continued development of viable cleanup technologies.
2. \$900,000 for the Lake Wallenpaupack, Pennsylvania environmental restoration project.
3. \$372,000 for the Saint Vincent watershed environmental restoration project.
4. \$500,000 for continued activities of the Small Business Pollution Prevention Center at the University of Northern Iowa.
5. \$1,000,000 for the National Estuary Program, including \$400,000 for Barnegat Bay. In addition, the conferees note their support for the full budget request for the Agency's South Florida/Everglades initiative, including funding for the EPA office in South Florida.
6. \$2,372,000 for the Great Lakes Program. Included in the total program level is \$14,700,000 for the Great Lakes National Program Office.
7. \$250,000 for design for a non-indigenous species dispersal barrier in the Chicago shipping and sanitary canal pursuant to Sec. 1202 of the National Invasive Species Act, to be cost-shared.
8. \$500,000 for continued work on the Ohio River watershed pollutant reduction program, including a study of dioxin levels in the Basin, to be cost-shared.
9. \$2,000,000 for continuation of the Sacramento River Toxic Pollution Control Project, to be cost-shared.
10. \$2,500,000 for a water reuse demonstration project in Yucca Valley (\$800,000) and a groundwater treatment demonstration project in 29 Palms (\$1,700,000), California.
11. \$700,000 for ongoing activities at the Canaan Valley Institute.
12. \$3,000,000 for the Southwest Center for Environmental Research and Policy (SCERP).
13. \$4,000,000 for the National Institute for Environmental Renewal to establish a regional environmental data center, and to develop an integrated, automated water quality monitoring and information system for watersheds impacting the Chesapeake Bay.
14. \$500,000 for continuation of the Small Water Systems Institute at Montana State University.

15. \$5,325,000 for rural water technical assistance activities and groundwater protection bringing the total program to \$13,325,000 with distribution as follows: \$8,200,000 for the National Rural Water Association; \$2,100,000 for Rural Community Assistance Program; \$400,000 for the Groundwater Protection Council; \$1,550,000 for Small Flows Clearinghouse; \$1,000,000 for the National Environmental Training Center; and \$75,000 for the National Groundwater Foundation.

16. \$2,000,000 for an environmental education center in Highland, California.

17. \$3,000,000 for continuation of the New York and New Jersey dredge decontamination project.

18. \$1,000,000 for continued work on the water quality management plan for the Skaneateles, Otisco and Owasco Lake watersheds.

19. \$400,000 for continued work on the Cortland County, New York aquifer protection plan.

20. \$300,000 for the NAS to conduct a study of the effectiveness of EPA's inspection and maintenance programs.

21. \$400,000 for a non-profit organization to implement an action plan to accelerate the international phase-out of leaded gasoline.

22. \$2,000,000 for the creation of five small public water system technology assistance centers pursuant to section 1420(f) of the Safe Drinking Water Act, as amended.

23. \$500,000 for a waste water reuse study in the Victorville, California area.

24. \$3,400,000 for Lake Weequahic cleanup efforts (\$3,000,000) and water quality initiatives at Lake Hopatcong (\$400,000), New Jersey.

25. \$1,000,000 (\$500,000 each) for small public water system technology centers at the University of Missouri-Columbia and at Western Kentucky University.

26. \$3,000,000 to continue the demonstration project involving leaking fuel tanks in rural Alaska villages.

27. \$250,000 for the Nature Conservancy of Alaska for protection of the Kenai River watershed.

28. \$1,250,000 to continue the onsite wastewater treatment demonstration program through the Small Flows Clearinghouse, including efforts initiated last year in flood-ravaged areas.

29. \$2,000,000 for the New York City watershed protection program.

30. \$500,000 for the Treasure Valley hydrologic project.

31. \$2,500,000 for the King County, Washington molten carbonate fuel cell demonstration project at the Renton wastewater treatment plant.

32. \$800,000 for the National Center for Vehicle Emissions Control and Safety to establish an On-Board Diagnostic Research Center.

33. \$500,000 to continue the Compliance Assistance Center for Painting and Coating Technology.

34. \$200,000 to complete the cleanup of Five Island Lake.

35. \$500,000 for the Ala Wai Canal watershed improvement project.

36. \$400,000 for the Maui algal bloom project.

37. \$100,000 for the Design for the Environment for Farmers Program to address the unique environmental concerns of the American Pacific area and the need to develop and adopt sustainable agricultural practices for these fragile tropical ecosystems.

38. \$1,500,000 for the Lake Champlain management plan.

39. \$600,000 for the final year of funding for the solar aquatic wastewater treatment dem-

onstration in Burlington, Vermont, to be cost-shared.

40. \$1,000,000 for the Alabama Department of Environmental Management to coordinate a model water/wastewater operating training program.

41. \$150,000 to establish a regional training center at the Kentucky Onsite Wastewater Center.

42. \$550,000 for the Idaho water initiative.

43. \$1,750,000 for the Three Rivers watershed protection demonstration project, to develop an overall master plan to eliminate more than 40 separate sanitary sewer overflows in the Three Rivers area of Allegheny County, Pennsylvania.

44. \$750,000 to continue the Resource and Agricultural Policy Systems program.

45. \$1,250,000 for the design of an innovative granular activated carbon water treatment project in Oahu.

46. \$2,000,000 for the Food and Agricultural Policy Research Institute's Missouri Watershed Initiative project to link economic and environmental data with ambient water quality.

47. \$1,500,000 for the National Alternative Fuels Training program.

48. \$300,000 for the California Urban Environmental Research and Education Center.

49. \$1,000,000 to continue the implementation of a wetlands-based potable water reuse program for the City of West Palm Beach.

50. \$700,000 for the Long Island Sound office.

51. \$2,000,000 for the University of Missouri Agroforestry Center to support the agroforestry floodplain initiative on a partnership basis.

52. \$300,000 for the Northeast States for coordinated air use management.

53. \$750,000 for the Chesapeake Bay Program to initiate a small watershed grants program for the implementation of cooperative tributary basic strategies that address the Bay's water quality and living resource needs.

54. \$1,300,000 for environmental justice small community grants, bringing the total program to \$2,000,000.

55. \$240,000 for the water quality testing program along the New Jersey and New York shorelines.

56. \$1,000,000 for the Soil Aquifer Treatment research program for indirect potable reuse of highly treated domestic wastewater being conducted in Arizona and California.

57. \$1,500,000 for wastewater training grants under section 104(g) of the Clean Water Act.

58. \$2,000,000 for the National Academy of Public Administration to design and manage a series of independent evaluations of recent EPA initiatives to improve the effectiveness and efficiency of EPA activities. These studies shall also assess how lessons learned can be built into ongoing agency programs. The conferees note that EPA has yet to develop a program evaluation capacity, a critical element of meeting the requirements of the Government Performance and Results Act and ensuring the most effective allocation of resources. EPA is to enter into an agreement with NAPA within 90 days, so that the reports may be made available to the Congress within two years.

59. \$1,500,000 to support response and monitoring efforts, public information functions, and cross-Agency coordination and analysis to address the causes, mechanisms, and health and environmental effects of Pfiesteria, as described in the Science and Technology account.

60. \$400,000 to continue efforts to ensure smooth implementation of notification of

lead-based paint hazards during real estate transactions through the Alliance to End Childhood Lead Poisoning.

The conferees have agreed to the following decreases from the budget request:

1. \$693,000 from managerial support within the Office of the Administrator.
2. \$1,000,000 from GLOBE.
3. \$9,000,000 from the Montreal Protocol Multilateral Fund.
4. \$54,000,000 from Climate change action plan programs.
5. \$5,500,000 from Office of Enforcement and Compliance Assurance programs. No reduction is to be applied to compliance assistance activities.
6. \$1,734,000 from the Office of International Activities global and regulatory environmental risk reduction program.
7. \$10,000,000 from the new environmental monitoring for public access and community tracking program.
8. \$10,107,000 from specific reinvention programs.
9. \$3,900,000 from the new Urban Livability program.
10. \$10,000,000 from the increase requested for sustainable development challenge grants.
11. \$2,000,000 from rental costs.
12. \$55,115,900 as a general reduction.

The conferees note that full funding has been provided for the Chesapeake Bay Program including \$833,000 for atmospheric deposition research activities.

The conferees are concerned with the Agency's perceived inflexibility regarding the implementation of the enhanced vehicle emissions and inspection programs in a number of states. Despite passage of the National Highway System Designation Act of 1995 which included language stating that, "the Administration shall not require adoption or implementation by a state of a test-only I/M 240 enhanced vehicle inspection and maintenance program," EPA has until very recently required that states using equipment other than I/M 240 perform mass emission transient testing (METT) on 0.1% of their affected vehicles, yet has only approved I/M 240 equipment to conduct the METT. It was the intent of Congress to prohibit the mandating of I/M 240 for any purpose, whether for emission testing or evaluation testing. Therefore, it is expected that the Agency will resolve this issue with the affected states and develop a non-METT test consistent with Congressional intent. The Agency is urged to develop alternatives which, as required by the Clean Air Act, are based on data collected during inspection and repair of vehicles. The alternatives also should be seamless to the customer and not result in increased costs to the customer or service station owner, and also not result in a direct or indirect penalty to the state that is not using METT. In the event that the Agency does not develop a non-METT evaluation method, the conferees would expect to address this issue in legislation.

The conferees continue to note their serious concerns regarding the new National Pollutant Discharge Elimination System (NPDES) general permit recently proposed by EPA's Region IV. This issue was raised in the House Report accompanying H.R. 2158, and it appears the Agency has done little to address the concerns raised in that document. The conferees therefore direct EPA's Region IV to adopt an NPDES general permit for offshore oil and gas extraction which is substantially similar in its terms and conditions to that adopted and used successfully by EPA's Region VI.

The conferees are aware that recent testing conducted at Lake Tahoe has shown abnormal amounts of volatile compounds, including benzene, toluene, and xylene. The conferees recommend that EPA consider conducting an analysis and produce a report detailing the actual levels of contaminants, sources, and recommendations to protect this resource.

The conferees urge that EPA's recently announced stakeholder process for the section 313 program be expeditiously undertaken and that the recommendations be adopted prior to the filing of any reports required under the recent expansion of the program. EPA should dedicate the necessary resources to ensure this process can develop materials and procedures that will simplify the reporting burden, especially for small businesses, while also improving the ability to communicate information to the public.

The conferees direct the EPA Administrator to consider for funding the NUI proposal for a large-scale demonstration pilot project in correlation with the dredging contamination technology effort currently underway at Brookhaven National Laboratory.

OFFICE OF INSPECTOR GENERAL

Appropriates \$28,501,000 for the office of inspector general as proposed by the House instead of \$28,500,000 as proposed by the Senate.

BUILDINGS AND FACILITIES

Appropriates \$109,420,000 for buildings and facilities instead of \$182,120,000 as proposed by the House and \$19,420,000 as proposed by the Senate.

For the new, consolidated research facility at Research Triangle Park, North Carolina, the conferees have agreed to an additional funding component for fiscal year 1998 of \$90,000,000. The Agency has indicated this level of funding is sufficient to continue ongoing planning and construction as scheduled throughout the fiscal year. The conferees have also included bill language which raises the authorized construction cost ceiling for this project to \$272,700,000. This level of authorization is necessary to permit the construction of the building—including the high bay facility, the computer center, and the child care center—as originally designed. Prior to the expenditure of funds relative to these three facilities, however, the Agency is directed to provide a cost/benefit analysis which justifies their inclusion as proposed in the original construction plan.

HAZARDOUS SUBSTANCE SUPERFUND

Appropriates \$2,150,000,000 for hazardous substance superfund instead of \$1,500,699,000 as proposed by the House and \$1,400,000,000 as proposed by the Senate.

The conferees have agreed to the following fiscal year 1998 program levels:

- \$990,500,000 for the superfund response cleanup program, including the full budget request for the Brownfields program.
- \$174,000,000 for the enforcement program.
- \$129,000,000 for management and support, including \$11,641,000 for transfer to the Office of Inspector General.
- \$35,000,000 for research and development activities, to be transferred to the Science and Technology account.
- \$58,000,000 for the National Institute of Environmental Health Sciences, including \$23,000,000 for worker training and \$35,000,000 for research activities.
- \$74,000,000 for the Agency for Toxic Substances and Disease Registry. The amount provided is intended to enable ATSDR to reduce significantly the backlog of more than 200 hazardous waste sites requiring public health activities and to conduct a child

health initiative. Within 30 days of enactment of this Act, ATSDR is to provide a detailed operating plan to the Committees on Appropriations. In addition, ATSDR periodically is to keep the Committees apprised of progress in reducing the backlog, efforts related to the child health initiative, and proposed new activities. Within the funds provided herein, \$4,000,000 is for minority health professions, \$2,500,000 is for continuation of a health effects study on the consumption of Great lakes fish, and \$2,000,000 is for continued work on the Toms River, New Jersey cancer evaluation and research project.

\$39,500,000 for interagency activities. The conferees note that \$100,000,000 of the funds provided herein shall not become available for obligation until September 1, 1998. Further, \$650,000,000 of the funds provided herein shall not become available until October 1, 1998, and shall be available for obligation only if specific reauthorization of the Superfund program occurs by May 15, 1998.

While the conferees have provided the full budget request for the Brownfields program, concerns remain regarding the Agency's legal authority to utilize Superfund dollars to establish revolving funds which in turn would be used to clean up sites which are neither emergency in nature nor eligible for NPL listing. Bill language has therefore been included which prohibits the use of funds under this heading for revolving loan funds unless specifically authorized in subsequent legislation.

Again this year, the conferees direct that all fiscal year 1997 carryover funds be used for additional response action/cleanup efforts. In addition, in order to enhance the fiscal year 1998 response action/cleanup program, the conferees direct the Agency to move expeditiously to deobligate and recapture as much unspent prior-year cleanup funds as possible.

The conferees reiterate the position of the House that strongly encourages the Agency to implement a fixed-price, at-risk contracting proposal for the clean-up of the Carolina Transformer Site in North Carolina.

With regard to the Agriculture Street Landfill Superfund site in New Orleans, the conferees are aware of the potential health risks associated with remediating the undeveloped property without permanent or temporary relocation of the nearby residents, or some other responsible mitigation effort. The conferees thus strongly urge the Agency to stay the remediation of the site, pursuant to its Record of Decision of September 2, 1997, until this matter can be satisfactorily resolved.

The conferees also reiterate the concern expressed in the House Report accompanying H.R. 2158 regarding the EPA's response to certain "emergencies." Questions of both legal authority and the excessive expenditure of funds outside the scope of the Agency's operating plan remain very troubling. The conferees therefore direct the EPA to notify the Committees on Appropriations within 72 hours of the Agency's undertaking an emergency response at non-NPL sites that is expected to exceed \$5,000,000 in total cost.

Last year, the conferees included language directing the EPA Administrator to begin construction immediately at the Pepe Field Superfund site in Boonton, New Jersey. Due to a change in the remedy by the EPA, the construction has again been delayed. The conferees are concerned with this delay and direct the Administrator to begin construction immediately.

LEAKING UNDERGROUND STORAGE TANK PROGRAM

Appropriates \$65,000,000 for the leaking underground storage tank program as proposed by the Senate instead of \$60,000,000 as proposed by the House. Language is also included which provides a maximum of \$7,500,000 for the program's administrative costs as proposed by the Senate instead of \$9,100,000 as proposed by the House.

The conferees direct that not less than 85 percent of the funds provided be allocated to the States.

OIL SPILL RESPONSE

Appropriates \$15,000,000 for oil spill response as proposed by the House and the Senate. Bill language is also included which provides a maximum of \$9,000,000 for the program's administrative costs as proposed by the House instead of \$8,500,000 as proposed by the Senate.

STATE AND TRIBAL ASSISTANCE GRANTS

Appropriates \$3,213,125,000 for state and tribal assistance grants instead of \$3,026,182,000 as proposed by the House and \$3,047,000,000 as proposed by the Senate.

Bill language provides the following program levels:

\$1,350,000,000 for Clean Water Capitalization Grants.

\$725,000,000 for Safe Drinking Water Capitalization Grants. The conferees note that amounts provided for drinking water state revolving funds are available for national set-asides outlined in section 1452; however, health effects research is funded in the Science and Technology account as proposed by the Administration.

\$75,000,000 for the United States-Mexico Border Program.

\$50,000,000 for colonias in Texas, including bill language which provides a 20% match for these funds. The match requirement may be fulfilled through the commitment of state funds for either loans or grants for construction of wastewater or water systems serving colonias and the match may also consist of payment on bond interest associated with loans or grants for construction of wastewater and water systems. With respect to prior appropriated funds for colonias, the match requirement may be fulfilled through the commitment of state funds for either loans or grants for construction of wastewater systems serving colonias and may also consist of payment on bond interest associated with loans or grants for construction of wastewater systems.

\$15,000,000 for Alaska rural and Native Villages, to be cost-shared.

\$745,000,000 for state and tribal categorical grants, including increases above the budget request of \$24,743,000 for particulate matter monitoring and data collection and \$5,000,000 for section 319 non-point source pollution grants. Language is included to direct that the PM monitoring and data collection grants be issued pursuant to section 103 of the Clean Air Act so as not to require a state, tribal, or local cost share. The conferees agree that performance partnership grants and statutorily authorized transfers between state revolving funds are both exempt from the Congressional reprogramming limitations. Finally, language is included which clarifies that, as provided in the authorizing statutes for the various program grants, eligible recipients have included since fiscal year 1996 interstate agencies, tribal consortia, and air pollution control agencies, as well as States and tribes.

\$253,125,000 for grants for construction of "special needs" wastewater, water treatment

and drinking water facilities, and for groundwater protection infrastructure.

Bill language has been included which: (1) authorizes cross collateralization of clean water and safe drinking water state revolving funds as security for bond issues; (2) authorizes the Administrator to make grants to federally recognized Indian governments for the development of multi-media environmental programs; (3) makes it possible for EPA to use funds under this account for specific programs and purposes in state and tribal areas when such state or tribe does not have an acceptable program in place; and (4) authorizes the Administrator to make a grant of deobligated FWPCA section 205 funds for wastewater treatment facilities in Monroe County, Florida.

Finally, bill language has been included which provides for an 80/20 cost share for the use of capitalization funds for the District of Columbia. The provision, which is intended to permit the District to move aggressively in making necessary repairs and upgrades in its wastewater treatment facilities, will sunset in two years.

The conferees agree that the special needs funds are provided as follows:

1. \$50,000,000 for Boston Harbor wastewater needs.

2. \$3,000,000 for continued wastewater needs in Bristol County, Massachusetts.

3. \$8,000,000 for New Orleans wastewater needs.

4. \$5,000,000 to implement drinking water facility improvements under Title IV and to implement combined sewer overflow (CSO) projects in Richmond (\$2,500,000) and Lynchburg (\$2,500,000), Virginia.

5. \$14,000,000 for continuation of the Rouge River National Wet Weather Demonstration project.

6. \$5,000,000 for wastewater and water system needs of the Omnalinda Water Association (\$500,000); the Jenner Township Sewer Authority (\$2,600,000), and the North Fayette County Municipal Authority (\$1,900,000), Pennsylvania.

7. \$13,000,000 for the Millcreek Tube Sewer upgrade/combined sewer overflow project.

8. \$3,000,000 for phase one of Sacramento's wastewater treatment facility upgrade.

9. \$10,000,000 for planning and implementation of a storm water abatement system in the Doan Brook Watershed Area, Ohio.

10. \$6,900,000 for wastewater infrastructure needs for Kenner (\$5,000,000) and Baton Rouge (\$1,900,000), Louisiana.

11. \$2,250,000 for Ogden, Utah's sanitary storm sewer and drinking water distribution systems.

12. \$2,500,000 to assist the Bad Axe, Michigan water crisis.

13. \$10,000,000 to complete the wastewater improvement program at the Clear Lake Sanitary District, Iowa.

14. \$7,000,000 for combined sewer overflow requirements in Lycoming County (\$4,000,000) and for wastewater needs of the Pocono/Jackson Township Joint Authority (\$1,500,000) and Smithfield Township in Monroe County (\$1,500,000), Pennsylvania.

15. \$1,200,000 for phase two of the Geysers Effluent Project in Northern California.

16. \$14,000,000 for continued clean water improvements of Onondaga Lake.

17. \$5,000,000 for wastewater and drinking water system needs in Clearfield, Mifflin, Snyder and Fulton Counties (\$1,250,000); Decatur Township (\$150,000); Lawrenceville Township (\$300,000); Lyleville (\$300,000); Lewistown (\$1,000,000); McVeytown (\$500,000); Adams Township and Port Trevorton (\$500,000); Middleburg (\$500,000); and McConnellsburg (\$500,000), Pennsylvania.

18. \$10,000,000 for water supply and wastewater needs for the City of Burnside (\$2,000,000); the City of Williamsburg (\$3,000,000); the City of Wayland (\$1,500,000); the City of Hyden (\$1,500,000); and the Morgan County Water District (\$2,000,000), Kentucky.

19. \$1,275,000 for wastewater needs for East Mesa (\$700,000), West Mesa (\$500,000), and Lordsburg (\$75,000), New Mexico.

20. \$4,000,000 for an alternative water supply system in Jackson County, Mississippi.

21. \$2,000,000 for wastewater facilities and improvements in Essex County, Massachusetts.

22. \$2,000,000 for the Milwaukee Metropolitan Sewerage District urban watershed restoration project (Lincoln Creek).

23. \$7,150,000 for export pipeline replacement to protect Lake Tahoe.

24. \$7,000,000 for wastewater facility and sanitary system improvements in Burlington, Iowa.

25. \$7,000,000 for the Ashley Valley, Utah sewer management board for wastewater improvements.

26. \$5,000,000 for water systems improvements in the Virgin Valley Water District, Nevada.

27. \$2,000,000 for the town of Epping, New Hampshire, for wastewater treatment upgrades.

28. \$4,300,000 for wastewater improvements in Queen Anne's County, Maryland, (\$2,300,000); and biological nutrient removal of sewage on the Pocomoke River, Maryland (\$2,000,000).

29. \$6,000,000 for water/wastewater improvements in the Moreland/Riverside area of Bingham County (\$3,000,000); the City of Rupert (\$2,000,000); and the Rosewell and Homedale areas (\$1,000,000) of Idaho.

30. \$5,000,000 for Missoula, Montana sewer system improvements.

31. \$3,000,000 for the Milton, Vermont wastewater treatment plant project.

32. \$5,000,000 for sewage infrastructure improvements for Connellsville and Bullshead Townships in Fayette, Pennsylvania (\$2,500,000) and Fallowfield Township, Pennsylvania (\$2,500,000).

33. \$6,300,000 for wastewater treatment improvements in Pulaski County (\$5,000,000) and Kingdom City (\$1,300,000), Missouri.

34. \$8,000,000 for the Upper Savannah Council of Governments for wastewater facility improvements for the Savannah Valley regional sewer project in Abbeville, McCormick, and Edgefield Counties, South Carolina.

35. \$3,300,000 for water system improvements in Jackson County (\$800,000), Washington County (\$2,000,000), and Cleburne County (\$500,000), Alabama.

36. \$1,800,000 for water treatment improvements in the Joshua Basin Water District.

37. \$100,000 for wastewater infrastructure improvements in Ascension Parish, Louisiana.

38. \$50,000 for water and sewer improvements in the City of Kinloch, Missouri.

39. \$3,000,000 for alternative source projects in the St. Johns River, South Florida, and Southwest Florida Water Management Districts.

The conferees recognize the acute need for additional water treatment capacity in San Diego County, California. While limited funds prevent the conferees from providing fiscal year 1998 funds for the development of the Olivenhain Water Treatment Project, the conferees recognize the project's potential to demonstrate the environmental and health benefits associated with microfiltration

technology. Also, with regard to San Diego's South Bay Water Reclamation Facility, the conferees are aware of the City's application for grant assistance through the United States-Mexico border projects program and that EPA and the NADBank have not rendered final judgment on the application. The conferees urge the Agency and the NADBank to review carefully this matter so as to provide any appropriate support. Should the application of the City be declined, the Agency is to provide a report to the Committees on Appropriations within 30 days of such action which explains in detail the decision of the Agencies.

Finally, the conferees note their support for construction of the Jonathan Rogers plant in El Paso, Texas and encourage the Agency to provide an appropriate amount from the border infrastructure fund to support the federal share of this project.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Appropriates \$2,500,000 for the Council on Environmental Quality and Office of Environmental Quality instead of \$2,506,000 as proposed by the House and \$2,436,000 as proposed by the Senate.

The conferees have agreed to bill language proposed by the House which stipulates that, notwithstanding the provisions of the National Environmental Policy Act (NEPA), there will for fiscal year 1998 be just one member of the Council on Environmental Quality (instead of three), and that individual shall act as chairman.

The conferees have also agreed to language proposed by the Senate which prohibits CEQ from using funds other than those appropriated directly to CEQ under this heading. This language is intended to prevent CEQ from augmenting its staff through the use of employees detailed from other federal agencies. It is not intended to prevent CEQ from conducting activities authorized under NEPA, including the coordination of activities of federal agencies relative to environmental policy issues. Further, the language is not intended to bar the formation of inter-agency task forces or prevent requests for information from other federal agencies.

UNANTICIPATED NEEDS

Appropriates \$1,000,000 for unanticipated needs within the Executive Office of the President. The conferees note that this funding was included in this legislation at the request of the Administration because it was excluded from another appropriation measure. The conferees do not anticipate funding this program in this Act in subsequent fiscal years.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

Appropriates \$34,365,000 for the Office of Inspector General as proposed by the House instead of \$34,265,000 as proposed by the Senate. Funds for this account are derived from the Bank Insurance Fund, the Savings and Loan Association Insurance Fund, and the FSLIC Resolution Fund, and are therefore not reflected in either the budget authority or budget outlay totals.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

Appropriates \$320,000,000 for disaster relief as proposed by the Senate instead of \$500,000,000 as proposed by the House.

The conferees are supportive of FEMA's initiative to establish a Federal Coordi-

nating Officer cadre staffed by full-time employees and funded by the Disaster Relief Fund to support ongoing field operations. The Agency is expected to keep the Committees on Appropriations informed of its progress as it proceeds with its plans to enroll the 25 member cadre. If the Agency moves forward on this initiative, the fiscal year 1998 operating plan should reflect this activity.

While the conferees have not included language proposed by the Senate prohibiting the use of disaster relief funds in certain instances, the conferees support efforts to rein in disaster relief expenditures, which have grown exorbitantly in recent years. The conferees acknowledge that under current law, disaster relief payments have been made for such lower priority activities as refurbishing golf courses in certain high income communities. To offset the cost of growing disaster relief requirements, a series of supplemental appropriations bills in the past few years have included large rescissions of funds from other agencies' programs, principally low income housing. Earlier this year, FEMA proposed amendments to the Stafford Act which represent a modest first step in curbing disaster relief expenditures. The conferees strongly urge the communities of jurisdiction to take swift action to consider the proposed Stafford Act amendments, including holding hearings at the earliest possible time.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriates \$243,546,000 for emergency management planning and assistance instead of \$261,646,000 as proposed by the House and \$207,146,000 as proposed by the Senate. Bill language is included which provides \$30,000,000 for pre-disaster mitigation activities instead of \$50,000,000 as proposed by the House and \$5,000,000 as proposed by the Senate for pre-disaster mitigation grants to state and local governments.

The conferees have provided the following increases to the budget request:

\$500,000 for the completion of a comprehensive analysis and plan of all evacuation alternatives for the New Orleans metropolitan area.

\$5,000,000 for FEMA to continue the replacement and upgrade of emergency equipment and vehicles. The conferees expect to be informed in the operating plan as to how these funds are expected to be spent.

\$3,000,000 for State and local assistance through comprehensive cooperative agreements.

\$2,900,000 for the Dam Safety program, including \$1,000,000 for research in dam safety; \$1,000,000 for incentive grants to States to upgrade their dam safety program; \$500,000 for training programs for State dam safety inspectors; and \$400,000 for administration of the program.

The conferees have included bill language providing for a grant of \$1,500,000 to resolve issues under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, involving the City of Jackson, Mississippi. These issues were identified in a January 30, 1989 report of the United States Department of Housing and Urban Development.

Acknowledging the importance of pre-disaster mitigation in reducing the loss of human life, the costs and disruption caused by severe property damage, and the ever-growing cost to all taxpayers of government-backed disaster relief efforts, the conferees have provided \$30,000,000 for program planning and implementation of pre-disaster

mitigation efforts. The conferees acknowledge the potential value of various alternatives that have been suggested to achieve pre-disaster mitigation, including grants to state and local governments to conduct pilot demonstration projects as proposed by the Agency in their fiscal year 1998 budget submission, the HomeSaver Project proposed by The Partnership for Natural Disaster Reduction, the rapid deployment-technologies concept proposed by the Centers for Protection Against Natural Disasters (CPAND), and other research and applied engineering activities, particularly those jointly funded by the public and private sectors.

The conferees agree that up to \$5,000,000 of the amount provided for pre-disaster mitigation is available immediately to fund up to seven pilot projects approved by the Director of FEMA. Prior to the expenditure of the remaining funds for any specific pre-disaster mitigation program or project, the conferees direct that the appropriate level of funding be used by the Agency to conduct a formal needs-based analysis and cost/benefit study of all of the various mitigation alternatives. The results of these analyses and studies, along with any relevant information learned from the aforementioned seven pilot projects, shall be incorporated into a comprehensive, long-term National Pre-disaster Mitigation Plan. The plan should be developed, independently peer-reviewed, and submitted to the Committees on Appropriations not later than March 31, 1998. FEMA is directed to involve in this planning effort participants which shall include, but are not limited to, representatives of FEMA and other federal agencies, state and local governments, industry, universities, professional societies, the National Academy of Sciences, The Partnership for Natural Disaster Reduction, and CPAND. The conferees intend that none of the remaining funds provided herein be obligated until the plan has been completed and submitted as outlined above. The conferees note that this approach is intended to be the foundation for providing the best and most cost-effective solution to reduce the tremendous human and financial costs associated with natural disasters.

The conferees believe that attention is warranted to minimize losses to existing steel frame structures during and following major earthquakes. Although many steel frame structures were designed and constructed in accordance with building codes in effect at the time of construction, experience in the 1994 Northridge, California earthquake and the 1995 Kobe, Japan earthquake suggests a heightened vulnerability of these structures. Accordingly, the conferees urge FEMA to consider a pilot pre-disaster mitigation project that would incorporate the greater use of new steel frame manufacturing and retrofitting technologies as a method to reduce disaster response costs.

The conferees are aware of proposals by the International Hurricane Center at Florida International University to apply advanced high-accuracy satellite laser altimeter surveying techniques to coastal and flood plain modeling and post natural disaster damage assessments. FEMA is urged to consider funding such proposals from discretionary funds to improve its modeling, mapping, damage assessment, and pre-disaster mitigation efforts.

The conferees understand that many scientists studying climate change have predicted a large-scale El Nino phenomenon this year. Many such experts who have monitored this phenomenon for decades project that

this El Nino may cause extreme weather events far worse than others associated with El Nino events of past years. While it is impossible to prevent these extreme weather events, the conferees recognize that recently developed El Nino prediction capabilities can be utilized to mitigate loss of life, human dislocation, and property damages which may occur. The conferees encourage FEMA to work with other federal agencies, including NOAA, NASA, USDA, the Army Corps of Engineers, and the Department of the Interior to utilize El Nino prediction data for disaster planning and mitigation during fiscal year 1998 and explore opportunities to expand the use of this new predictive capability for long-term mitigation planning.

The conferees note that Pointe Coupee Parish, Louisiana faces the potential threat of multiple disasters, which include the fixed site storage and transportation of volatile chemicals, a nuclear power generating facility, and such weather related threats as hurricanes, floods, and tornadoes. Disaster mitigation and response requires rapid response by civil agencies, but this is not possible without a communications system with the capability to coordinate immediately the activities of all disaster response teams. The conferees urge FEMA to work closely with the Parish and provide appropriate support for the installation and testing of a prototype communications system. Disaster response officials from Pointe Coupee Parish are expected to work closely with FEMA to make available the results of the demonstration project to other local governments and law enforcement agencies.

NATIONAL FLOOD INSURANCE FUND

Bill language which extends the borrowing authority for the flood insurance program of \$1,500,000,000 for fiscal year 1998 as proposed by the House has been included.

The conferees have also included new bill language which authorizes the National Flood Insurance Program for fiscal year 1998. Without this authorization, new flood insurance policies could not be written throughout the fiscal year.

Finally, language which permits the continuation of flood mapping activities of FEMA has been included.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The conferees note that the United States space launch industry has identified underutilized infrastructure at the Stennis Space Center for potential use in launch vehicle development activities. The conferees consider such proposed use of this infrastructure to be compatible with the Center's propulsion test programs and consistent with other efforts to optimize taxpayer investments while fostering U.S. competitiveness and commercial use of space. The conferees urge NASA to pursue an appropriate method for making the underutilized Stennis infrastructure available under suitable terms and conditions, if so requested by industry, and to notify the Committees on Appropriations of the House and Senate if existing NASA authority is insufficient for this purpose.

HUMAN SPACE FLIGHT

Appropriates \$5,506,500,000 for human space flight instead of \$5,426,500,000 as proposed by the House and \$5,326,500,000 as proposed by the Senate. Within this amount, the appropriation for space shuttle is \$2,927,800,000, the appropriation for payload and utilization is \$227,400,000, and the appropriation for space station and related activities is \$2,351,300,000.

The conferees agree that the agency may provide \$1,000,000 for the Neutral Buoyancy

Simulator program, as was provided in the Senate bill. In addition, before providing funding for the program, the conferees request that NASA report on the potential viability of commercialization of the Neutral Buoyancy Simulator.

The conferees have agreed to an appropriation of \$2,351,300,000 for Space Station activities in fiscal year 1998, including \$80,000,000 from funds in the mission support account identified by the agency (\$25,000,000 from TDRS, \$20,000,000 from environmental programs, \$30,000,000 from Research Operations Support, and \$5,000,000 from facilities), \$100,000,000 in addition to the agency's request, and \$50,000,000 by reallocation from within the amounts requested in the Human Space Flight account.

Of the amount provided for space station activities, no more than \$1,500,000,000 shall be available before March 31, 1998, as stated in the bill.

The conferees are troubled by the problems with the space station which include projected development cost overruns of \$600,000,000-\$800,000,000, the inability to hold critical hardware delivery and launch dates despite receiving the post re-design funding profile requested by the Administration, and failure to reduce the contractor team's development workforce in keeping with budget projections submitted with the 1997 and 1998 budgets.

Therefore, the conferees have agreed to provide only part of the funding and none of the transfer authority that NASA has identified as necessary for the program in fiscal year 1998, \$230,000,000 above the Administration's budget request, rather than \$430,000,000. In addition, the conferees have withheld about a third of the total space station funds, pending receipt of certain documents and information listed below. This gives NASA and the space station contractor the opportunity to reexamine the funding profile, schedule, content, and efficiency of the program.

The remaining \$851,300,000 will be made available after March 31, 1998, if the Committees on Appropriations receive the Administration's fiscal year 1999 budget for NASA, including the annual run-out budget for the Station program through assembly complete, and also outyear projections for other NASA enterprises that retains funding levels for fiscal year 1999-2002 at levels no less than those assumed in the fiscal year 1998 budget. The conferees expect the outyear projections to reflect a balance among NASA's programs.

In addition to the requirement about the fiscal year 1999 NASA budget and bill language limiting the use of a portion of space station funds until March 31, 1998, the remaining \$851,300,000 remains fenced until and unless NASA provides the following items to the Committees on Appropriations of the House and Senate, and the Committees subsequently approve the release of these funds:

1. A detailed plan, agreed jointly to by NASA and the prime contractor, for the contractor's monthly staffing levels through completion of development, and evidence that the contractor has held to the agreed-upon destaffing plan through the first four months of fiscal year 1998;

2. A detailed schedule, agreed jointly to by NASA and the prime contractor, for delivery of hardware, and NASA's plans for launching the hardware;

3. A detailed report on the status of negotiations between NASA and the prime contractor for changes to the contract for sustaining engineering and spares, with the ex-

pectation that NASA adhere to the self-imposed annual cap of \$1,300,000,000 for operations after construction is complete; and

4. A detailed analysis by a qualified independent third party of the cost and schedule projections required in 1), 2), and 3) above, either verifying NASA's data or explaining reasons for lack of verification.

Given how severe the program's budget problems are, the conferees are also mindful that future NASA budgets must be funded within discretionary spending caps in the five-year balanced budget agreement, meaning that budget outlays in fiscal year 1999 for all discretionary spending will grow by just one percent. As a result, the conferees are concerned that future NASA budgets not force reductions in the current outyear projections for space science, earth science, aeronautics, and advanced space transportation because of the need to accommodate overruns in the space station budget.

SCIENCE AERONAUTICS AND TECHNOLOGY

Appropriates \$5,690,000,000 for science, aeronautics and technology as proposed by the House instead of \$5,642,000,000 as proposed by the Senate.

The conference agreement reflects the following changes from the budget request:

1. A general reduction of \$66,000,000.
2. An increase of \$1,000,000 for Multiple Sclerosis cooling therapy research.
3. An increase of \$5,500,000 for the space radiation health program.
4. An increase of \$1,000,000 for eye tracking technology miniaturization.
5. An increase of \$10,000,000 for additional optical astronomy test beds as proposed in the Senate report (105-53). This amount represents the total NASA contribution to the capital costs for these efforts and operating costs are to be covered by the host activity.
6. An increase of \$1,000,000 for the United States/Mexico Foundation for Science.
7. An increase of \$5,000,000 for the lightning mapper sensor.
8. An increase of \$450,000 for use of satellite imagery in urban planning and agricultural applications.
9. An increase of \$15,000,000 for funding up to five consortia to develop regional application with the use of EOS data.
10. An increase of \$5,800,000 for Commercial Technology Programs.
11. An increase of \$6,000,000 for telecommunications technology infrastructure for K-12 schools.
12. An increase of \$1,900,000 for the National Technology Transfer Center.
13. An increase of \$1,750,000 for the Midwest Regional Technology Transfer Center.
14. An increase of \$5,000,000 for a NASA business incubator program which is designed to foster partnerships between educational institutions and small high-technology businesses. The program is to be a nation-wide competitive program with successful applicants demonstrating at least 50 percent of total funds will be derived from non-federal sources.
15. An increase of \$1,500,000 to restructure the Software Optimization and Reuse Technology program. The conferees are concerned that this program has not delivered expected results; the conferees expect NASA to restructure its current funding mechanism to allow for greater oversight and improved results. The conferees expect this funding to be expended over a two year period.
16. The conferees agree to provide an additional \$20,000,000 only for post-cycle I activity on the Low Cost Booster Technology Demonstration. NASA is to proceed with cycle I awards, but no funds may be used for

market analysis or development of business plans. In addition, the conferees agree that prior to any contract awards beyond cycle I, NASA, with the Marshall Space Flight Center as the lead center, is to convene a conference of all interested parties to determine the best program structure to achieve the goal of a space launch platform for a 150 kg payload to attain a 200 nautical mile, sun-synchronous orbit, in the range of less than \$2,000,000 in recurring cost. Furthermore, the conferees agree that said conference shall conclude prior to the end of cycle I and that recommended changes to the program that materialize shall be presented to Congress prior to implementation by NASA.

17. An increase of \$1,500,000 for MSE-Technology Applications, Western Environmental Technology Office.

18. An increase of \$1,000,000 for a joint program with the Department of Defense.

19. An increase of \$3,300,000 for replication of the SEMAA program.

20. An increase of \$2,500,000 for a science learning center in Kenai, Alaska.

21. An increase of \$1,000,000 for the Discover Science Center, Santa Ana, California.

22. An increase of \$9,000,000 for expansion of the Partnership Awards program.

23. An increase of \$2,000,000 for Daily Living Science Center in Kenner, Louisiana.

24. An increase of \$5,800,000 for the Space Grant College and Fellowship program.

25. An increase of \$1,500,000 for the Pennsylvania Educational Telecommunications Exchange Network.

26. An increase of \$1,500,000 for academic and infrastructure needs at the Apple Valley, California science and technology center.

27. An increase of \$3,000,000 for Solar-B.

28. An increase of \$3,000,000 for solar stereo.

The conferees also agree that NASA should continue with its efforts to purchase Earth science data from private industry to the extent it is appropriate.

The conferees concur with the intent of the language in Senate report 105-53 with regard to the Earth Observing System Data Information System (EOSDIS). The conferees wish to make clear, however, that NASA should make any evaluation of the future of the ECS based not only upon delivery, but also successful performance demonstrated in the initial post-launch operational capabilities of EOSDIS as it relates to both the AM-1 and Landsat-7 spacecraft. Further, the conferees believe that NASA should proceed carefully with the federation of mission to planet earth, but ensure the earth science community should not in any way be prevented from participating in this endeavor. Therefore, issuance of any conflict of interest guidelines should be construed narrowly to apply only to immediate ESSAC members, and pertain simply to future eligibility for any cooperative agreement notices related exclusively to federated management funding, which is to be capped in fiscal year 1998 at \$10,000,000.

The conferees concur with the direction of the Senate to promote competition in the award of advanced technology development (ATD) funds. To achieve this end, commencing with fiscal year 1998 and continuing in each year thereafter, NASA should consolidate all space science ATD activities into an easily accessible consolidated budget line item and award not less than 75 percent of these funds through broadly distributed announcements of opportunity that solicit proposals from all categories of organizations, including educational institutions, industry, nonprofit institutions, NASA Centers, the Jet Propulsion Laboratory, and other Gov-

ernment agencies, and that allow partnerships among any combination of these entities, with evaluation, prioritization, and recommendations made by external peer review panels, consistent with the recommendations contained in the 1995 National Academy of Sciences report on managing the space sciences. In awarding ATD funds in this manner, the conferees wish to make clear that final selection of all proposals rests with NASA officials consistent with Office of Procurement Policy guidelines; and that setting technology requirements that are the foundation of the AO's rests with NASA program managers, consistent with guidance provided by advisory bodies of the at-large science community. In this fashion, NASA's technology investments will be managed in a manner parallel to that traditionally employed in implementing the agency's science program.

MISSION SUPPORT

Appropriates \$2,433,200,000 for mission support instead of \$2,513,200,000 as proposed by the House and \$2,503,200,000 as proposed by the Senate. The conference agreement includes transfer of \$80,000,000 from this appropriation to the Human Space Flight appropriation for the space station effort. The specific reductions to this appropriation are delineated in an earlier section of this statement. In addition, the conferees agree that \$5,000,000 is to be provided for facilities enhancements at the Stennis Space Center.

The conferees concur with the direction of the Senate with respect to the NASA Wallops flight facility. The conferees wish to make clear that none of the funds appropriated or otherwise made available to the National Aeronautics and Space Administration by this Act, or any other Act enacted before the date of enactment of this Act, may be used by the Administrator of the National Aeronautics and Space Administration to relocate aircraft of the National Aeronautics and Space Administration based east of the Mississippi River to the Dryden Flight Research Center in California.

ADMINISTRATIVE PROVISIONS

The conferees have included an administrative provision as proposed by the Senate which directs NASA to use \$400,000 for a study by the National Research Council which evaluates the engineering challenges posed by extravehicular activity requirements of space station construction/assembly.

The conferees have not included the administrative provision proposed by the House and stricken by the Senate which would have provided \$150,000,000 of transfer authority.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

Appropriates \$1,000,000 for the National Credit Union Administration for the Community Development Revolving Loan Program for credit unions as authorized by Public Law 103-325.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

Appropriates \$2,545,700,000 for research and related activities, instead of \$2,537,526,000 as proposed by the House and \$2,524,700,000 as proposed by the Senate.

The conferees are in receipt of the Foundation's explanation of the programmatic areas of Knowledge and Distributed Intelligence in the Information Age and Life and Earth's Environment. The Foundation has not yet provided appropriate milestones and guideposts, to be accomplished in fiscal year 1998,

and against which the agency can be measured in determining funding for fiscal year 1999. The conferees expect to receive such milestones and guideposts before the Foundation obligates any further funding for these programmatic areas.

Through a cooperative agreement, the National Science Foundation has authorized the collection of fees for the registration of internet domain names. Under the terms of that agreement, a fund for the intellectual infrastructure of the internet has been established. For purposes of justifying the Foundation's requests for appropriations, the Foundation has included networking activities, such as the domain name registration activity, within its research facilities portfolio. The conferees concur that these activities should be considered research facilities.

Accordingly, the conferees direct the Foundation to credit up to \$23,000,000 of the funds collected in the "intellectual infrastructure" fund to the Foundation's Research and Related Activities account for Next Generation Internet activities, pursuant to the authority to credit "receipts for scientific support services and material furnished by National Science Foundation supported research facilities."

The conferees are in agreement with the report of the Senate regarding participation by EPSCoR states in development of the Next Generation Internet. The conferees expect to receive the report by March 31, 1998.

At its March 1997 meeting, the National Science Board evaluated proposals for Partnerships with Advanced Computational Infrastructure (PACI). At that meeting, two partnership proposals from two existing supercomputing centers were not selected. The Board provided for the phase-out over a period of up to two years of the two centers not selected. This phase-out was designed to recognize the substantial investment made by the United States in these two centers and to keep their resources available to the user community during a period of transition to the new partnership structure.

The conferees are concerned that funding for the orderly phase-out of the two existing supercomputing centers, and the seamless transition of the user community to the new PACI program, be fully and fairly achieved in an expeditious and truly cooperative manner. Rather than providing additional funds for that purpose at this time, the conferees direct the Foundation to provide a report to the Committees on Appropriations of the House and Senate which details both the progress of the PACI program to date, and its further plans for the orderly phase-out and seamless transition of the Foundation's supercomputing program. This report should be submitted with the fiscal year 1999 budget and should focus particularly on how "high-end" users of the IBM SP supercomputing system will be fully serviced by the new partnerships, or, if necessary, by the new partnerships in close collaboration with the centers being phased-down.

The conferees have agreed to provide \$40,000,000 in addition to the budget request for a competitive, peer-reviewed plant genome research program. The conferees are in agreement that the program established by the National Science Foundation should be accomplished after consultation with the National Science and Technology Council's Interagency Working Group on plant genome research.

The conferees have also agreed to provide \$1,000,000 for the United States/Mexico Foundation for Science as proposed by the House.

Finally, the conferees encourage the National Science Foundation to study how it

would establish and operate a National Institute for the Environment.

MAJOR RESEARCH EQUIPMENT

Appropriates \$109,000,000 for major research equipment instead of \$175,000,000 as proposed by the House and \$85,000,000 as proposed by the Senate.

The conferees agree to provide \$4,000,000 for technical enhancements to the Gemini telescope project and \$70,000,000 for upgrades to Antarctic facilities. The amount provided for Antarctic facilities includes \$35,000,000 to be made available immediately and the remaining \$35,000,000 to be available on September 30, 1998. The conferees have not provided the budget request of \$25,000,000 for the Polar Cap Observatory. The conferees direct the National Science Foundation to provide the Committees on Appropriations of the House and Senate an analysis of alternative sites for location of the observatory and a report on the scientific justification for the project.

EDUCATION AND HUMAN RESOURCES

Appropriates \$632,500,000 for education and human resources, as proposed by the House instead of \$625,500,000 as proposed by the Senate.

The conferees agree to provide \$2,000,000 for Advanced Technology Education and \$5,000,000 for an initiative to improve the production of science and engineering doctorates drawn from under-represented groups as proposed in the House report. In addition, the conferees agree that the Foundation should provide \$6,000,000 for an undergraduate reform initiative to increase the numbers of under-represented populations in mathematics, engineering and the sciences as proposed in the Senate report.

SALARIES AND EXPENSES

Appropriates \$136,950,000 for salaries and expenses, the same as provided by the House and the Senate. The conferees agree with the direction contained in the Senate report with regard to reporting total cost of administration and management.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD

REINVESTMENT CORPORATION

Appropriates \$60,000,000 for the Neighborhood Reinvestment Corporation instead of \$70,000,000 as proposed by the House and \$50,000,000 as proposed by the Senate. As this is a 20 percent increase over the fiscal year 1997 funding level, the conferees request the Corporation to notify the Committees on Appropriations as to how this additional funding will be specifically utilized throughout the fiscal year.

TITLE IV—GENERAL PROVISIONS

Language as proposed by the Senate which will allow funds made available under section 320(g) of the Federal Water Pollution Act to be used for implementing comprehensive conservation and management plans is included as section 420.

Bill language regarding the Office of Consumer Affairs is included as section 421 as proposed by the Senate instead of as section 420 as proposed by the House.

Inserts language proposed by the Senate defining "qualified student loan" with respect to national service awards, modified to make the provision apply only to Alaska.

Deletes language proposed by the Senate expressing a sense of the Senate regarding funding of veterans discretionary programs in future years. The conferees are concerned with the budget projections for veterans medical spending assumed in the 1997 Balanced Budget Act. Veterans medical spend-

ing should be afforded the highest priority in the budget process in coming fiscal years to ensure that high quality medical care is accessible and available to all eligible veterans. The conferees note that the highest priority was afforded to veterans medical spending in the conference agreement on this legislation, which makes available approximately \$300,000,000 above the amount assumed in the budget agreement.

Deletes language proposed by the House which prohibits the expenditure of funds to implement regulations regarding the importation of PCBs and PCB items.

Deletes language proposed by the House which prohibits the expenditure of funds for grants or contracts to institutions of higher education which restrict ROTC activities.

Deletes without prejudice language proposed by the Senate requiring Senate hearings relating to compensation benefits for radiation exposure. The Senate conferees support the Senate provision regarding Senate hearings and a CBO cost study concerning the atomic veterans issue. The conferees are concerned that veterans who were exposed to ionizing radiation while serving on active duty may have contracted various diseases which currently are not on the presumptive list of disabilities for radiogenic diseases, and urge the Secretary to review this matter.

TITLE V—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PORTFOLIO REENGINEERING

Modifies S. 513, the "Multifamily Assisted Housing Reform and Affordability Act of 1997," which was incorporated, by reference, by the Senate. The House-passed measure did not include a similar provision. The policies contained in this provision ensure the continued economic and physical vitality of the properties restructured under this title, protect the FHA insurance fund from excessive defaults, reduce the cost of rent subsidies paid to support insured projects, and guard against possible displacement of families who live in these buildings.

Title V of the Act is divided into four subtitles. Subtitle A establishes a "mark-to-market" program to reduce the costs of over-subsidized section 8 multifamily housing properties insured by the Federal Housing Administration (FHA). Subtitle B includes several miscellaneous provisions to reform and establish new authority for the Secretary to recapture interest reduction payment subsidies from section 236 insured multifamily housing properties for purposes of providing rehabilitation grants to properties suffering from deferred maintenance. Subtitle C of the bill contains a number of provisions to minimize the incidence of fraud and abuse with regard to Federally assisted housing programs. Subtitle D creates the Office of Multifamily Housing Assistance restructuring.

Under the "mark-to-market" program, FHA-insured section 8 housing properties with above market rents are eligible for debt restructuring to reduce rent levels to those of comparable market rate properties or to the minimum level necessary to support proper operations and maintenance. In response to limitations with the Department's capacity, the legislation shifts the administration and management of this portfolio from the Department to capable entities charged with protecting the affordable housing stock in a fiscally responsible manner. Additionally, the legislation terminates the government's relationship with owners who fail to comply with Federal requirements and ends the practice of subsidizing properties that are not economically viable.

SELECTING PARTICIPATING ADMINISTRATIVE ENTITIES

This legislation utilizes capable public entities, nonprofits, and for-profit entities to act as participating administrative entities (PAEs) on behalf of the Federal government. Priority consideration is provided to public agencies, namely State and local housing finance agencies. The Secretary is required to provide interested public agencies with an exclusive time period to determine if the entities are qualified to act as PAEs. During this time period, the Secretary is required to evaluate the public agencies' qualifications, based on clearly established criteria, and to notify the applicants regarding the status of their proposals. The Secretary is required to select a public agency if it meets the selection criteria. If the proposal is rejected, the Secretary is required to provide a written explanation and an opportunity for the applicant to respond. Even in situations where a public agency is rejected under the exclusive time period, the public agency is allowed to reapply when other non-public entities are allowed to apply for the program. The conferees expect the Secretary to utilize qualified housing finance agencies (HFAs) to the greatest extent possible because of the HFAs' experience and expertise in affordable housing and their ability to ensure that the affordable housing stock is protected in a fiscally responsible manner.

The conferees stress that the criteria established in the bill relate to a wide range of factors that are intended to assure that the PAE is capable of protecting the interests of residents, properties, and communities. Similarly, the conferees recognize that the participating administrative entities will be carrying out complex duties. In many cases, PAEs will be asked to determine, subject to guidelines established by the Secretary, appropriate rent levels for the project which will determine the section 8 subsidy cost and the amount of debt that will be refinanced into a second mortgage. As a result, they have the first responsibility for determining the appropriate subsidy costs borne by Federal taxpayers and the appropriate level of risk of nonpayment that Federal taxpayers shall bear.

The conferees intend that any costs of any fees paid to the participating administrative entities, under the portfolio restructuring agreement are mandatory expenses of the appropriate PHA fund.

Section 513(b) sets forth the process and criteria for selecting participating administrative entities. The conferees intend that these criteria and processes will result in the selection of participating administrative entities that are fully and unquestionably qualified to carry out these responsibilities on behalf of the American taxpayer. They should have the necessary expertise and capacity and the ability to ascertain the public interest both in reducing cost and risk and in maintaining the public purpose for which Federal support of this housing is provided.

In situations where an HFA or local housing agency is not selected at the PAE, the Secretary has the flexibility to choose those qualified nonprofit organizations and other entities that have affordable housing missions and experience to serve as PAEs. If no qualified public or nonprofit entities are selected, the Department is provided with authority to act as the PAE in conjunction with other entities. The conferees are concerned about the Department's capacity and expects the Department or its contractors to carry out the restructuring only where adequate capacity exists. Under no circumstances shall a decision that directly affects the residents and community be made

without a public purpose entity involved. Public purpose entities, including the Department, will be involved in all critical functions such as developing the rental assistance assessment plan, screening owners and properties for mark-to-market and monitoring the portfolio after restructuring.

To facilitate optimal capacity for the restructuring program, interested public and nonprofit entities are encouraged to partner with various other entities. For example, public purpose entities could partner with public housing agencies, private financial institutions, mortgage services, nonprofit and for-profit housing organizations, Fannie Mae and Freddie Mac, the Federal Home Loan Banks, and other State or local mortgage insurance companies or bank lending consortia. Further, coordination or partnerships between different State and local housing entities are encouraged under this Act.

The Act envisions that the Department will compensate participating administrative entities and other third parties to accomplish the purpose of the Act. Other mechanisms, such as equity sharing partnerships, are expressly prohibited beginning in fiscal year 1999. (The demonstration authority continued during fiscal year 1998 permits structures such as the nonprofit joint venture structure already in use by the Department in fiscal year 1997.)

Specifically, section 713(b)(6)(B) of the Act prohibits any private entity from sharing, participating in, or otherwise benefiting from any equity created, received, or restructured as a result of the portfolio restructuring agreement. In addition, section 517(d) of the Act prohibits the Secretary from participating in any equity agreement or profit-sharing agreement in conjunction with any eligible multifamily housing project. These prohibitions were put in place because of concerns that equity sharing arrangements might skew the motivations of the participating administrative entities or the Department in ways counter to the public interest.

The conferees note, however, that one of the public purposes of this Act is to reduce the cost to the taxpayers of section 8 subsidies and losses to the FHA insurance fund. Moreover, during the savings and loan crisis, the Resolution Trust Corporation found that the use of equity sharing partnerships between the public sector and the private sector resulted in lower losses to the taxpayer while effectively achieving other public goals.

Likewise, the Department is using or is contemplating using such structures in a way that is consistent with the public interest. For example, under the FHA Multifamily Housing Demonstration Program, the Department entered into a joint venture with a nonprofit organization selected through competitive bidding to restructure selected mortgages with assistance contracts that expired in fiscal year 1997. Similarly, the Department in contemplating selling notes on assisted projects to a partnership of state agencies and private investors, motivated to provide maximum return to the purchaser, and thus to the FHA fund, but with certain public policy decisions reserved to the state agency.

Therefore, the conferees direct the Department to report to the Committees of jurisdiction, no later than February 15, 1998, on the possible ways equity sharing partnerships might be incorporated into this framework as an optional alternative structure in implementing the Act, if the prohibitions in the Act were to be lifted. The report shall

discuss the advantages and disadvantages of those structures in achieving public purposes. The report shall also consider what tax impact, if any, such structures would have on the owners of the projects.

FUNCTIONS OF PARTICIPATING ADMINISTRATIVE ENTITIES (PAES)

PAEs perform a variety of functions in order to reduce project rents, address troubled projects and correct management and ownership problems. PAEs are provided with portfolio restructuring program responsibilities through a working agreement with the Secretary called "Portfolio Restructuring Agreements." Under these agreements, PAEs are authorized to take a number of actions to fulfill the goals of this legislation. These actions include restructuring the project's debt, screening out bad projects and bad owners from the renewal and restructuring process, creating partnerships with other housing and financial entities and ensuring the project's long-term compliance with housing quality and management performance requirements.

Before an eligible property is allowed to enter the renewal and restructuring process, PAEs are required to carefully evaluate the project owner's record in operating the property and the property's physical condition. The Act specifies the criteria which PAEs use to determine which properties qualify for section 8 contract renewal and mortgage restructuring. These criteria focus on ownership, management performance and the economic viability of the properties. It is at this time that the Federal government is provided with the opportunity to cleanse the inventory of bad project owners and properties which hurt residents and communities, and threaten the financial interests of the American taxpayer. Owners or purchasers who have been rejected from the restructuring process have the right to dispute the basis for the rejection and are provided with an opportunity to remedy the problem. The Secretary or the PAE has the discretion to affirm, modify or reverse any rejection.

If the property owners are prohibited from restructuring, the Department is provided with authority to deal with the property in several ways, including to sell or transfer the project to a qualified purchaser. Preferences are provided to resident organizations and tenant-endorsed community-based nonprofit and public agency entities. If sales or transfers to qualified purchasers are accepted, the project becomes eligible to be restructured. In addition to sales and transfers, another option is partial or complete demolition of the project if the project is in such poor condition that rehabilitation is not cost-effective. The Department may exercise its foreclosure and property disposition powers to deal with troubled projects and owners. Under any of these scenarios, residents are protected from displacement with tenant-based assistance and reasonable moving expense funds.

RENT LEVELS

Properties eligible for restructuring have rents set at a reasonable level near or at market rates based on the rents of other comparable properties in the market. In the event comparable properties cannot be identified, the bill allows rents to be 90 percent of the fair market rent (FMR). Exception rents are allowed using the budget-based rent calculation method when no comparable property exists or where 90 percent of the FMR does not ensure the financial viability of the properties. Budget-based exception rents are capped at 120 percent of the FMR

and only 20 percent of the inventory's units can receive these rents.

The conferees are sensitive to the reality that many of the properties which may require budget-based exception rents are concentrated in certain metropolitan or regional areas. In particular, a large portion of the properties in the upper Midwest are elderly facilities in rural areas, which are particularly disadvantaged under the Department's fair market rent system because these properties were built to a different standard compared to general rental properties, and the nature of the rental housing depresses the FMRs. To address these types of problems, the Act provides the Department with authority to waive the 20 percent limitation in any jurisdiction which can demonstrate a special need. The Secretary is also authorized to waive the 120 percent exception rent cap on up to five percent of the restructured units in a given year for unique situations. The conferees urge the Secretary to exercise these options to ensure that certain geographic areas are not adversely affected.

Likewise, in determining comparable rents, the participating administrative entity may take into account or may not take into account, as appropriate, units which are subject to rent control. The conferees are concerned that, if rent controlled units are excluded from the determination in every case, restructured rents could be too high in areas generally subject to rent controls. In that instance, taxpayers would pay more than necessary in section 8 subsidies.

However, the conferees recognize that there will be situations where rent controlled units may not be the most useful determinants of market rents. For example, if in determining comparable rents the participating administrative entity finds a mix of controlled and uncontrolled buildings similar to the subject property, there may be justification to use only the uncontrolled properties as indicative of market rents. In addition, a participating administrative entity determining comparable rents in an area which contains both controlled and uncontrolled properties may choose to use uncontrolled properties as the source of comparability for a project not subject to rent control and to use controlled properties for a property subject to rent control. Finally, the conferees believe that there may be instances in which the participating administrative entity may need to look at rents outside the jurisdiction to best determine comparable rents. The conferees request the Department to provide flexible program guidance on this matter to the participants.

TYPE OF RENTAL ASSISTANCE

The conference agreement mandates the continuation of project-based rental assistance for properties that predominantly serve elderly or disabled households and properties located in tight rental markets. The conferees expect the Department to develop regulations, in consultation with affected parties, that define what constitutes a "predominantly elderly" or "disabled" property and a "tight" rental market. In defining a tight rental vacancy market, the conferees believe that a six percent vacancy rate is reasonable. However, as stated previously, the conferees expect some flexibility in the regulations to account for local market variations. It is most likely that metropolitan areas such as New York City, Boston, Salt Lake City, and the San Francisco Bay area will be considered to be tight rental markets by most real estate experts and, therefore, covered under the mandatory renewal provisions.

For the remainder of the inventory, PAEs are permitted to either continue project-based assistance or can convert some or all assisted units in a property to tenant-based assistance pursuant to the rental assistance assessment plan. This decision is made only after the PAE consults with the project owner, local government officials and affected residents.

The conferees note that the Act establishes eight factors to be considered by the participating administrative entity in determining whether a section 8 contract should continue as project-based or be converted to tenant-based certificates and vouchers. Each of these factors is relevant to such determination. The Act, however, gives no weight to one factor over another and the conferees have no predetermined expectation about how many projects will be converted.

Instead, the importance of each factor is to be determined in the context of each project. The conferees expect that the participating administrative entity will not make a numerical calculation of the number of factors weighing in favor of tenant-basing and the number of factors weighing in favor of project-basing, but instead will make a reasoned judgment about how, in each case, to achieve an appropriate balance of desired public policy goals as reflected by the factors. The PAE may take up to five years to convert the assistance to certificates and vouchers if the PAE decides the transition period is necessary and if such a transition period is necessary for the financial viability of the project.

MORTGAGE RESTRUCTURING AND TAX POLICY

On September 15, 1997, the House Committee on Banking, Subcommittee on Housing and Community Opportunity, held a hearing on the tax consequences of PHA-insured mortgage restructuring for project owners. The subcommittee heard testimony speculating that the Treasury Department, most likely, would review the restructuring transactions envisioned in the Act based on the individual facts and circumstances of each project. Consequently, definitive answers could not be provided about whether this restructuring proposal would result in tax consequences for participating project owners.

Moreover, the subcommittee heard testimony that, even if there was definitive guidance from the Treasury Department about the treatment of the restructuring transactions, some project owners could incur accelerated tax liabilities as a result of the restructuring and that, as a result, some project owners may not participate in the restructuring process. Finally, additional testimony suggested that Congress has no choice but to balance the budgetary cost of providing tax relief legislation with the budgetary savings that the restructuring proposals represent and with the program goal of maintaining the stock of low-income housing. Therefore, the conferees urge the committees of jurisdiction, early next year, to consider necessary legislation to ensure that the housing policy represented by this Act is not thwarted by owner concerns about tax liability.

PROPERTY REHABILITATION

The conference agreement provides rehabilitation assistance but limits the extent of rehabilitation to a non-luxury standard to prevent abuse. To further safeguard against excessive rehabilitation costs, a minimum 25 percent matching requirement from the owner is included in the Act. The purpose of this matching requirement is to encourage

owners to invest their own funds in their properties and to reduce the risk to the Federal government. Rehabilitation assistance is provided either through project reserves, grants funded from acquired residual receipts, additional debt restructurings taken as part of the mortgage restructuring transaction, or from the rehabilitation grant program.

OFFICE OF MULTIFAMILY HOUSING ASSISTANCE RESTRUCTURING

The Act establishes an Office of Multifamily Housing Assistance Restructuring (OMHAR) within the Department, under the direction of the Secretary, to implement the Act, to oversee the multifamily housing restructuring process performed by participating administrative entities and, when necessary, to restructure the mortgage. The conferees intend that OMHAR be staffed with expert employees and have access to private expertise to accomplish the purposes of the Act.

To do so, OMHAR must have or obtain expertise and skills in real estate development, in management and finance, in financial and market analysis, in auditing, evaluation and oversight, and in accounting and taxation. The conferees direct the Secretary to ensure that such expertise and skills are available to OMHAR. The Act gives the Secretary the flexibility to obtain competent personnel from other agencies and to contract for expert services. However, the conferees expect that these avenues, and the existing Departmental staff, may not be sufficient to obtain the necessary skills. Therefore, the conferees expect that the Secretary may be required to hire new employees for OMHAR to perform effectively.

SPECIAL CONSULTATION PROCEDURES

Section 522 of the Act requires the Department to develop final regulations within twelve months from the date of enactment. During that period, the Department is to collect and respond to numerous public comments on several issues. However, in order to focus special attention on two critical issues, the conferees have included special requirements for the Department to seek comment through three public fora at which specified parties may make recommendations on:

- the selection process for participating administrative entities; and
- the mandatory renewal of certain contracts with project-based assistance.

Regarding the selection of participating administrative entities, the conferees stated previously that entities fully qualified shall be selected to undertake the complex task of restructuring the debt and assistance for multifamily projects. To this end, the selection criteria are intended to assure competent and efficient participants. The conferees urge the Department to use the fora to elicit a wide range of concerns and recommendations from affected parties as to implementing the selection process to accomplish this end.

Section 522 also directs the Department to solicit views on how to implement the requirements that section 8 assistance be renewed as project-based assistance for tight markets (section 515(c)(1)(A)) and when "a predominant number" of the units are occupied by elderly and/or disabled families (section 515(c)(1)(B)). The conferees believe it would be helpful if interested parties address the extent to which a project must be occupied by elderly and/or disabled persons to qualify for mandatory renewal, particularly rural projects which house elderly and disabled persons, in light of the factors that

must be assessed in the rental assistance assessment plan.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1998 recommended by the committee of conference, with comparisons to the fiscal year 1997 amount, the 1998 budget estimates, and the House and Senate bills for 1998 follow:

New budget (obligational) authority, fiscal year 1997	\$85,895,503,442
Budget estimates of new (obligational) authority, fiscal year 1998	90,990,338,000
House bill, fiscal year 1998	91,461,593,000
Senate bill, fiscal year 1998	90,367,535,000
Conference agreement, fiscal year 1998	90,735,430,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1997	+4,839,926,558
Budget estimates of new (obligational) authority, fiscal year 1998	-254,908,000
House bill, fiscal year 1998	-726,163,000
Senate bill, fiscal year 1998	+367,895,000

JERRY LEWIS,
TOM DELAY,
JAMES T. WALSH,
DAVE HOBSON,
JOE KNOLLENBERG,
R.P. FRELINGHUYSEN,
ROGER F. WICKER,
BOB LIVINGSTON,
LOUIS STOKES,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
CARRIE P. MEKK,
DAVID E. PRICE,
BOB OBEY,

Managers on the Part of the House.

CHRISTOPHER S. BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
BEN NIGHTHORSE
CAMPBELL,
LARRY E. CRAIG,
THAD COCHRAN,
BARBARA A. MIKULSKI,
PATRICK J. LEAHY,
FRANK R. LAUTENBERG,
TOM HARKIN,
BARBARA BOXER,
ROBERT C. BYRD,

Managers on the Part of the Senate.

REPORT ON H.R. 2607, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1998

Mr. LIVINGSTON, from the Committee on appropriations, submitted a privileged report (Rept. No. 105-298) on the bill (H.R. 2607) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1998, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. All points of order are reserved on the bill.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Transportation and Infrastructure, which was read and, without objection, referred to the Committee on Appropriations.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, CONGRESS OF THE UNITED STATES, HOUSE OF REPRESENTATIVES,

Washington, DC, September 29, 1997.

Hon. NEWT GINGRICH,

Speaker of the House, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Enclosed are copies of resolutions adopted on September 24, 1997 by the Committee on Transportation and Infrastructure. Copies of the resolutions are being transmitted to the Department of the Army.

With kind personal regards, I am

Sincerely,

BUD SHUSTER,
Chairman.

There was no objection.

DAVIS-BACON FRAUD IN OKLAHOMA

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

Mr. BALLENGER. Madam Speaker, I am sure you have heard by now about the Davis-Bacon fraud that was going on Oklahoma. After long investigations by the Oklahoma Department of Labor, the FBI indicted and a Federal judge convicted a labor union official for falsely submitting wage information to inflate wage rates on Federal projects. Last week an Oklahoma Federal judge upheld a conviction and denied the motion for a new trial or acquittal on 14 felony charges. The union official currently awaits sentencing.

The investigation by the Oklahoma Department of Labor uncovered just how easy it is to manipulate the system. The investigation uncovered inflated numbers of employees and inflated wage rates on projects that were never built. Unfortunately, this false wage information enormously skewed data that sets wages on Federal projects. This illustrates the poor quality of the Federal wage survey process and how antiquated this program really is.

I would like to close by thanking the officials who were involved in the investigation and who persisted on following through to the end results, even if the results sadly confirm the fact that the Davis-Bacon invites fraud and abuse.

THE IRS

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

Mr. TRAFICANT. Madam Speaker, asking the Congress to stay out of it, the IRS is promising to reform themselves. Like a wounded TV evangelist, the IRS is begging the American people for forgiveness. They said, "This time we really mean it. Cross our hearts, hope to die."

Spare me, Mr. Speaker. Who is kidding whom? Allowing the IRS to reform themselves would be like allowing Jeffrey Dahmer to head up the Boy Scouts. The IRS is guilty, guilty, guilty, and every time they get caught with their fingers in our 1040's, they plead for forgiveness.

Enough is enough. I say it is time to kick these computer cowboys right up their hard drives. Pass H.R. 367 and change the burden of proof in a civil tax case. That will get it done.

With that, I yield back all those crocodile tears at the Internal Revenue Service.

ports from our employees that I have received indicate they suffer extreme discomfort in some cases, do not like it, but feel uncomfortable about speaking out.

We should care as much for our employees as for other Federal workers who do get a smoke-free environment. They deserve it. Executive Order 13058 protects employees of Federal agencies from tobacco in the workplace. Agencies must implement the smoking ban by August 9, 1998.

There has been much talk in this Chamber about playing by the same rules as everybody else. Unfortunately, there is rather a glaring gap between the rhetoric and action when it comes to providing a smoke-free workplace for our employees.

It is time for the House to catch up with the rest of America and move to protect the health of our employees. I urge my colleagues to support H.R. 247.

IN OPPOSITION TO H.R. 1270

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

Mr. GIBBONS. Madam Speaker, this week the Committee on Resources will mark up H.R. 1270, the Nuclear Waste Act of 1997. This bill tramples the Constitution and violates the basic fundamentals this great country was founded upon.

Whatever happened to States rights? Whatever happened to the tenth amendment? How can this body mandate upon the State of Nevada that it must accept nuclear industry waste when Nevada does not even have a nuclear power plant of its own?

What about private property rights? In New Mexico a man won a lawsuit which entitled him to \$884,000 because nuclear waste was shipped next to his private property and devalued his land. Again, this garbage will travel through 43 States along the most heavily populated highways in this country. Guess who is going to pay off all these private property owners? The American taxpayer.

H.R. 1270 is an unfunded mandate, a tax increase, a dangerous idea and a very bad policy. Do not be misled by the nuclear industry lobby. Get the facts. Vote "no" on 1270.

ALLOWING SMOKING IN THE CHAMBER

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

Mr. BLUMENAUER. Madam Speaker, our decision to allow smoking in this Chamber, the Speaker's lobby and the cloakrooms impacts not just ourselves but hundreds of employees, many of whom are here on a regular basis. Re-

WHITE HOUSE REACTION TO IRS

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

Mr. HUTCHINSON. Madam Speaker, now the whole world knows what American taxpayers suspected for many years: While there are many good employees, the IRS as an organization is running amok, abusing its power, targeting citizens, and acting on a daily basis to run the word "service" straight out of town.

So what is the Clinton administration's reaction to this abuse after it comes to light? Denounce the abuses? Promise never to use the IRS for political purposes again? And here is a dream, take those responsible for the abuse and hold them accountable? Guess again. The White House instinctively reacts the way it does whenever any government bureaucracy comes under attack. It defends the IRS.

The IRS needs an overhaul. We should sunset the Internal Revenue Code and have a national debate on the direction of our tax system. It needs a breath of fresh air and acknowledgment that it needs to go in a new direction. That is what this debate would be about, if we sunset the Internal Revenue Code.

RENO PROTECTING WHITE HOUSE

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

Mr. STEARNS. Madam Speaker, is it any wonder that the day after the Attorney General makes a supposedly impartial preliminary decision last Friday clearing President Clinton of criminal conduct, that the White House suddenly releases videotapes of fundraisers at the White House? It is no coincidence that these videotapes

were released to congressional investigators and the Justice Department after the Attorney General's decision. Senate investigators had previously asked if these tapes existed. The White House said no, they did not even exist.

Also, Madam Speaker, who is to also believe that somehow a 60-second portion of audio is missing from the tape of a June 18, 1996, fund-raising coffee at which witnesses recall John Huang asking for campaign contributions in the presence of the President?

Madam Speaker, I think it is important that we go forward and call for a special independent prosecutor, to find out what is occurring here.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that she will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules but not before 5 p.m. today.

VETERANS HEALTH PROGRAMS IMPROVEMENT ACT OF 1997

Mr. STUMP. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2206) to amend title 38, United States Code, to improve programs of the Department of Veterans Affairs for homeless veterans, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2206

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 "Veterans Health Programs Improvement Act of 1997".

SEC. 2. TREATMENT AND REHABILITATION FOR SERIOUSLY MENTALLY ILL AND HOMELESS VETERANS.

(a) CODIFICATION AND REVISIONS OF VETERANS HOMELESS PROGRAMS.—Chapter 17 of title 38, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER VII—TREATMENT AND REHABILITATION FOR SERIOUSLY MENTALLY ILL AND HOMELESS VETERANS

"§ 1771. General treatment

"In providing care and services under section 1710 of this title to veterans suffering from serious mental illness, including veterans who are homeless, the Secretary may provide (directly or in conjunction with a governmental or other entity)—

- "(1) outreach services;
- "(2) care, treatment, and rehabilitative services (directly or by contract in community-based treatment facilities, including halfway houses); and

"(3) therapeutic transitional housing assistance under section 1772 of this title, in conjunction with work therapy under section 1718(a) or (b) of this title and outpatient care.

"§ 1772. Therapeutic housing

"(a) The Secretary, in connection with the conduct of compensated work therapy programs, may operate residences and facilities as therapeutic housing.

"(b) The Secretary may use such procurement procedures for the purchase, lease, or other acquisition of residential housing for purposes of this section as the Secretary considers appropriate to expedite the opening and operation of transitional housing and to protect the interests of the United States.

"(c) A residence or other facility may be operated as transitional housing for veterans described in paragraphs (1) and (2) of section 1710(a) of this title under the following conditions:

"(1) Only veterans described in those paragraphs and a house manager may reside in the residence.

"(2) Each resident, other than the house manager, shall be required to make payments that contribute to covering the expenses of board and the operational costs of the residence for the period of residence in such housing.

"(3) In order to foster the therapeutic and rehabilitative objectives of such housing (A) residents shall be prohibited from using alcohol or any controlled substance or item, (B) any resident violating that prohibition may be expelled from the residence, and (C) each resident shall agree to undergo drug testing or such other measures as the Secretary shall prescribe to ensure compliance with that prohibition.

"(4) In the establishment and operation of housing under this section, the Secretary shall consult with appropriate representatives of the community in which the housing is established and shall comply with zoning requirements, building permit requirements, and other similar requirements applicable to other real property used for similar purposes in the community.

"(5) The residence shall meet State and community fire and safety requirements applicable to other real property used for similar purposes in the community in which the transitional housing is located, but fire and safety requirements applicable to buildings of the Federal Government shall not apply to such property.

"(d) The Secretary shall prescribe the qualifications for house managers for transitional housing units operated under this section. The Secretary may provide for free room and subsistence for house managers in addition to, or instead of payment of, a fee for such services.

"(e)(1) The Secretary may operate as transitional housing under this section—

"(A) any suitable residential property acquired by the Secretary as the result of a default on a loan made, guaranteed, or insured under chapter 37 of this title;

"(B) any suitable space in a facility under the jurisdiction of the Secretary that is no longer being used (i) to provide acute hospital care, or (ii) as housing for medical center employees; and

"(C) any other suitable residential property purchased, leased, or otherwise acquired by the Secretary.

"(2) In the case of any property referred to in paragraph (1)(A), the Secretary shall—

"(A) transfer administrative jurisdiction over such property within the Department

from the Veterans Benefits Administration to the Veterans Health Administration; and

"(B) transfer from the General Post Fund of the Department of Veterans Affairs to the appropriate revolving fund under chapter 37 of this title an amount (not to exceed the amount the Secretary paid for the property) representing the amount the Secretary considers could be obtained by sale of such property to a nonprofit organization or a State for use as a shelter for homeless veterans.

"(3) In the case of any residential property obtained by the Secretary from the Department of Housing and Urban Development under this section, the amount paid by the Secretary to that Department for that property may not exceed the amount that the Secretary of Housing and Urban Development would charge for the sale of that property to a nonprofit organization or a State for use as a shelter for homeless persons. Funds for such charge shall be derived from the General Post Fund.

"(f) The Secretary shall prescribe—

"(1) a procedure for establishing reasonable payment rates for persons residing in transitional housing; and

"(2) appropriate limits on the period for which such persons may reside in transitional housing.

"(g) The Secretary may dispose of any property acquired for the purpose of this section. The proceeds of any such disposal shall be credited to the General Post Fund of the Department of Veterans Affairs.

"(h) Funds received by the Department under this section shall be deposited in the General Post Fund. The Secretary may distribute out of the fund such amounts as necessary for the acquisition, management, maintenance, and disposition of real property for the purpose of carrying out such program. The Secretary shall manage the operation of this section so as to ensure that expenditures under this subsection for any fiscal year shall not exceed by more than \$500,000 proceeds credited to the General Post Fund under this section. The operation of the program and funds received shall be separately accounted for, and shall be stated in the documents accompanying the President's budget for each fiscal year.

"§ 1773. Additional services at certain locations

"(a) Subject to the availability of appropriations, the Secretary shall operate a program under this section to expand and improve the provision of benefits and services by the Department to homeless veterans.

"(b) The program shall include the establishment of not fewer than eight programs (in addition to any existing programs providing similar services) at sites under the jurisdiction of the Secretary to be centers for the provision of comprehensive services to homeless veterans. The services to be provided at each site shall include a comprehensive and coordinated array of those specialized services which may be provided under existing law.

"(c) The program shall include the services of such employees of the Veterans Benefits Administration as the Secretary determines appropriate at sites under the jurisdiction of the Secretary at which services are provided to homeless veterans.

"§ 1774. Coordination with other agencies and organizations

"(a) In assisting homeless veterans, the Secretary shall coordinate with, and may provide services authorized under this title in conjunction with, State and local governments, other appropriate departments and

agencies of the Federal Government, and nongovernmental organizations.

"(b)(1) The Secretary shall require the director of each medical center or the director of each regional benefits office to make an assessment of the needs of homeless veterans living within the area served by the medical center or regional office, as the case may be.

"(2) Each such assessment shall be made in coordination with representatives of State and local governments, other appropriate departments and agencies of the Federal Government, and nongovernmental organizations that have experience working with homeless persons in that area.

"(3) Each such assessment shall identify the needs of homeless veterans with respect to the following:

- "(A) Health care.
- "(B) Education and training.
- "(C) Employment.
- "(D) Shelter.
- "(E) Counseling.
- "(F) Outreach services.

"(4) Each assessment shall also indicate the extent to which the needs referred to in paragraph (3) are being met adequately by the programs of the Department, of other departments and agencies of the Federal Government, of State and local governments, and of nongovernmental organizations.

"(5) Each assessment shall be carried out in accordance with uniform procedures and guidelines prescribed by the Secretary.

"(c) In furtherance of subsection (a), the Secretary shall require the director of each medical center and the director of each regional benefits office, in coordination with representatives of State and local governments, other Federal officials, and nongovernmental organizations that have experience working with homeless persons in the areas served by such facility or office, to—

"(1) develop a list of all public and private programs that provide assistance to homeless persons or homeless veterans in the area concerned, together with a description of the services offered by those programs;

"(2) seek to encourage the development by the representatives of such entities, in coordination with the director, of a plan to coordinate among such public and private programs the provision of services to homeless veterans;

"(3) take appropriate action to meet, to the maximum extent practicable through existing programs and available resources, the needs of homeless veterans that are identified in the assessment conducted under subsection (b); and

"(4) attempt to inform homeless veterans whose needs the director cannot meet under paragraph (3) of the services available to such veterans within the area served by such center or office."

(b) CONFORMING AMENDMENTS.—(1) Section 1720A of such title is amended—

(A) by striking out subsections (a), (e), (f), and (g); and

(B) by redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively.

(2) The heading of such section is amended to read as follows:

"§ 1720A. Treatment and rehabilitative services for persons with drug or alcohol dependency."

(c) CONFORMING REPEALS.—The following provisions are repealed:

(1) Section 7 of Public Law 102-54 (38 U.S.C. 1718 note).

(2) Section 107 of the Veterans' Medical Programs Amendments of 1992 (38 U.S.C. 527 note).

(3) Section 2 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note).

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 17 of such title is amended—

(1) by striking out the item relating to section 1720A and inserting in lieu thereof the following:

"1720A. Treatment and rehabilitative services for persons with drug or alcohol dependency."

and

(2) by adding at the end the following:

"SUBCHAPTER VII—TREATMENT AND REHABILITATION FOR SERIOUSLY MENTALLY ILL AND HOMELESS VETERANS

"1771. General treatment.

"1772. Therapeutic housing.

"1773. Additional services at certain locations.

"1774. Coordination with other agencies and organizations."

SEC. 3. EXTENSION OF HOMELESS VETERANS COMPREHENSIVE SERVICE GRANT PROGRAM.

(a) EXTENSION FOR TWO FISCAL YEARS.—Subsection (a)(2) of section 3 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1999".

(b) REPEAL OF LIMITATION ON NUMBER OF PROJECTS.—Subsection (b)(2) of such section is amended by striking out ", which shall" and all that follows through "paragraph (1)".

(c) TECHNICAL CORRECTION.—Subsection (a)(1) of such section is amended by striking out ", during".

SEC. 4. ANNUAL REPORT ON ASSISTANCE TO HOMELESS VETERANS.

Section 1001 of the Veterans' Benefits Improvements Act of 1994 (38 U.S.C. 7721 note) is amended—

(1) in subsection (a)(2)—

(A) by striking out "and" at the end of subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new subparagraphs:

"(D) evaluate the effectiveness of the programs of the Department (including residential work-therapy programs, programs combining outreach, community-based residential treatment, and case-management, and contract care programs for alcohol and drug-dependence or abuse disabilities) in providing assistance to homeless veterans; and

"(E) evaluate the effectiveness of programs established by recipients of grants under section 3 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note), and describe the experience of such entities in applying for and receiving grants from the Secretary of Housing and Urban Development to serve primarily homeless persons who are veterans.";

(2) by striking out subsection (b) and redesignating subsection (c) as subsection (b).

SEC. 5. NONINSTITUTIONAL ALTERNATIVES TO NURSING HOME CARE.

Section 1720C of title 38, United States Code, is amended—

(1) in subsection (a), by striking out "During" and all that follows through "furnishing of" and inserting in lieu thereof "The Secretary may furnish"; and

(2) in subsection (b)(1), by striking out "pilot".

SEC. 6. PERSIAN GULF WAR VETERANS.

(a) SCOPE OF COUNSELING.—Section 703 of the Veterans Health Care Act of 1992 (Public

Law 102-585; 106 Stat. 4976) is amended by adding at the end the following new subsection:

"(c) FORM OF COUNSELING.—Counseling provided in this section may not be provided through written materials only, but shall include verbal counseling."

(b) CRITERIA FOR PRIORITY HEALTH CARE.—(1) Subsection (a)(2)(F) of section 1710 of title 38, United States Code, is amended by striking out "environmental hazard" and inserting in lieu thereof "other conditions".

(2) Subsection (e)(1)(C) of such section is amended—

(A) by striking out "the Secretary finds may have been exposed while serving" and inserting in lieu thereof "served";

(B) by striking out "to a toxic substance or environmental hazard"; and

(C) by striking out "exposure" and inserting in lieu thereof "service".

(3) Subsection (e)(2)(B) of such section is amended by striking out "an exposure" and inserting in lieu thereof "the service".

(c) DEMONSTRATION PROJECTS FOR TREATMENT OF PERSIAN GULF ILLNESS.—(1) The Secretary shall carry out a program of demonstration projects to test new approaches to treating, and improving the satisfaction with such treatment of, Persian Gulf veterans who suffer from undiagnosed and ill-defined disabilities. The program shall be established not later than July 1, 1998, and shall be carried out at up to 10 geographically dispersed medical centers of the Department of Veterans Affairs.

(2) At least one of each of the following models shall be used at no less than two of the demonstration projects:

(A) A specialized clinic which serves Persian Gulf veterans.

(B) Multidisciplinary treatment aimed at managing symptoms.

(C) Use of case managers.

(3) A demonstration project under this subsection may be undertaken in conjunction with another funding entity, including agreements under section 8111 of title 38, United States Code.

(4) The Secretary shall make available from appropriated funds (which have been retained for contingent funding) \$5,000,000 to carry out the demonstrations projects.

(5) The Secretary may not approve a medical center as a location for a demonstration project under this subsection unless a peer review panel has determined that the proposal submitted by that medical center is among those proposals that have met the highest competitive standards of clinical merit and the Secretary has determined that the facility has the ability to—

(A) attract the participation of clinicians of outstanding caliber and innovation to the project; and

(B) effectively evaluate the activities of the project.

(6) In determining which medical centers to select as locations for demonstration projects under this subsection, the Secretary shall give special priority to medical centers that have demonstrated a capability to compete successfully for extramural funding support for research into the effectiveness and cost-effectiveness of the care provided under the demonstration project.

SEC. 7. PERSONNEL POLICY.

Section 7425 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) Notwithstanding any other provision of law, employees described in paragraph (2), and the personnel positions in which such employees are employed, are not

subject to any reduction required by law or executive branch policy in the number or percentage of employees, or of personnel positions, within specified pay grades.

"(2) Paragraph (1) applies to employees, and personnel positions, of the Veterans Health Administration performing the following functions:

"(A) The provision of, or the supervision of the provision of, care and services to patients.

"(B) The conduct of research."

SEC. 8. PURCHASES OF PHARMACEUTICAL PRODUCTS.

Section 8125 of title 38, United States Code, is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection (e):

"(e)(1) A drug, pharmaceutical or biological product, or hematology-related product that is listed on the pharmaceutical supply schedule described in section 8126(a) of this title may only be procured or ordered from that supply schedule by or for any entity specified in paragraph (2), notwithstanding any other provision of law (whether enacted before, on, or after the date of the enactment of this subsection).

"(2) An entity specified in this paragraph is (A) any agency or instrumentality of the Federal Government, or (B) any other entity that is specified in Federal law or regulation, as in effect before July 1, 1997, as eligible to procure or order drugs, pharmaceutical or biological products, or hematology-related products from such pharmaceutical supply schedule."

SEC. 9. TECHNICAL AMENDMENTS.

(a) SECTION CROSS REFERENCE.—Section 1717(a)(2)(B) of title 38, United States Code, is amended by striking out "section 1710(a)(2)" and inserting in lieu thereof "section 1710(a)".

(b) REFERENCES TO MEDICAL CENTERS.—(1) Paragraphs (1) and (11) of section 7802 of such title are amended by striking out "hospitals and homes" and inserting in lieu thereof "medical facilities".

(2) Section 7803 of such title is amended—
(A) by striking out "hospitals and homes" each place it appears and inserting in lieu thereof "medical facilities"; and

(B) by striking out "hospital or home" both places it appears and inserting in lieu thereof "medical facility".

(c) NAME OF MEDICAL CENTER.—The Wm. Jennings Bryan Dorn Veterans' Hospital in Columbia, South Carolina, shall hereafter be known and designated as the "Wm. Jennings Bryan Dorn Department of Veterans Affairs Medical Center". Any reference to such hospital in any law, regulation, document, map, record, or other paper of the United States shall be deemed to be a reference to the Wm. Jennings Bryan Dorn Department of Veterans Affairs Medical Center.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona [Mr. STUMP] and the gentleman from Illinois [Mr. EVANS], each will control 20 minutes.

The Chair recognizes the gentleman from Arizona, [Mr. STUMP].

GENERAL LEAVE

Mr. STUMP. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous materials on H.R. 2206.

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

There was no objection.

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

Madam Speaker, H.R. 2206 is a bill to improve VA programs for homeless veterans and health care for Persian Gulf veterans. It also includes several other provisions designed to improve the administration of the veterans' health care system.

As a result of the concerns expressed by Members and after consulting with the gentleman from Illinois [Mr. EVANS], the ranking member of the Committee on Veterans' Affairs, we have decided to drop section 8 affecting the veterans canteen service from the bill under consideration this afternoon.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I rise in support of H.R. 2206, as amended, the Veterans Health Programs Improvement Act. The bill before us today extends several important authorities which are scheduled to expire and approves a number of programs critical to meeting the needs of veterans with health care problems.

Specifically, this measure takes important steps to address some of our most serious concerns about homelessness among our veterans in our country. On any given night in America, a third of those living in the streets of America are veterans. I find this hard to live with both as a veteran and as an American citizen. I believe we must do more to respond to this problem.

As the VA's health care system makes important changes, at a minimum we must assure that the VA maintains both the quality and quantity of services delivered to homeless veterans today. This proposal will ensure the VA is able to continue such worthwhile activities which are allowing veterans to become independent and restore dignity to their lives.

Importantly, this legislation makes Persian Gulf veterans eligible for VA health care by virtue of their service in the gulf rather than through a particular exposure. The medical literature has yet to pinpoint a single cause of the problem many veterans are facing and varies on its determinations of whether health differences exist between military service persons who served in the gulf and their peers who served elsewhere. The bill we are proposing today takes cognizance of the variation in the literature and gives veterans the benefit of the doubt.

□ 1415

The VA exists to treat veterans with health problems related to their service to this country, and this bill will allow gulf war veterans with illnesses to access this care.

The measure also authorizes a grant program to improve health care provided to these veterans. The VA Health Administration is enthusiastic about using its competitive grants to encourage their care providers to be innovative in treating the symptoms veterans have related to their deployment to the gulf and in developing centers of excellence for this care.

Our Nation cannot forget these veterans as time marches on. We are obligated to investigate not only the causes of their illnesses but to find the best treatments for their symptoms for those people who honorably served in that war for our country.

Several years ago the VA realized a substantial increase in drug prices due to unanticipated changes in the Medicaid pharmaceutical pricing policies. Manufacturers' representatives have stated they would not hesitate to raise prices to the VA again if State and local purchasers are allowed to benefit from the prices that the VA negotiates on behalf of Federal purchasers. This would increase the prices VA and others who benefit from the negotiation pay for pharmaceuticals. Because of this response, we do not believe State and local purchasers should benefit from access to the Federal fee schedules.

Furthermore, our Committee on Veterans' Affairs believes because of the inadequate resources that we have, that as many as 50,000 veterans would lose their access to the health care system if the VA was required to pay more for their drugs. We cannot allow this to happen.

This bill is extremely important to America's veterans. I hope my colleagues from both sides of the aisle will join me in supporting this legislation.

Madam Speaker, I reserve the balance of my time.

Mr. STUMP. Madam Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. STEARNS], the chairman of the Subcommittee on Health.

Mr. STEARNS. Madam Speaker, I thank the gentleman from Arizona [Mr. STUMP], the chairman, and I rise to urge my colleagues to support H.R. 2206, the Veterans Health Programs Improvement Act of 1997.

While this bill includes a number of important measures, its key provisions would improve care for homeless veterans and Persian Gulf veterans. The bill, as amended and reported out of the full committee, also incorporates other pieces of legislation which have the strong support of the Committee on Veterans' Affairs and the veterans community.

First, H.R. 2206 would extend, consolidate, and strengthen VA programs which have proven effective in helping rehabilitate homeless veterans. One-third of homeless adults are veterans. Of that number, over 85 percent have a

serious psychiatric or substance abuse disorder. Studies indicate that a substantial number of those who rely on VA care are homeless or at risk of becoming homeless.

Madam Speaker, this bill recognizes that assisting the homeless is not solely a Federal or VA responsibility. In fact, it specifically envisions a VA role that involves working in partnership with Government agencies and community providers. Nevertheless, the bill would give the VA clearer and less restrictive authority to provide care and rehabilitative services to the homeless, and particularly those suffering from chronic and mental illness. It would enable veterans to provide a full range of needed services to restore health, independence, and dignity to many previously homeless veterans.

Madam Speaker, other key aspects of this legislation reflect the high priority this committee has given during the 105th Congress to oversight and particularly to oversight of VA care and provisions of benefits to Persian Gulf veterans. The full committee and its subcommittees have held four oversight hearings this year devoted exclusively to Persian Gulf war issues. That record has certainly sent a strong, clear message to veterans as well as to the Department of Veterans Affairs that this committee will do everything in its power to ensure that the VA fulfill its obligation to these veterans.

In fact, the National Commander of the American Legion commended the committee last month for "Convening the most comprehensive and important hearings on Gulf War veterans since the end of the Gulf War."

Central to our concerns has been the large number of veterans with unexplained and ill-defined health problems. What has become apparent to our committee is not only that these problems have been difficult to diagnose but they have been difficult to treat. We are encouraged that VA officials have recognized the need for different approaches to treating some of these chronically ill veterans who suffer from poorly understood health problems.

Accordingly, this legislation requires the VA to establish and fund a competitive grant program under which participating VA facilities would develop and operate demonstration programs aimed at improving care to Persian Gulf war veterans with undiagnosed illnesses. Medical science has still not provided the answers so many Gulf war veterans seek in understanding the nature and cause of their illness. This legislation, however, would make it clear that regardless of the nature of the cause or causes, and regardless of whether the problem can be linked to exposure to a toxic substance or environmental hazard, these veterans are eligible for VA health care.

Finally, Madam Speaker, I would like to express my regret that a provision of this bill, based upon H.R. 1687 relating to physician and dentist retirements, was dropped due to disagreements with the Congressional Budget Office regarding its cost implications.

Nevertheless, Madam Speaker, this is an excellent bill and I urge my colleagues to join with me in passing this most important piece of legislation.

Mr. EVANS. Madam Speaker, I yield 3 minutes to the gentleman from California [Mr. FILNER], a member of the committee.

Mr. FILNER. Madam Speaker, I thank the gentleman from Arizona [Mr. STUMP] and the ranking member of the committee, the gentleman from Illinois [Mr. EVANS] for bringing this to the floor in such a rapid fashion; and also thanks to the gentleman from Florida [Mr. STEARNS], the chairman of the subcommittee, and the gentleman from Illinois [Mr. GUTIERREZ], its ranking member, for their leadership on these issues.

Madam Speaker, homelessness among our Nation's veterans continues to be a significant and troubling problem across the country. Informal surveys indicate that up to 275,000 former members of our Armed Forces sleep on America's streets or in homeless shelters every night. H.R. 2206, as has been described, provides for the extension and improvement of programs administered by the Department of Veterans Affairs which have assisted thousands of these men and women.

I am proud to say that my city of San Diego was one of the first to reach out to its homeless veterans, originating the creative program of "Stand Down." Also, the Vietnam vets of San Diego run an incredibly effective housing program. But no city has the resources to address the crisis without Federal assistance and cooperation.

The programs which are being extended under H.R. 2206 will enable the good and caring citizens of San Diego and every other American city to continue to provide shelter, transitional housing and other support critical to the survival and rehabilitation of homeless veterans.

Madam Speaker, I urge my colleagues to support this measure.

Mr. EVANS. Madam Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. DENNIS KUCINICH].

Mr. KUCINICH. I want to congratulate, first of all, Madam Speaker, the gentleman from Illinois [Mr. EVANS] and his counterpart on the other side of the aisle, the gentleman from Arizona [Mr. STUMP], for the concern which they have shown for homeless veterans and for veterans of all kinds across this country.

My father fought in World War II. I had a brother who fought in Vietnam, and he is in a veterans home today as a result of that service. I am familiar

firsthand with the effect that service to a government can have on a family, and I appreciate very much the work that all the men and women have done in this country in serving America. That is why to stand here at this moment is very difficult.

I want to point out a provision in H.R. 2206, the Veterans Health Programs Improvement Act of 1997, which was put in there, and for some reason this provision, which really has nothing to do with veterans at all, this provision would punish rural and urban public hospitals and health clinics in districts across the country and be tantamount to a local tax increase. It makes a bill, which everyone should agree on, quite controversial.

Section 10 of this bill would prohibit State, county, and municipal health givers from getting lower prices for lifesaving pharmaceuticals which their patients need. Nursing homes and public hospitals would suffer, since they must purchase equipment, medical devices and lifesaving drugs for elderly citizens and the ill, especially people with AIDS.

Local public health institutions will not be allowed to operate more efficiently and less expensively, since they will be forbidden by law from purchasing many products and services at discounted prices, which would otherwise enable the taxpayers to save billions of dollars at a State and local level.

At the request of the National Performance Review and Vice President GORE, the 104th Congress intended to bring efficient practices to local and State government without onerous regulations or government mandates. The bottom line savings would be realized by local taxpayers who pay the bill of local government.

Although saving money for local taxpayers is a good idea, there are those who oppose it, and certain industry groups which benefit from Government inefficiency, would like nothing more than to have Congress pass this particular provision which is in H.R. 2206. These industry groups are trying to, in effect, interject their interest into a bill which should be, first and foremost, to support the interests of veterans but, instead, the bill has a provision which attacks public hospitals.

The pharmaceutical industry wants to see H.R. 2206 pass because they do not want public hospitals and AIDS clinics to benefit from significant savings or significant discounts on lifesaving drugs. Why sell AIDS drugs at a lifesaving discount when they can be sold at full price?

Therefore, this provision makes H.R. 2206 a tax increase on local taxpayers because it would deny State, county, and municipal hospitals and clinics from purchasing pharmaceuticals and medical equipment at the discounted prices the Federal Government negotiates.

The provision in this bill is objectionable, unfair, and controversial, and I would suggest that this provision is emblematic of what is wrong with Government. Here we all agree that our veterans need access to low cost drugs for their health, particularly those who are least able to care for themselves. And all of us could agree, I would hope, that our public hospitals and clinics need access to the lowest possible cost for pharmaceuticals. But this bill puts us in a conflict where it makes us have to separate those interests, which ought to be interests we agree on.

So we are asked to choose between those interests. I say that is a false choice; that we in the Congress should be supporting veterans and we should be supporting public hospitals in our districts. And for that reason, until we can clean up this particular provision, I am urging a "no" vote on this particular bill, and I do so only with the greatest reluctance because of the terrific respect that I have for my colleagues on both sides of the aisle who are dedicated to veterans, and I know they really care about veterans' concerns.

Mr. STUMP. Madam Speaker, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Madam Speaker, I thank the chairman for yielding me this time and, Madam Speaker, this is a stretch of circuitous logic to say that this bill is a tax increase.

As I recollect, this bill, and the ranking member, the gentleman from Illinois [Mr. EVANS] can point out, as I remember, this passed by unanimous consent, all the Democrats and Republicans. This has nothing to do with what the gentleman from Ohio is talking about.

In fact, there is nothing in this bill that prevents worthy institutions from negotiating favorable prices for themselves, individually or collectively. We simply say that this institution should not piggyback on the Federal supply schedule.

Remember, now, if we open up the Federal supply schedule and make it for everybody, then the price is going to go up for veterans, and that is why I think many of us in the committee were worried about. In fact, the General Accounting Office, I tell my colleague from Ohio, came to the committee and testified that the VA and other Federal agencies could experience price increases on almost 81 percent of all the drugs in the Federal supply schedule.

And what would that mean for veterans? Let us talk about that, because this is what we are talking about. We are talking about the Veterans Administration. We are talking about a bill that would benefit veterans. The result, the VA Administration, the Clinton administration, not Republicans in the House, not our committee, the VA

Administration told us that about 50,000 veterans would lose access to care. So with that in mind, both the Democrats and Republicans unanimously passed this bill.

I think we have to remember that what we are trying to do is allow veterans, through the Committee on Veterans' Affairs, to have access and have discounted prices. If we want to have discounted programs for veterans hospitals and veterans, let us keep it there and not open it up so that they are in the final analysis hurt.

Mr. EVANS. Madam Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. KUCINICH].

□ 1430

Mr. KUCINICH. Madam Speaker, the gentleman from Florida [Mr. STEARNS] and I are in agreement on the need to lower the cost of pharmaceuticals for veterans. To me, there is no question that this Congress ought to be doing more for our veterans.

Where we are in disagreement is that we should accept a provision in this bill which stops public hospitals from taking advantage of the lowest possible prices that might be available to them. When I say that it means a tax increase if this bill passes, here is what I mean, so we can understand this.

If public hospitals are able to get the lowest possible price for goods that they buy and for services, since they run on tax dollars, the longer they can carry that tax dollar, the more they can stretch it, the more value that is given for the tax dollar. But if the goods cost more, that means people have to pay more taxes to support it.

So that would qualify the statement that I made.

But I can see, it is difficult to be able to at once stand very firmly for veterans, as my colleague has done, for which I congratulate him, and at the same time take a stand which says, well, we cannot regard the interest of public hospitals.

So, Madam Speaker, I am very concerned that we need to let people know the effect this could have on public hospitals.

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

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

Let me mention one or two things about the Committee on Veterans' Affairs' efforts to address the concerns of Persian Gulf war veterans. We have had four separate hearings on this subject this year. We have heard from veterans' organizations, scientists, officials from VA, DOD, and CIA, and from the Presidential Advisory Commission.

At our request, the General Accounting Office has reviewed how VA cares for veterans with undiagnosed illnesses and is undertaking additional reviews of how well VA is responding to our benefits. I also want all Members to

know that we continue to press for answers to these veterans' questions.

One word about what the gentleman from Ohio [Mr. KUCINICH] is speaking of. There is nothing to prevent health organizations from negotiating with pharmaceutical companies today. Our responsibility is to protect the veterans, and if in fact we did that, or did not try to protect them, we could lose up to \$250 million a year.

The VA procures about \$1 billion dollars in pharmaceuticals every year, and that is why we are so interested in protecting this provision. I would like to thank the gentleman from Florida [Mr. STEARNS] and the gentleman from Illinois [Mr. GUTIERREZ], the chairman and ranking member of the Subcommittee on Health, as well as the gentleman from Illinois [Mr. EVANS], the ranking member of the full committee, for their contributions on this bill and for their continuing efforts to improve veterans' health care administration.

Mr. GUTIERREZ. Madam Speaker, I would like to thank Ranking Member EVANS and Chairman STUMP for their work on this important bill.

I would also like to thank Chairman STEARNS for his efforts to get this legislation reported out of the Veterans' Affairs Committee, Subcommittee on Health in a timely manner.

Today, Madam Speaker, we reauthorize a number of vital programs that provide treatment and rehabilitation services for homeless and mentally ill veterans.

I am sure many of you are aware of the numbers of homeless veterans in our Nation. The National Coalition for Homeless Veterans [NCHV] estimates that nearly 40 percent of homeless men are veterans.

The percentage of homeless women who are veterans has also increased during the past decade.

Thousands of these men and women who served our Nation and risked their lives for our defense have not been offered the respect and care they earned and deserve.

By reauthorizing the provision of vital health and rehabilitative care to this vulnerable but deserving population we pay off a small portion of the debt we owe these courageous Americans.

The bill before us today would consolidate, clarify, and I believe improve the Department of Veterans Affairs [VA] programs for homeless and mentally ill veterans by enabling the VA to deal more effectively and directly with many of the ailments afflicting these brave individuals.

Homeless veterans suffer from substance abuse at disproportionate levels. Approximately 70 percent of homeless veterans currently treated by the VA suffer from substance abuse problems.

Community-based residential care, which this bill authorizes for homeless veterans, has been proven to help these men and women restore their lives and I am pleased that we have reinstated these programs in this bill.

Compensated work therapy is similarly vital to the rehabilitative needs of homeless and

mentally ill veterans. Work therapy is inextricably linked to the success of patients in their fight against substance abuse.

The consolidated work therapy program reauthorized in H.R. 2206 should continue to provide this crucial link for veterans who are fighting addiction while rebuilding their lives and careers.

H.R. 2206 is important also because it gives the VA authority to create new and innovative treatments and services for Persian Gulf veterans.

We don't have all the answers regarding the illnesses afflicting the veterans of the Persian Gulf war.

Yet evidence that indicates that the symptoms Persian Gulf veterans are experiencing as a result of their service are real and not figments of their imagination continues to mount.

What we do know, is that these veterans have been suffering for too long without health care programs specifically geared to their needs.

So I am pleased that this bill creates a new program to fund demonstration projects at the VA that may lead to the development of new treatments for gulf war veterans with undiagnosed or ill-defined medical conditions.

This is a positive and long-overdue step toward addressing their unique needs.

Once again, I thank the leadership of the House Veterans' Affairs Committee for their thoughtful work on this important legislation.

I ask my colleagues to recognize this work and the importance of this bill for our veterans by voting your support for this measure.

Mr. GILMAN. Madam Speaker, I rise today in strong support of H.R. 2206, the Veterans Health Programs Improvement Act of 1997.

This bill modifies several laws, that are set to expire, which authorize programs to assist and rehabilitate homeless veterans and those with chronic mental illness. It also moves to address some of the critical needs relating to Gulf War illnesses.

It is estimated that one-third of all homeless adults and 40 percent of homeless men are veterans. According to research conducted by the VA, most homeless veterans suffer from serious psychiatric or substance abuse disorders. This legislation require the VA to create at least eight centers to provide comprehensive services to homeless veterans and to coordinate such services with other agencies and departments. It also extends the Homeless Veterans Comprehensive Service Grant Program through fiscal year 1999 and eliminates current law limitations on the number of specified projects for which grants may be awarded.

Equally important, Madam Speaker, is the VA's responsibility to its veterans from the Persian Gulf war. With recent evidence pointing more and more towards troops having been exposed to chemical or biological agents, we are morally obligated to provide our veterans with the best medical care available for the injuries they incurred in service to their country.

In addition, the Presidential Advisory Committee is expected to release its final recommendations to the administration in the near future. Among the recommendations is one that would extend general health care for those veterans with undiagnosed or difficult-to-

diagnose conditions. While such a provision would be an enormous help to our Persian Gulf veterans suffering from mysterious ailments, many of them also would like to know the exact cause of their condition.

This bill establishes a \$5 million grant program for 10 VA facilities to establish demonstration projects aimed at improving health care for Gulf War veterans with the aforementioned conditions that are difficult to diagnose or categorize. It also makes clear that Gulf War veterans are eligible for care for any health problem, and not just those related to exposure to toxic agents.

Accordingly, I ask my colleagues to join in supporting this worthy legislation.

Mrs. KENNELLY of Connecticut. Madam Speaker, I rise as a strong supporter of the Randolph-Sheppard Act which provides important work opportunities for the blind. I want to thank Mr. STUMP and Mr. EVANS for removing Section 8 from the Veterans' Health Programs Improvement Act of 1997, which would have weakened the Randolph-Sheppard Act. Section 8 of this bill would have granted the Veterans' Canteen Service sole authority to establish canteens, including vending facilities and vending machines at VA medical facilities. This provision would have negatively impacted the Randolph-Sheppard Act and I am pleased that it has been removed.

The Randolph-Sheppard Act, which was enacted in 1936, gives blind individuals a priority over other businesses in the operation of vending facilities and vending machine services on federal property. In 1995, I led a successful bipartisan effort which eliminated a provision to exempt the National Park Service, Bureau of Land Management and Bureau of Reclamation from the Randolph-Sheppard Act. Across the United States this program has provided employment opportunities for over 3,500 blind individuals, including over 30 blind men and women in my home state of Connecticut. In fact, it is the nation's most successful program to provide independence and work opportunities for blind people.

Blindness is often associated with adverse social and economic consequences. It is often difficult for blind individuals to find sustained employment or for that matter employment at all. The Randolph-Sheppard Act was created to eliminate dependence and its resultant cost to the taxpayer, and it remains successful in doing that. Perhaps most important, it creates entrepreneurial opportunities for blind people and promotes this nation's tradition of pride in self-reliance.

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

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

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 2206, as amended.

The question was taken.

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

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's

prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

DEPARTMENT OF VETERANS AFFAIRS—MAJOR MEDICAL CONSTRUCTION PROJECTS

Mr. STUMP. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2571) to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1998, and for other purposes.

The Clerk read as follows:

H.R. 2571

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

SECTION 1. AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS.

The Secretary of Veterans Affairs may carry out the following major medical facility projects, with each project to be carried out in the amount specified for that project:

(1) Seismic corrections at the Department of Veterans Affairs medical center in Memphis, Tennessee, in an amount not to exceed \$34,600,000.

(2) Seismic corrections and clinical and other improvements to the McClellan Hospital at Mather Field, Sacramento, California, in an amount not to exceed \$48,000,000, to be derived only from funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 1998 that remain available for obligation.

(3) Outpatient improvements at Mare Island, Vallejo, California, and Martinez, California, in a total amount not to exceed \$7,000,000, to be derived only from funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 1998 that remain available for obligation.

SEC. 2. AUTHORIZATION OF MAJOR MEDICAL FACILITY LEASES.

The Secretary of Veterans Affairs may enter into leases for medical facilities as follows:

(1) Lease of an information management field office, Birmingham, Alabama, in an amount not to exceed \$595,000.

(2) Lease of a satellite outpatient clinic, Jacksonville, Florida, in an amount not to exceed \$3,095,000.

(3) Lease of a satellite outpatient clinic, Boston, Massachusetts, in an amount not to exceed \$5,215,000.

(4) Lease of a satellite outpatient clinic, Canton, Ohio, in an amount not to exceed \$2,115,000.

(5) Lease of a satellite outpatient clinic, Portland, Oregon, in an amount not to exceed \$1,919,000.

(6) Lease of a satellite outpatient clinic, Tulsa, Oklahoma, in an amount not to exceed \$2,112,000.

(7) Lease of an information resources management field office, Salt Lake City, in an amount not to exceed \$652,000.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(2) IN GENERAL.—There are authorized to be appropriated to the Secretary of Veterans Affairs for fiscal year 1998—

(1) for the Construction, Major Projects, account \$34,600,000 for the project authorized in section 1(1); and

(2) for the Medical Care account, \$15,703,000 for the leases authorized in section 2.

(b) LIMITATION.—The projects authorized in section 1 may only be carried out using—

(1) funds appropriated for fiscal year 1998 pursuant to the authorization of appropriations in subsection (a);

(2) funds appropriated for Construction, Major Projects for a fiscal year before fiscal year 1998 that remain available for obligation; and

(3) funds appropriated for Construction, Major Projects for fiscal year 1998 for a category of activity not specific to a project.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona [Mr. STUMP] and the gentleman from Illinois [Mr. EVANS] each will control 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. STUMP].

GENERAL LEAVE

Mr. STUMP. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2571.

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

There was no objection.

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

Madam Speaker, H.R. 2571 authorizes appropriations for VA major medical construction and major medical leases. The measure includes all the projects requested by the Department of Veterans Affairs for fiscal year 1998.

Since the earthquake in California in 1991 that closed the hospital at Martinez, there has been uncertainty in the Congress about what the VA should do to serve veterans of northern California. This bill writes the conclusion of that debate by approving an approach which will recycle a closed air force hospital near Sacramento and a naval clinic near Vallejo for veterans' use, lead to expansion of veterans' use of community health care facilities throughout northern California, and improve existing VA outpatient clinics to better serve veterans who use them.

This approach will save the U.S. Government almost \$140 million in construction costs and will make VA health care more convenient for tens of thousands of veterans. This is a real victory for common sense.

Madam Speaker, I yield as much time as he may consume to the gentleman from Florida [Mr. STEARNS], the chairman of the Subcommittee on Health, for any further explanation he may make.

Mr. STEARNS. Madam Speaker, I rise in strong support of H.R. 2571, the fiscal year 1998 VA major construction authorization bill, and urge my colleagues to join me in passing this legislation.

This bill authorizes several major medical construction projects as well as leases. First, this bill authorizes \$34.6 million to complete seismic corrections begun earlier at the Memphis VA Medical Center. It is important

that we authorize this project because the Memphis facility does not conform to current seismic standards and lies on a fault line which has a high probability for earthquake activity.

It is important to note that this is the only project in the bill for which new funding for major construction is recommended. The bill also authorizes the expenditure of previously appropriated construction funds for several interrelated projects in northern California. The bill would authorize VA to undertake seismic corrections and clinical and other improvements at the McClellan Hospital at Mather Field in Sacramento, CA, and to make outpatient improvements at two other sites in northern California.

The bill would authorize the VA to undertake these projects in lieu of previous plans to construct a 234-bed hospital at Travis Air Force Base. The proposed Travis project was intended as a replacement for the VA medical center in Martinez which was closed in 1991 because of earthquake damage.

Studies done by the General Accounting Office and Price Waterhouse recommended against proceeding with the replacement project. The committee concurs with the view that the veterans of northern California will be better served by a plan that does not rely on a single hospital site as a source of hospital care for this large region.

The McClellan Hospital, however, has the capacity to serve the Sacramento area effectively, and VA anticipates that the McClellan facility will be transferred at no cost from the Air Force under the BRAC process.

Madam Speaker, H.R. 2571 also authorizes some \$15 million for the VA to enter into lease agreements for needed satellite outpatient clinics in Jacksonville, FL; Boston, MA; Canton, OH; Portland, OR; and Tulsa, OK; and information resources management field offices in Birmingham, AL, and Salt Lake City, UT.

H.R. 2571 is a sound, fiscally responsible bill. It defers further major construction spending authorizations until VA makes more progress on strategic planning requirements that have been initiated by our committee. VA itself has urged that the Congress authorize these projects, and I urge Members to support this measure.

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

Madam Speaker, I rise to support H.R. 2571. This bill accommodates the administration's construction spending priorities as well as those projects for which our committee anticipates appropriations will be made.

The major construction projects require modest funding but are critical to provide access to veterans in areas where their needs cannot be met or in maintaining patient safety in existing facilities which are deficient in conforming to the earthquake code.

I am also pleased with the emphasis this bill places on outpatient projects and development of information resources management centers.

Leasing, rather than building, to meet VA's needs is also a move in the right direction. VA has sometimes been criticized for using bricks and mortar to meet its space requirements while facilities in the community stand vacant.

The leases this bill authorizes are more flexible than in the past, and the VA can provide the capacity it needs not only for today but it may need maybe tomorrow. The authorizations for construction and for leases also allow the VHA to continue on its course of shifting the care to ambulatory settings and providing increased access to the health care needs of our veterans in 1998.

Madam Speaker, I reserve the balance of my time.

Mr. STUMP. Madam Speaker, I yield myself as much time as I may consume.

Madam Speaker, I would like to commend the gentleman from Illinois [Mr. EVANS] on his commitment on this bill and also to the gentleman from Florida [Mr. STEARNS] and the gentleman from Illinois [Mr. GUTIERREZ], again, the chairman and the ranking member of the subcommittee, for all their work on behalf of the veterans.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 2571.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

DEPARTMENT OF VETERANS AFFAIRS EMPLOYMENT DISCRIMINATION RESOLUTION AND ADJUDICATION ACT

Mr. STUMP. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1703) to amend title 38, United States Code, to provide for improved and expedited procedures for resolving complaints of unlawful employment discrimination arising within the Department of Veterans Affairs, as amended.

The Clerk read as follows:

H.R. 1703

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 "Department of Veterans Affairs Employment Discrimination Resolution and Adjudication Act".

SEC. 2. EQUAL EMPLOYMENT RESPONSIBILITIES IN THE DEPARTMENT OF VETERANS AFFAIRS.

(a) IN GENERAL.—(1) Chapter 5 of title 38, United States Code, is amended by inserting at the end of subchapter I the following new section:

“§516. Equal employment responsibilities

“(a) The Secretary shall provide that the employment discrimination complaint resolution system within the Department be established and administered so as to encourage timely and fair resolution of concerns and complaints. The Secretary shall take steps to ensure that the system is administered in an objective, fair, and effective manner and in a manner that is perceived by employees and other interested parties as being objective, fair, and effective.

“(b) The Secretary shall provide—

“(1) that employees responsible for counseling functions associated with employment discrimination and for receiving, investigating, and processing complaints of employment discrimination shall be supervised in those functions by, and report to, an Assistant Secretary or a Deputy Assistant Secretary for complaint resolution management; and

“(2) that employees performing employment discrimination complaint resolution functions at a facility of the Department shall not be subject to the authority, direction, and control of the Director of the facility with respect to those functions.

“(c) The Secretary shall ensure that all employees of the Department receive adequate education and training for the purposes of this section and section 319 of this title.

“(d) The Secretary shall impose appropriate disciplinary measures, as authorized by law, in the case of employees of the Department who engage in unlawful employment discrimination, including retaliation against an employee asserting rights under an equal employment opportunity law.

“(e) The number of employees of the Department whose duties include equal employment opportunity counseling functions as well as other, unrelated functions may not exceed 40 full-time equivalent employees. Any such employee may be assigned equal employment opportunity counseling functions only at Department facilities in remote geographic locations (as determined by the Secretary). The Secretary may waive the limitation in the preceding sentence in specific cases.

“(f) The provisions of this section shall be implemented in a manner consistent with procedures applicable under regulations prescribed by the Equal Employment Opportunity Commission.”

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 515 the following new item:

“516. Equal employment responsibilities.”

(b) REPORTS ON IMPLEMENTATION.—The Secretary of Veterans Affairs shall submit to Congress reports on the implementation and operation of the equal employment opportunity system within the Department of Veterans Affairs. The first such report shall be submitted not later than April 1, 1998, and subsequent reports shall be submitted not later than January 1, 1999, and January 1, 2000. Each such report shall set forth the actions taken by the Secretary to implement section 516 of title 38, United States Code, as added by subsection (a), and other actions taken by the Secretary in relation to the equal employment opportunity system within the Department of Veterans Affairs.

SEC. 3. DISCRIMINATION COMPLAINT ADJUDICATION AUTHORITY IN THE DEPARTMENT OF VETERANS AFFAIRS.

(a) IN GENERAL.—(1) Chapter 3 of title 38, United States Code, is amended by adding at the end the following new section:

“§319. Office of Employment Discrimination Complaint Adjudication

“(a)(1) There is in the Department an Office of Employment Discrimination Complaint Adjudication. There is at the head of the Office a Director.

“(2) The Director shall be a career appointee in the Senior Executive Service.

“(3) The Director reports directly to the Secretary or the Deputy Secretary concerning matters within the responsibility of the Office.

“(b)(1) The Director is responsible for making the final agency decision within the Department on the merits of any employment discrimination complaint filed by an employee, or an applicant for employment, with the Department. The Director shall make such decisions in an impartial and objective manner.

“(2) No person may make any ex parte communication to the Director or to any employee of the Office with respect to a matter on which the Director has responsibility for making a final agency decision.

“(c) Whenever the Director has reason to believe that there has been retaliation against an employee by reason of the employee asserting rights under an equal employment opportunity law, the Director shall report the suspected retaliatory action directly to the Secretary or Deputy Secretary, who shall take appropriate action thereon.

“(d)(1) The Office shall employ a sufficient number of attorneys and other personnel as are necessary to carry out the functions of the Office. Attorneys shall be compensated at a level commensurate with attorneys employed by the Office of General Counsel.

“(2) The Secretary shall ensure that the Director is furnished sufficient resources in addition to personnel under paragraph (1) to enable the Director to carry out the functions of the Office in a timely manner.

“(3) The Secretary shall ensure that any performance appraisal of the Director of the Office of Employment Discrimination Complaint Adjudication or of any employee of the Office does not take into consideration the record of the Director or employee in deciding cases for or against the Department.”

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“319. Office of Employment Discrimination Complaint Adjudication.”

(b) REPORTS ON IMPLEMENTATION.—The Director of the Office of Employment Discrimination Complaint Adjudication of the Department of Veterans Affairs (established by section 319 of title 38, United States Code, as added by subsection (a)) shall submit to the Secretary and to Congress reports on the implementation and the operation of that office. The first such report shall be submitted not later than April 1, 1998, and subsequent reports shall be submitted not later than January 1, 1999, and January 1, 2000.

SEC. 4. EFFECTIVE DATE.

Sections 516 and 319 of title 38, United States Code, as added by sections 2 and 3 of this Act, shall take effect 90 days after the date of the enactment of this Act.

SEC. 5. INDEPENDENT PANEL TO REVIEW EQUAL EMPLOYMENT OPPORTUNITY AND SEXUAL HARASSMENT PROCEDURES WITHIN THE DEPARTMENT OF VETERANS AFFAIRS.

(a) ESTABLISHMENT.—There is hereby established a panel to review the equal employment opportunity and sexual harassment practices

and procedures within the Department of Veterans Affairs and to make recommendations on improvements to those practices and procedures.

(b) PANEL FUNCTIONS RELATING TO EQUAL EMPLOYMENT OPPORTUNITY AND SEXUAL HARASSMENT.—The panel shall assess the culture of the Department of Veterans Affairs in relationship to the issues of equal employment opportunity and sexual harassment, determine the effect of that culture on the operation of the Department overall, and provide recommendations as necessary to change that culture. As part of the review, the panel shall do the following:

(1) Determine whether laws relating to equal employment opportunity and sexual harassment, as those laws apply to the Department of Veterans Affairs, and regulations and policy directives of the Department relating to equal employment opportunity and sexual harassment have been consistently and fairly applied throughout the Department and make recommendations to correct any disparities.

(2) Review practices of the Department of Veterans Affairs, relevant studies, and private sector training and reporting concepts as those practices, studies, and concepts pertain to equal employment opportunity, sexual misconduct, and sexual harassment policies and enforcement.

(3) Provide an independent assessment of the Report on the Equal Employment Opportunity Complaint Process Review Task Force of the Department.

(c) COMPOSITION.—(1) The panel shall be composed of six members, appointed as follows:

(A) Three members shall be appointed jointly by the chairman and ranking minority party member of the Committee on Veterans' Affairs of the House of Representatives.

(B) Three members shall be appointed jointly by the chairman and ranking minority party member of the Committee on Veterans' Affairs of the Senate.

(2) The members of the panel shall choose one of the members to chair the panel.

(d) QUALIFICATIONS.—Members of the panel shall be appointed from among private United States citizens with knowledge and expertise in one or more of the following:

(1) Extensive prior military experience, particularly in the area of personnel policy management.

(2) Extensive experience with equal employment opportunity complaint procedures, either within Federal or State government or in the private sector.

(3) Extensive knowledge of the Department of Veterans Affairs, and particularly knowledge of personnel practices within the Department.

(e) REPORTS.—(1) Not later than six months after the members of the panel are appointed, the panel shall submit an interim report on its findings and conclusions to the Committees on Veterans' Affairs of the Senate and House of Representatives.

(2) Not later than one year after establishment of the panel, the panel shall submit a final report to the Committees on Veterans' Affairs of the Senate and House of Representatives. The final report shall include an assessment of the equal employment opportunity system and the culture within the Department of Veterans Affairs, with particular emphasis on sexual harassment. The panel shall include in the report recommendations to improve the culture within the Department.

(f) PAY AND EXPENSES OF MEMBERS.—(1) Each member of the panel shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the panel.

(2) The members of the panel shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the panel.

(g) ADMINISTRATIVE SUPPORT.—The Chairman may hire such staff as necessary to accomplish the duties outlined under this title.

(h) FUNDING.—The Secretary of Veterans Affairs shall, upon the request of the panel, make available to the panel such amounts as the panel may require, not to exceed \$400,000, to carry out its duties under this title.

(i) TERMINATION OF PANEL.—The panel shall terminate 60 days after the date on which it submits its final report under subsection (e)(2).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona [Mr. STUMP] and the gentleman from Illinois [Mr. EVANS] each will control 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. STUMP].

GENERAL LEAVE

Mr. STUMP. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1703.

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

There was no objection.

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

Madam Speaker, H.R. 1703 is the bipartisan equal employment opportunity reform bill for the VA. Many committee members from both sides of the aisle contributed to this bill.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, as my colleagues know, the problem of sexual harassment is not new to our society or our Federal work force. It has only been in the past decade or so, however, that Congress has begun to truly recognize the depths of the problem and attempted to eliminate it from our workplace.

Recent testimony before the House Veterans' Affairs Subcommittee on Oversight and Investigations has shown that sexual harassment has been far too commonplace at the VA over the past few years. Despite what I consider to be sincere efforts of VA Secretary Jesse Brown and his successor, Hershel Gober, VA's "zero tolerance" policy against sexual harassment has failed.

VA's zero tolerance policy was placed in effect in 1993 after the Subcommittee on Oversight's hearings showed a seriously flawed EEO process and a culture of tolerance toward sexual harassment at the VA. I chaired those hearings back then, and I also fought to overhaul the EEO process within the VA at that time.

Thanks to the collective efforts of our past chairman, Sonny Mont-

gomery, the gentleman from Arizona [Mr. STUMP], our current chairman, the gentleman from North Carolina [Mr. CLYBURN], the subcommittee chairman, and the gentleman from Florida [Mr. BILIRAKIS], and others, the House passed legislation during the 103d Congress that is nearly identical to the bill that we are considering today.

Given the promises of comprehensive Government-wide EEO reform, however, the Senate did not act on this piece of legislation. Nearly 5 years later, there has been no Government-wide reform of this process, there have been no major overhauls of the VA's administrative process, and VA's well-intentioned zero tolerance policy has proven to be ineffective.

But thanks to the leadership of VA's Oversight Subcommittee Chairman, TERRY EVERETT, the Committee on Veterans' Affairs has continued to keep a watchful eye on the VA's efforts to eliminate sexual harassment in the workplace. Joined by the gentleman from North Carolina [Mr. CLYBURN] and Republicans, the gentleman from Florida [Mr. BILIRAKIS], the gentleman from Indiana [Mr. BUYER], and the gentleman from Arizona [Mr. STUMP], TERRY and I introduced this bipartisan legislation that we are considering today on the floor of the House.

I commend the gentleman from Alabama, [Mr. EVERETT], for fighting the good fight, and I look forward to the passage of this legislation this afternoon.

□ 1445

No one should think that we in Congress will be able to completely end sexual harassment, discrimination and abuse at the VA or anywhere else. Still, we can play a significant role in bringing renewed professionalism, independence and objectivity to the EEO process at the VA, and that is exactly what we will do by enacting H.R. 1703.

By removing the EEO complaint process from the facility where the discrimination allegedly occurred, this legislation limits the ability of heavy-handed facility directors to unfairly influence the discrimination complaint process. By removing the final agency decision-making authority from the VA's office, this legislation eliminates the obvious conflict of interest created when the general counsel is expected to be an advocate for the VA on one hand, and to decide the merits of discrimination complaints against the department on the other hand.

By enacting this bill, we can address these serious flaws and bring renewed independence, objectivity and professionalism to the EEO process at the VA.

I am pleased to say that VA Secretary Hershel Gober has acknowledged that the VA's current EEO process is flawed and in need of reform. In antici-

pation of this legislation and similar legislation in the Senate, Mr. Gober has already initiated administrative changes to the EEO process which would bring the department much of the way toward achieving the reforms originally proposed in 1993. I applaud his leadership and his demonstrated level of commitment on this issue, but it is still up to Congress to make sure that the VA does all the work it needs to do for this issue to be addressed.

The Congress cannot and should not be expected to wait any longer for meaningful reform of the EEO process within the VA. More importantly, this Nation's veterans and the VA employees dedicated to serving them cannot be expected to wait any longer for meaningful action and honest reform to come to the EEO process at the VA.

By enacting H.R. 1703, we in Congress can help put the VA back on the path toward restoring employee trust and eradicating discrimination in the workplace. Our veterans and VA employees deserve no less.

Madam Speaker, I reserve the balance of my time.

Mr. STUMP. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. EVERETT], the chairman of the Subcommittee on Oversight and Investigations.

Mr. EVERETT. Mr. Speaker, I rise in strong support of H.R. 1703, as amended, the Department of Veterans Affairs Employment Discrimination Resolution and Adjudication Act.

This legislation has grown out of oversight activities of the Committee on Veterans' Affairs Subcommittee on Oversight and Investigations which was reestablished at the beginning of this session. I will outline the bill shortly, but first I want to give my colleagues some background on issues which led to it.

In 1993, as a result of committee hearings led by the gentleman from Illinois [Mr. EVANS] on serious sexual harassment cases at the Atlanta VA Medical Center and elsewhere, the House passed a bipartisan bill, H.R. 1032, to strengthen the VA's EEO system. The gentleman from Illinois [Mr. EVANS], now our committee's ranking Democrat, was one of the authors of that bill.

The VA opposed the bill and it died in the Senate, as the gentleman from Illinois has indicated. Nevertheless, the VA promised to address the EEO problems the committee had identified. To make a long story short, it did not happen.

Then came Fayetteville earlier this year. This past April 17, the Subcommittee on Oversight and Investigations, at the request of the gentleman from Florida [Mr. BILIRAKIS], an active member of our committee, held a hearing on allegations of sexual harassment and other abusive treatment of employees at the Fayetteville VA Medical

Center in North Carolina. Five courageous women came before the subcommittee to tell us, under oath, what had happened there. It of course differed in details, but essentially it was Atlanta all over again.

The testimony showed that the influence and control the former director at Fayetteville had over EEO complaint processing had discouraged VA employees from filing complaints and had prevented those who did from getting a fair hearing. Mr. Speaker, we heard testimony that the women, one of the women involved actually heard the EEO officer, who was the director, laugh at the complaints that had been filed. Obviously, the problems that the Atlanta case have revealed in the VA EEO system still remain.

As a consequence, the gentleman from Illinois [Mr. EVANS]; the gentleman from South Carolina [Mr. CLYBURN], the subcommittee's ranking Democrat; the gentleman from Arizona [Mr. STUMP], the chairman of the full committee; the gentleman from Florida [Mr. BILIRAKIS]; and the gentleman from Indiana [Mr. BUYER] have joined me in introducing H.R. 1703, a virtually identical bill to H.R. 1032. Down in Alabama we have a saying: "Fool me once, shame on you; fool me twice, shame on me," and that is the reason we feel this legislation ought to go into law. I feel I speak for the cosponsors of the bill when I say we firmly believe that the needed EEO reforms at the VA should be a matter of law.

Mr. Speaker, H.R. 1703, as amended, will require the VA to establish a new EEO complaint resolution system separate from the facility management. It would also require the VA to establish a new, independent final decision-making office for the EEO cases. The director of the office will report directly to the VA's Secretary or Deputy Secretary. The bill would obligate the VA to report regularly to Congress on its progress in implementing the new provisions and on the operation of the new EEO system.

Finally, the bill would establish an independent panel to determine the extent of VA's hostile working environment for women and other VA employees.

Mr. Speaker, before concluding, I want to thank our distinguished Committee on Veterans Affairs chairman, the gentleman from Arizona [Mr. STUMP], for his support and vigorous oversight of the VA, for giving H.R. 1703, as amended, a high priority, and for bringing it so quickly to the floor. Also, I particularly want to mention the gentleman from Illinois [Mr. EVANS] and the gentleman from South Carolina [Mr. CLYBURN] for their hard work and personal involvement in this legislation. I want to commend the gentleman from Indiana [Mr. BUYER] for his leadership on both the Committee on Veterans Affairs and the

Committee on National Security on this issue. The gentleman from Florida [Mr. BILIRAKIS], as well, has been tireless in his efforts to promote these reforms the VA needs so much for its employees.

Our bipartisan bill will not solve every EEO problem, but I believe it will go a long way toward restoring competence of VA employees in the Department's EEO system. Therefore, I strongly urge my colleagues to act favorably on H.R. 1703, as amended.

Mr. Speaker, I just received word that the VA has just announced that the administration has no objection to the House passage of H.R. 1703.

Mr. Speaker, I rise in support of H.R. 1703, as amended, the Department of Veterans Affairs Employment Discrimination Resolution and Adjudication Act.

This legislation has grown out of the oversight activities of the Veterans' Affairs Subcommittee on Oversight and Investigations, which was reestablished at the beginning of this season. I will outline the bill shortly, but first I want to give my colleagues some background on the issues which led to it.

In 1993, as the result of committee hearings on serious sexual harassment cases at the Atlanta VA Medical Center and elsewhere, the House passed a bipartisan bill, H.R. 1032, to strengthen the VA's equal employment opportunity [EEO] system. Mr. EVANS, now our committee's ranking Democrat, was one of the authors of that bill.

The VA opposed the bill and it died in the Senate. Nonetheless, the VA promised to address the EEO problems the committee had identified, but, to make a long story short, it did not.

Then came Fayetteville earlier this year. This past April 17, the Subcommittee on Oversight and Investigations, at the request of Mr. BILIRAKIS, an active member of our committee, held a hearing on allegations of sexual harassment and other abusive treatment of employees at the Fayetteville VA Medical Center in North Carolina. Five courageous women came before the subcommittee to tell us under oath what had happened there.

It of course differed in the details, but essentially it was Atlanta all over again. And to make matters even worse, the VA had not disciplined the medical center's former director, against whom the allegations were made. Instead, he had been allowed to transfer at the taxpayer's expense to a VA hospital in Florida, Bay Pines, near where he owned a home and where a nonsupervisory job has been created especially for him at a slightly higher salary than he had as a hospital director. This "Club Med" treatment for an abusive boss understandably outraged many employees at Fayetteville.

The subcommittee believed, based on the testimony it heard, that there were probably more cases of harassment or abusive treatment of employees, both women and men, at Fayetteville. As the chairman, I asked the VA to do a more thorough investigation, which it did. Unfortunately, our concerns proved well founded, and many additional cases came to light. While Fayetteville has new management, we are still monitoring VA's efforts to make the

affected employees whole and to restore morale. Some employees had actually been driven into retirement under what amounted to duress in order to escape unbearable working conditions.

When we asked employees at Fayetteville with sexual harassment cases why they did not file discrimination complaints with the VA's EEO system, they asked, "How could we? The director was the hospital's EEO officer and we had no confidence that anything would be done." One witness testified that the director and the EEO manager would meet after hours, discuss the EEO cases and laugh about them.

The testimony showed that the influence and control the former director at Fayetteville had over EEO complaint processing was discouraging VA employees from filing complaints and preventing those who did from getting fair treatment. Obviously, the problems the Atlanta cases had revealed in the VA's EEO system still remained.

As a consequence, Mr. EVANS, Mr. CLYBURN, the subcommittee's ranking Democrat, Chairman STUMP, Mr. BILIRAKIS and Mr. BUYER joined me in introducing H.R. 1703, a virtually identical bill to H.R. 1032. Down in Alabama, we have a saying, "Fool me once, shame on you; fool me twice, shame on me."

Since we introduced the bill and before the follow up hearing we held on July 17, the VA has taken significant administrative steps to do much of what our bill would accomplish. We have had serious discussions with the VA about their objections to various features of the bill and have completely redrafted the bill without changing its objectives. The Administration now has no objection to passage of the bill. I think I speak for the bill's cosponsors when I say we firmly believe that the needed EEO reforms at VA should be a matter of law.

Mr. Speaker, H.R. 1703, as amended, would require the VA to establish a new EEO complaint resolution system separated from facility management. It would also require the VA to establish a new, quasi-independent final decision-making office of EEO cases. The director of the office would report directly to the VA Secretary or Deputy Secretary. The bill would obligate the VA to report back regularly to Congress on its progress in implementing the new provisions and on the operations of its new EEO system.

Finally, the bill would establish an independent panel to assess the extent of this current problem within the VA.

Our bill is cost neutral. It requires changes in the way the VA processes and decides EEO cases, but the VA has assured the committee that it can accomplish these changes within its current budgetary resources. Furthermore, the Congressional Budget Office estimates no significant additional costs for a reformed EEO system at the VA.

Mr. Speaker, before concluding, I want to thank our distinguished Veterans' Affairs Committee Chairman, BOB STUMP, for his support of vigorous oversight of the VA in order to ensure that our Nation's veterans receive the benefits and services Congress has mandated, and for giving H.R. 1703, as amended, a high priority and bringing it to the floor so quickly.

Also, I particularly want to commend Mr. EVANS and Mr. CLYBURN for their hard work

and personal involvement in this legislation. I want to commend Mr. BUYER for his leadership on both the Veterans' Affairs and National Security Committees on these issues. Mr. BILIRAKIS as well has been tireless in his efforts to promote the reforms needed so much to improve the workplace for VA employees.

Our bipartisan bill would not solve every EEO problem, but I believe it would go a long way toward restoring the confidence of VA employees in the department's EEO system. Therefore, I strongly urge my colleagues to act favorably on H.R. 1703, as amended.

Mr. EVANS. Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina [Mr. CLYBURN], the ranking Democrat on the Subcommittee on Oversight and Investigations.

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

Mr. Speaker, I rise today in strong support of H.R. 1703, as amended, the Department of Veterans Affairs Employment Discrimination Resolution and Adjudication Act.

The veterans oversight hearings chaired by the gentleman from Alabama [Mr. EVERETT], my distinguished Republican colleague, have demonstrated an extremely sensitive and serious problem of sexual harassment within the Department of Veterans Affairs. The gentleman from Illinois [Mr. EVANS] and I were original cosponsors of legislation nearly identical to H.R. 1703 back in 1993. At that time, we were told that changes were in the works regarding the EEO process at the VA and throughout the Federal Government, and that there would be no need for this legislation.

This expected Government-wide solution never happened. The Senate never acted on the bill we passed in 1993, and here we are again almost 5 years later dealing with sexual harassment problems that continue to fester at the VA.

It is a tribute to the gentleman from Alabama [Mr. EVERETT] that he has recognized the continuing need for legislation to improve the EEO process at VA. This May, with bipartisan support, the gentleman from Alabama [Mr. EVERETT] introduced H.R. 1703, legislation derived from the bill that was first introduced in 1993.

It is also a tribute to Secretary Hershel Gober that he has recognized a serious problem with the EEO process at VA, and that he has proposed administrative changes that draw in large part from the bill we have introduced in this Congress.

The VA's proposals do not go far enough, and there is still the need for legislation in this area. That is why we need to pass H.R. 1703 today, and that is why we need to do all we can to make sure our colleagues in the Senate quickly act on their version of this legislation.

By voting in favor of H.R. 1703, we in Congress can do our part to bring professionalism and independence to the

EEO process at the VA, and to help restore the faith and trust in the process that has been so lacking through the last few years.

Mr. EVANS. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. GUTIERREZ].

Mr. GUTIERREZ. Mr. Speaker, I am very gratified that this legislation is being offered today. The bill is nearly identical to legislation that I sponsored during my first term in Congress in 1993, along with the gentleman from Illinois [Mr. EVANS], the gentleman from Massachusetts [Mr. KENNEDY], and others.

The problem of employment discrimination within the VA, particularly of sexual harassment within the Department, is a problem that cannot be tolerated. The changes called for by this bill should make a major difference in ensuring that cases of discrimination or other improper behavior are handled in a proper manner.

Rather than having local VA officials police their own, a situation which invites personal relationships to interfere in an investigation, this bill offers us a better solution. Setting up an office of employment discrimination within the VA central office will enable a fair and more accurate system for dealing with complaints of harassment and discrimination.

In addition, I am hopeful that this bill will prove to be a step in the right direction, and encourage us to take action to develop proper care and treatment within the VA for Armed Forces personnel who have been sexually abused or harassed during their service in our military. This body's interest in addressing the problem of sexual harassment should not end today.

The VA's function is to serve veterans, and at present, it is doing an inadequate job of serving veterans who have been the victims of sexual abuse or harassment.

I introduced legislation earlier this year that would improve such care. I have been alarmed to learn that despite the high-profile cases that we have heard about this year at Aberdeen and other military installations and bases, the opportunity for a woman to receive care and treatment within the VA for those incidents of abuse is very rare.

I am gratified that more than 50 Members have agreed to cosponsor H.R. 2253. I would ask that any Members of this House who are voting with me to expand the investigation of sexual harassment within the VA will likewise join with me to pass legislation that will treat former military personnel, and I want to underscore this, that will treat former military personnel who seek help within the VA as a result of such abuse.

I want to thank the gentleman from Arizona [Mr. STUMP], the gentleman from Illinois [Mr. EVANS], the gen-

tleman from Alabama [Mr. EVERETT], and the gentleman from South Carolina [Mr. CLYBURN] for their work on this important legislation. It should be supported by all Members of this House.

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

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

A lot of people put a lot of time in achieving this bill, and I especially want to thank the gentleman from Alabama [Mr. EVERETT], the chairman of the Subcommittee on Oversight and Investigations, and the gentleman from South Carolina [Mr. CLYBURN] for all of the effort that he put forth on this bill, as well as the ranking member of the full committee; and of course the gentleman from Indiana [Mr. BUYER] and the gentleman from Florida [Mr. BILIRAKIS], who originally asked for a meeting, and the gentleman from Illinois [Mr. GUTIERREZ], who just made a statement. As I mentioned before, this is a very bipartisan bill and I urge the Members to support it.

Mr. BILIRAKIS. Mr. Speaker, I rise in strong support of H.R. 1703, Department of Veterans Affairs Employment Discrimination Resolution and Adjudication Act.

Over the past several months, incidents of sexual harassment by several of the VA's senior career managers have come to my attention. This greatly disturbs me because Congress investigated similar problems several years ago. In fact, when I served as the ranking minority member of the Oversight and Investigation Subcommittee, we conducted a hearing on sexual harassment in the VA workplace in 1992.

At that time, we heard from several VA employees who had been the victims of sexual harassment. It took a great deal of courage for these women to come forward and share their experiences with our committee. Many of these women were also subjected to acts of retaliation by their abusers and other VA employees.

Their perception, which was shared by many other employees, was that the VA did not take sexual harassment complaints seriously. There was a great deal of suspicion and distrust caused by too many years of apparent toleration of unacceptable behavior.

Without question, our 1992 hearing revealed that the process in place at the VA for investigating sexual harassment complaints was seriously flawed. Consequently, the Veterans' Affairs Committee unanimously approved legislation, which was later passed by the House, to address the problems at the VA. H.R. 1032 would have provided for improved and expedited procedures for resolving complaints of employment discrimination, including sexual harassment complaints.

When we considered H.R. 1032, VA Secretary Brown opposed the passage of this legislation because he preferred to take administrative action instead. The Senate did not act on H.R. 1032, and the bill was never enacted into law.

Secretary Brown established a policy of zero tolerance of sexual harassment and other

forms of discrimination within the Department of Veterans Affairs early in his tenure as Secretary. Unfortunately, it appears that this policy of zero tolerance is not being enforced.

Almost 5 years after our first hearing, we are faced with a similar situation at the VA. This matter was brought to my attention again when the director of the Fayetteville VA Medical Center was found to have sexually harassed one female employee. He also engaged in abusive, threatening and inappropriate behavior toward other female employees. This director was transferred to the Bay Pines VA Medical Center which serves many of the veterans in my congressional district. He was allowed to retain a salary of more than \$100,000 in a position created specifically for him.

I heard from my constituents, particularly female veterans and VA employees, who were outraged by the Department's actions on this matter. They do not believe that the VA took any punitive action against this senior VA employee.

At my request, the Veterans' Affairs Oversight Subcommittee held a hearing on this latest incident of sexual harassment on April 17, 1997. We heard from several VA employees who were subjected to abusive treatment while working in the Fayetteville Medical Center. Sadly, their stories mirror those that we first heard in 1992. Despite the Secretary's zero tolerance policy, it appears that the VA has failed to adequately implement sufficient administrative procedures to deal with sexual harassment complaints.

Our witnesses believed that their harasser was not properly or adequately punished. In fact, they felt that he was rewarded for his actions "by being sent to the place he wanted to be with a raise in salary." This certainly appears to be the case. Consequently, I am greatly concerned that the VA's policy of zero tolerance has, at best, not been implemented uniformly, and at worst, has been ignored.

In 1992, I said that "Everyone has the right to live and to go to work without fear of harassment of any sort * * * we owe all female veterans and all female VA employees the assurance that we will not tolerate sexual harassment at any level." This statement is just as relevant today as it was 5 years ago.

Our 1992 hearing revealed that the process in place at the VA for investigating sexual harassment complaints was seriously flawed. Our 1997 hearing showed that the process is still flawed. Although I wish it were not necessary, I am pleased to be an original cosponsor of Chairman EVERETT's legislation, H.R. 1703.

We cannot defer legislative action again. I certainly do not want to find out 5 years from now that the VA's EEO process is still broken. Victims of sexual harassment and other types of employment discrimination deserve a sympathetic and effective response from their employer. The legislation before us is essential to assure employees that mistreatment will be dealt with fairly.

I urge my colleagues to support H.R. 1703.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 1703, the Department of Veterans Affairs Employment Discrimination Resolution and Adjudication Act of 1997.

In recent years, we have heard of numerous cases where individuals within the Department

of Veterans Affairs who were subjected to sexual harassment and other unlawful employment discrimination. As a result, the Department has established a zero-tolerance policy on sexual harassment and has promised to improve its equal opportunity system.

This legislation would assist the Department in meeting that goal by establishing a new Office of Resolution Management [ORM] to carry out such responsibilities. The number of full time professional EEO counselors and investigators is increased under this legislation.

Furthermore, H.R. 1703 mandates that the VA Secretary establish an Office of Employment Discrimination Complaint Adjudication [OEDCA] to issue final decisions on the merits of discrimination claims within the Department. The director of OEDCA will report directly to the VA Secretary and will have sole responsibility within the VA for resolving complaints of sexual harassment and other unlawful employment practices.

Accordingly, I urge my colleagues to join me in support of this legislation, which will help to reduce the level of unlawful employment incidents in the VA and allow those who were victims of such practices to continue to move forward in helping our veterans.

Mr. FARR of California. Mr. Speaker, I rise in support of two important veterans bills being considered on the floor today. H.R. 1703, the Veterans' Affairs Employment Discrimination Prevention Act, would establish a new VA office to resolve employment discrimination claims by veterans. Too often, our Nation's veterans are the victims of discrimination in the workplace, and this legislation would help ensure that their concerns are heard and resolved.

H.R. 2206, the Veterans Health Programs Improvement Act, will provide needed help to homeless veterans and veterans of the gulf war. The legislation would reauthorize a number of important Federal programs for homeless veterans, and allow the VA to operate more care facilities for veterans suffering from drug and alcohol abuse.

In addition, H.R. 2206 would expand medical care eligibility for gulf war veterans, so that any veteran with gulf war illnesses could receive health care from the VA—whether or not their illness can be proven as caused by exposure to toxins. The bill also authorizes \$5 million in funds for researching new forms of treatment of gulf war syndrome.

I represent both veterans and veterans' families who continue to suffer from gulf war illnesses, with no end in sight. Unfortunately, many suffering veterans don't get medical care because they cannot prove the cause of their illness. This legislation will ensure medical help is available for those gulf war veterans who need it.

I am glad to see these two bills come to the floor, and I urge my colleagues to support them.

Mr. STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. STEARNS). The question is on the motion offered by the gentleman from Arizona [Mr. STUMP], that the House suspend the rules and pass the bill, H.R. 1703, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend title 38, United States Code, to provide for improvements in the system of the Department of Veterans Affairs for resolution and adjudication of complaints of employment discrimination."

A motion to reconsider was laid on the table.

□ 1500

REAUTHORIZATION OF THE EXPORT-IMPORT BANK

The SPEAKER pro tempore (Mr. STEARNS). Pursuant to House Resolution 255 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1370.

□ 1500

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. 1370) to reauthorize the Export-Import Bank of the United States, with Mrs. EMERSON, Chairman pro tempore in the chair.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Tuesday, September 30, 1997, amendment No. 3 printed in House Report 105-282 offered by the gentleman from New York [Mr. LAFALCE] had been disposed of.

It is now in order to consider amendment No. 4 printed in House report 105-282.

AMENDMENT NO. 4 OFFERED BY MR. ROHRBACHER

Mr. ROHRBACHER. Madam Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. ROHRBACHER:

At the end of the bill, add the following:
SEC. 10. PROHIBITION AGAINST ASSISTANCE TO COMPANIES THAT ARE AT LEAST 50 PERCENT OWNED BY A FOREIGN GOVERNMENT OR MILITARY.

Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended by adding at the end the following:

"(12) PROHIBITION AGAINST ASSISTANCE TO COMPANIES THAT ARE AT LEAST 50 PERCENT OWNED BY A FOREIGN GOVERNMENT OR MILITARY.—

"(A) DETERMINATION OF OWNERSHIP.—On application for assistance involving a transaction in connection with the import or export of any good or service, the Bank shall determine whether any company involved in the transaction is at least 50 percent owned by the government or military of a foreign country.

"(B) PROHIBITION.—The Bank shall not insure, guarantee, extend credit, or participate

in an extension of credit involving any transaction in connection with the import or export of any good or service if any company involved in the transaction is at least 50 percent owned by the government or military of a foreign country."

The CHAIRMAN pro tempore. Pursuant to House Resolution 255, the gentleman from California [Mr. ROHRABACHER] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California [Mr. ROHRABACHER].

Mr. CASTLE. Madam Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from Delaware.

Mr. CASTLE. Madam Chairman, I ask unanimous consent that the time for debate on the two Rohrabacher amendments be extended to 20 minutes from the 10 minutes allocated from the rule, to be equally divided between the proponents and opponents. We have discussed this, and it is in everyone's interest to do this.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

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

Madam Chairman, my amendment to H.R. 1370 would prohibit the Export-Import Bank from providing assistance for transactions involving the import or export of goods or services with companies that are at least 50 percent owned by a foreign government or the military of a foreign government. My amendment will also prohibit the bank from insuring, extending credit, or participating in an extension of credit with such a company.

Numerous studies show that the largest percentage of Export-Import Bank transactions benefit a small number of mega private corporations at the expense of small business and/or the tax-paying citizenry. It is ridiculous that while other U.S. agencies, such as the Agency for International Development, and multinational-multilateral banks are spending billions of U.S. tax dollars on privatization efforts, that the Export-Import Bank subsidizes transactions with State or military-owned companies. Often these are the vestiges of failed socialist state-planned political and economic systems.

Even worse, some of these subsidized firms may be owned by the military arm of dictatorial regimes; for example, the Peoples Liberation Army in China, Communist China.

I have heard concern that my amendment would prevent companies from participating in large infrastructure, power generation, communications, and transportation projects in developing countries. Clearly this amendment does not prevent American companies from being involved in such projects.

What it specifies is that the U.S. taxpayers should not be put at risk with

guaranteeing or loaning hundreds of millions of dollars for ventures with state- or military-owned companies that are shunned by private lenders.

This is in fact corporate welfare that subsidizes imports over exports. For example, in China, where U.S. airline companies are receiving export-import funding, those deals, more often than not, involve the transfer of American technology and the development of Chinese assembly lines that in a few short years will be in direct competition with United States workers. This is the worst kind of short-sightedness, not only on the part of the companies involved, but on the part of the U.S. Government. We are subsidizing the creation of our own high-tech competition in dictatorships like China.

Will my amendment really deter the creation of new American jobs? According to the Congressional Research Institute, and I quote, Most economists doubt that a nation can improve its welfare over the long run by subsidizing exports. At the national level, export financing merely shifts production among sectors within the economy, rather than adding to the overall level of economic activity, and subsidizes foreign consumption at the expense of the domestic economy.

In addition to sustaining the American job base, this amendment will encourage our trading partners to expedite the privatization of state-owned and military-owned companies, and to reduce the power of foreign businesses that are controlled by government apparatchiks, military brass, and other anti-democratic cronies. This is in the long-term interest of our people, it is in the long-term interest of our economy, instead of having some clique, some what they call crony capitalism, some clique of capitalists in our country being given resources that should be going out to the small businessmen and women of our country, and it also protects our own workers from subsidizing their competition.

Madam Chairman, I reserve the balance of my time.

Mr. FLAKE. Madam Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from New York [Mr. FLAKE] is recognized for 10 minutes.

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

Madam Chairman, this particular amendment and its sponsor I tend to believe does not understand what the Eximbank really does. It is completely unilateral, this amendment, and would significantly damage the ability of U.S. companies to compete for infrastructure projects in most of the regions of the world. No other government will follow suit, so this amendment simply gives foreign companies a big advantage over U.S. firms and our workers.

The amendment applies worldwide, preventing Eximbank financing in most of the lucrative and most fast-growing markets in the world, where Exim's financing is essential to U.S. companies to compete in these various marketplaces.

I think we need to understand that in the countries where Exim is operating, that those countries that are participating with these small, developing nations are in fact countries that provide subsistence to their various companies, and if we do not do that we will not be in a competitive posture with them.

U.S. industries hurt most under this amendment include power plant equipment makers, aircraft makers, oil and gas service companies, construction and engineering firms, communications equipment makers, water treatment equipment makers, et cetera.

By undercutting American exporters in these markets, this amendment would directly cut American exports and export-related jobs. These exports and jobs would go to foreign countries which would still have their government's full financial backing. I believe that this puts us in a competitive posture that takes away from our ability to be able to function appropriately in these marketplaces.

By cutting U.S. exports, this amendment will worsen our already dismal record of trade deficit. The amendment is based on the false notion that it is wrong for U.S. Governments to help American exporters sell our goods and services to government-owned companies anywhere in the world. Since no other government will follow this policy, foreign government-owned companies will simply buy from Europe, Japanese, Korean, and other competitors. It will have no impact on foreign governments, nor will it hasten privatization.

Foreign corporations and their workers are the only ones who will benefit from this amendment, because they will get the business that American exporters will lose by the denial of Exim financing.

Madam Chairman, I reserve the balance of my time.

Mr. FLAKE. Madam Chairman, I yield the balance of my time to the gentleman from Delaware [Mr. CASTLE], the distinguished chairman of the subcommittee.

The CHAIRMAN pro tempore. Without objection, the gentleman from Delaware [Mr. CASTLE] will control the remainder of the time, and is recognized for 7½ minutes.

There was no objection.

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

Madam Chairman, I am in firm opposition to this amendment. I know it means well, but we do not have time to go through that. But essentially it would severely damage U.S. exports to

developing economies, developing markets, and post-Communist foreign countries by prohibiting Exim financing for the purchasing of U.S. goods and services to any foreign buyer that is at least 50 percent owned by a foreign government or military.

It is ill-conceived, and frankly it is counterproductive. It guts Eximbank's ability to effectively support U.S. exporters and their workers, our workers, throughout much of the world. It is plainly contrary to the national interests and the economic well-being of American workers.

It is opposed by the Department of State, which has starkly warned that the amendment could do great damage to U.S. commercial interests. It is opposed by the Department of Treasury, which points out that most buyers in the developing world are public sector entities. It is just a fact. A prohibition on sales to such entities will put Eximbank out of business and cede export sales to our competitors.

The U.S. Chamber of Commerce has come out in strong opposition to this particular amendment, while at the same time strongly supporting H.R. 1370, the Export-Import Bank.

The National Association of Manufacturers states that the Rohrabacher amendments would reduce U.S. exports or public works projects in every region of the country, and block U.S. exports to government-owned customers. These amendments would hand over billions of dollars of contracts to our major competitors in Germany, Japan, and France, among others.

According to Exim, had this amendment been in effect since 1987, it would have cost the United States \$8.7 billion in aircraft sales alone. It would directly jeopardize more than \$11 billion in future aircraft sales.

Why would it wound us so much? Very simply, it would cut off Exim financing for the export of U.S. goods and services to any public sector economy anywhere around the world, period. For example, if a United States company is competing on a public power project in South Africa against a Japanese firm being financed by JEXIM, Japan's export credit agency, this amendment would concede that sale to the Japanese. That is why we need a strong Eximbank, to level the playing field for American exporters and their workers.

Let us be clear about the effects of this amendment. It would penalize U.S. businesses and their workers trying to compete and win in the global marketplace. It would lose billions in U.S. export sales. It would lose hundreds of thousands of good, high-paying American jobs. The amendment misperceives the purpose of Exim. It operates on commercial principles to support U.S. exporters. It operates as a lender of last resort. It finances the purchase of U.S. exports by foreign

buyers at market rates. It does not subsidize foreign governments or militaries.

A vote for this amendment is a vote to impose sanctions on United States businesses and United States workers because it prohibits Exim from assisting United States exports to the fastest growing emerging markets of virtually every continent around the world: Argentina, Brazil, Central Asia, Chile, India, Mexico, Russia, South Africa and the Ukraine. A vote for this amendment is tantamount to closing down the Eximbank. I would encourage all of us to rise in opposition to this amendment.

Madam Chairman, I reserve the balance of my time.

Mr. ROHRABACHER. Madam Chairman, I yield myself 1 minute.

Madam Chairman, first of all, let us just note that when we subsidize someone who is doing business overseas, that money comes from a pool of money that is not available for our own small businessmen, for everybody else who wants to do that kind of business here in the United States.

There is no reason that I see that we should provide huge American corporations with loans that are taken right out of the pockets of these small businesses that would like to maybe expand their little shop by a little bit in their hometown. That is where that money is coming from. It is no magic wand that is coming out of nowhere. It is coming from our pockets, and it is subsidizing, as I say, some of the largest companies in this country to do business where? In the developing world. Many times that is a euphemism for vicious, ugly dictatorships that cannot get loans because they are too risky for private owners to loan this money. And \$8 billion in aircraft loans? What accompanies those \$8 billion in loans has been mandates that we set up manufacturing units in those other "developing countries," not in the long run but in the medium run. That means we are setting up competition for our own aerospace industry. It is ridiculous. Vote against this.

Mr. CASTLE. Madam Chairman, if the gentleman will yield, I agree with voting against it.

Mr. ROHRABACHER. Vote in support of the amendment.

Mr. CASTLE. Madam Chairman, I yield 10 seconds to the gentleman from New York [Mr. FLAKE].

□ 1515

Mr. FLAKE. Madam Chairman, I think the gentleman from California [Mr. ROHRABACHER] does not quite understand how the Exim works. These are American companies that are doing business in countries where other countries allow for some type of subsidy for the companies that are operating there. I think the gentleman is correct in stating, though, that we should vote against the amendment.

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

Mr. LEACH. Madam Chairman, let me stress the issue of airplane sales has been raised. That professionals tell us that if this policy had been in effect over the last decade, it would have cost about \$8.7 billion in U.S. aircraft sales and in the immediate future about \$11 billion in aircraft sales.

Yes, it is true that some of our aircraft manufacturers have made certain agreements with countries around the world to produce parts of crafts there. On the other hand, so has Airbus. So the question becomes whether the United States wants to become a part of these markets or not. If we support this amendment, the United States will be blocked out of these markets, and once we are blocked out of certain markets, that ends up having a literally cyclonic effect for other markets. It is not as if one market stands alone.

Madam Chairman, in terms of what it means for jobs, it has been estimated that in just eight key emerging markets the approach contained in this amendment would lose about \$16 billion of U.S. export sales. That is 227,000 jobs, or about 521 jobs per congressional district. I think that is a pretty difficult thing to suggest that we ought to be eliminating.

Finally, the issue is not whether Exim as an institution is forced to be closed down. The issue is whether we cede markets to other countries, whether we embargo United States exports, whether we give up United States jobs.

Madam Chairman, this is a case of unilateral economic disarmament. It is well-intended, but it is clearly counterproductive. I urge in no uncertain terms the defeat of this amendment.

Mr. ROHRABACHER. Madam Chairman, I yield myself 1½ minutes.

Madam Chairman, the only economic disarmament that is going on is the billions of dollars that we are taking out of our country and shipping manufacturing units to other countries, "developing" countries, and dictatorships like Vietnam and China.

Yes, this is put under the guise of being exports, but, more often than not, we are not talking about somebody selling refrigerators over in China or Vietnam, we are talking about companies getting subsidies from the U.S. Government in order to set up a manufacturing unit in those countries.

Like these airline deals that we are talking about, yes, we are selling some airplanes, but part of the deal is, we are setting up an aerospace industry to compete against our own aerospace industry a few years down the line.

Madam Chairman, this is so short-sighted, and we are not talking about exports here, we are talking about setting up temporary sales, some short-run sales, manufacturing units that

will import into the United States. This is a disaster in the medium run. But, again, we have the special interests trying to get their hands on the taxpayers' dollars for a short-term, cut-and-run philosophy on profit.

Madam Chairman, this is not going to be in the long-term interest of the American taxpayers or the American people. After they set up their companies in these countries, they are going to come back and put our own working people out of business.

Madam Chairman, I urge my colleagues to vote for this amendment and let us get on to privatization in the Third World, in the developing world, and let us not subsidize these companies like the People's Liberation Army in China.

Mr. CASTLE. Madam Chairman, I yield 1 minute to the gentleman from New York [Mr. LAFALCE].

Mr. LAFALCE. Madam Chairman, I know it is not intended, but I believe underlying this amendment is a certain arrogance. That is that every other country in the world and company in the world must be and do as we in the United States are, that they cannot have their own system. And if they do, we will not sell them products or services with any Eximbank assistance.

I really think that that is shortsighted. As a matter of fact, were we to closely examine the United States, for example, New York State, we have a New York State Power Authority. It is a governmental entity that provides power in New York State. We have in western New York the Niagara Frontier Transportation Authority, a governmental entity providing public transportation.

Under the Rohrabacher amendment, their counterparts in foreign countries would be excluded from participating with American businessmen and women in the purchase of goods, products, and services if Eximbank were to attempt to be of assistance.

Madam Chairman, I really think that is rather foolish and narrowminded, and I think the amendment should be rejected.

Mr. ROHRBACHER. Madam Chairman, I yield myself 1 minute.

Madam Chairman, I am not suggesting, and this amendment is not suggesting, that American businesses cannot go any place in the world, whether it is dictatorships or nondictatorships, developing world or developed world, and do business. They are welcome to do so. The major question is whether or not the taxpayers of this country should be subsidizing these enterprisers who go overseas, should be subsidizing them and offering them loan guarantees, et cetera, and direct loans, through the Export-Import Bank.

Madam Chairman, these people still can go to the private sector and get their loans, they can still participate

in whatever project they want, but they cannot expect the American taxpayer to subsidize ongoing socialist projects overseas or ongoing projects in these dictatorships where they own the enterprises, and so it becomes a bolstering of the regime rather than just a business enterprise.

Madam Chairman, this amendment would exclude no one from doing business overseas; it would end the taxpayer subsidy of this type of business.

Mr. CASTLE. Madam Chairman, I yield 45 seconds to the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Madam Chairman, with all deference to the gentleman from California, the Eximbank has nothing to do with projects overseas. All Eximbank does is make otherwise unavailable financing to companies, such as Beloit Corporation, which is one of three worldwide manufacturers of papermaking machines and has 2,900 subcontractors, hundreds of thousands of jobs. These are blue-collar workers. The purpose of Eximbank is to allow blue-collar workers to keep their jobs in the United States. Eximbank does not subsidize projects outside of the United States.

Madam Chairman, that is the problem with people attacking Eximbank thinking it is corporate welfare when they do not even understand what this bank does.

Mr. ROHRBACHER. Madam Chairman, I yield myself the balance of my time.

Madam Chairman, the gentleman from Illinois [Mr. MANZULLO], my good friend, has demonstrated for me exactly why my amendment is so important. I do not want us to be subsidizing sending papermaking machines to another country to then compete with our own people who are involved with the paper manufacturing industry in the United States of America.

If people want to sell cardboard boxes or whatever type of machines we are talking about overseas, more power to them. Let them go out and sell those cardboard boxes to Vietnam or China or a dictatorship, democracy, we do not care.

Madam Chairman, I do not need anyone to tell me that the American taxpayer wants us to sell manufacturing units overseas to compete with their own jobs, especially when we are talking about the subsidization here, which is what this amendment does, prevents us from subsidizing all of these state-run enterprises.

Madam Chairman, what we have got is, fine, my amendment would not affect people who want to go out and export and be involved in enterprises overseas whatsoever if they do so at their own risk and they get private capital. But the private capital will not subsidize these enterprises overseas in risky situations or in dealing with companies overseas like the People's

Liberation Army where there is a political risk.

Why in the world are we having the American taxpayer subsidize this for these big corporations, whether it is a paper manufacturing company setting up a paper manufacturing company overseas or whether it is a refrigeration unit?

Motorola set up a chip manufacturing unit in China. They ended up in China using the chips from that company to develop land mines that will explode on anyone who is trying to defuse the land mine. I am not sure if they have an Export-Import Bank loan on that, but if they did, they should not have.

So, Madam Chairman, I would say let us keep the taxpayers' dollars here. Let that stay in the pool of money that is available to our own small business rather than subsidizing these enterprises overseas which in the end compete with the American jobs.

Madam Chairman, I call for the support of my amendment.

Mr. CASTLE. Madam Chairman, I yield the balance of my time to the gentleman from Florida [Mr. MICA].

Mr. MICA. Madam Chairman, Exim does not ship any money or set up any manufacturing overseas. What it does is exactly what the opponent of Exim has said: It helps American businesses finance the sale of American goods and products overseas where no one else will touch the financing. That is the whole purpose of Exim, to help create U.S. jobs, U.S. opportunities, in the sale of U.S. goods where they cannot obtain financing in any other market or by any other means.

Madam Chairman, I urge my colleagues to oppose the amendment.

Mr. KIM. Madam Chairman, I rise in opposition to the Rohrabacher amendment. While I appreciate the intent of the amendment, it is simply too broad and makes no distinction between America's friends and foes. If adopted, this amendment could result in the loss of billions of dollars of American export sales and tens of thousands of American jobs, including those of my constituents who work in the commercial aerospace industry.

Here's just one example of the damage this amendment could do to American exports. In many developing countries, the only source strong enough to support a national airline is the government. Like airlines all over the world these national airlines continue to expand and modernize. As part of this process, many of these government-owned airlines utilize the Ex-Im Bank as a key source of financing for the American-built commercial aircraft they buy. However, if Boeing or Douglas aircraft are denied access to Ex-Im financing for sales to these airlines, as this amendment would do, that won't stop these airlines from modernizing their fleets. Instead, they will turn to the Europeans who offer Ex-Im type financing and these airlines will buy Airbus products. That means many more jobs in Germany and France and fewer in America.

This is not a minor example. The list of airlines owned by a government or in which a

government holds the majority of shares that have bought or could buy Boeing or Douglas aircraft is extensive. This amounts to well over 1000 recent or current aircraft orders. Of these, some 200 are for Douglas aircraft which are built in Long Beach, CA. Each order sustains hundreds of California jobs.

Among the major airlines that could be prohibited from utilizing Ex-Im financing by this amendment are:

Aer Lingus—the national airline of Ireland; Air Afrique—the joint airline of eleven different African states; Air France; Air India; Air Malta; air Zimbabwe, Alitalia—the national airline of Italy; Balkan—the Bulgarian airlines; Biman, the national airline of Bangladesh; Cyprus Airways; Egyptair; El Al—Israel airlines; Ethiopian Airlines; Finnair of Finland; Gulf Air—the joint airline of the Bahrain, Qatar, the United Arab Emirates and Oman; Garuda of Indonesia; Indian Airlines—the domestic airline of India; Kuwait Airways; Lithuanian Airlines; Lot—the national airline of Poland; Malev, the national airline of Hungary; Nigeria Airways; Olympic Airways—the national airline of Greece; Royal Air Maroc of Morocco; Royal Jordanian Airlines; Saudia—the national airline of Saudi Arabia; Singapore Airlines; South African Airways; TAP/Air Portugal; Tarom Romanian Airlines; China Airlines; Aeroflot Russian Airlines and Turkish Airlines.

Of course, Boeing and Douglas do not have to approach the Ex-Im Bank for financing sales to all of these airlines. But, they have for many. And, American airplanes have been bought.

Madam Chairman, Israel, Ireland, Portugal, Italy, Bangladesh, Lithuania, Poland, Romania, Bulgaria, South Africa, India, France, Greece, Finland, Malta, and Hungary are all democracies and friends of the United States. Some, like Israel, are strategic allies of the United States. Yet, this amendment treats aircraft purchases for their national airlines no different than those of dictatorships like Syria, Iran, Libya, and Cuba. There are already laws on the books that prevent U.S. commercial aircraft sales to these countries. If there are specific countries that the authors of the amendment want to target, then they should offer an amendment targeting only those countries, not the significant list of friends I have noted.

I am also concerned that in the course of this debate, the charge has been made that the Ex-Im Bank uses American tax dollars to subsidize foreign businesses that compete against American industry. This is wrong. The Ex-Im Bank provides financing, loan guarantees and insurance programs like many other banks. While these guarantees are backed up by the taxpayer, so too are many domestic housing, education and other loan guarantees. Full repayment is required. In fact, the Ex-Im Bank is specifically prohibited from providing financing to U.S. exporters unless there is a reasonable assurance of repayment. Furthermore, Ex-Im Bank financing can only be used to help export American products.

The bottom line is that this amendment, if adopted, could result in the loss of billions of dollars of aircraft sales for no apparent positive reason. I cannot explain such action to an aerospace worker in my district who watches the sale of a new MD-95 or MD-11 vanish and be replaced by a European Airbus order.

I urge my colleagues to support American jobs and defeat this amendment.

The CHAIRMAN pro tempore (Mrs. EMERSON). All time for debate on the amendment has expired.

The question is on the amendment offered by the gentleman from California [Mr. ROHRABACHER].

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

Mr. ROHRABACHER. Madam Chairman, 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 CHAIRMAN pro tempore. Pursuant to House Resolution 255, further proceedings on the amendment offered by the gentleman from California [Mr. ROHRABACHER] will be postponed.

The point of no quorum is considered withdrawn.

The CHAIRMAN pro tempore. It is now in order to consider Amendment No. 5 printed in House Report 105-282.

AMENDMENT NO. 5 OFFERED BY MR. ROHRABACHER

Mr. ROHRABACHER. Madam Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. ROHRABACHER:

At the end of the bill, add the following:
SEC. 10. PROHIBITION AGAINST ASSISTANCE TO ENTITY OWNED BY A GOVERNMENT WHICH IS NOT CHOSEN THROUGH FREE AND FAIR DEMOCRATIC ELECTIONS OF WHICH LACKS AN INDEPENDENT JUDICIARY, OR FOR IMPORT FROM OR EXPORT TO A COUNTRY WITH SUCH A GOVERNMENT.

Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended by adding at the end the following:

“(12) PROHIBITION AGAINST ASSISTANCE TO ENTITY OWNED BY A GOVERNMENT WHICH IS NOT CHOSEN THROUGH FREE AND FAIR DEMOCRATIC ELECTIONS OF WHICH LACKS AN INDEPENDENT JUDICIARY, OR FOR IMPORT FROM OR EXPORT TO A COUNTRY WITH SUCH A GOVERNMENT.—The Bank shall not insure, guarantee, extend credit, or participate in an extension of credit in connection with—

“(A) a transaction by an entity which is owned by a government that—

“(i) is not chosen through free and fair democratic elections, as certified by the President of the United States; or

“(ii) lacks an independent judicial system; or

“(B) the import of any good or service from, or export of any good or service to, a country with a government described in subparagraph (A).”

The CHAIRMAN pro tempore. Pursuant to the order of the Committee, the gentleman from California [Mr. ROHRABACHER] and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from California [Mr. ROHRABACHER].

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

Madam Chairman, my amendment to H.R. 1370 would prohibit the Export-

Import Bank from providing assistance for transactions within a country ruled by a government which is not chosen through free and fair elections, as certified by the President of the United States, or which lacks an independent judiciary. This amendment will also prohibit Export-Import Bank transactions for import from or export to a country with a nondemocratic government.

While supporters of an unrestricted Export-Import Bank argue that the Bank's role is to provide support for transactions that cannot find private support, let me note that in countries where private international banks are reluctant to fund business transactions, the Export-Import Bank's subsidized lending and guarantees often reward bad economic policies and relieve nondemocratic governments of the need to create a free market environment that genuinely attracts sound foreign capital investment.

Madam Chairman, worse than that, these loans reinforce these dictatorial governments, and, basically, these governments that deny their people their basic civil liberties and economic freedoms are being told that they can be subsidized, even though they have these restrictions on their own people and it takes away their pressure then to democratize.

Opponents of my amendment also claim that Export-Import Bank transactions primarily assist small businesses in this country. To the contrary. A recent study by the CRS, that is, Congressional Research Service, shows that small businesses account for only 12 to 15 percent of the Export-Import Bank's total authorization.

CRS also emphasizes that, quote, subsidized export financing raises financial costs for all borrowers by drawing financial resources that otherwise would be available for other uses, thereby crowding some buyers from the financial markets.

□ 1530

This crowding-out effect might nullify any positive impacts subsidizing export financing may have on the economy. In other words, we are crowding out the little guy in this country in order to give some big megacorporations the money they need to set up some company in a dictatorship, and that money is no longer available to be loaned to our small businessmen and women throughout the country. End of quote from the Congressional Research Service.

It is our responsibility in Congress to appropriate America's taxpayers' dollars wisely. It makes no sense to subsidize American companies for doing business with largely corrupt and inefficient, basically antidemocratic and socialist governments who are too risky for these people to get loans from other sources in the private sector. Our

international business policy should be based on reinforcing free markets and democratic institutions where these people could get private sector loans. This is especially true when the business being subsidized is building manufacturing units abroad, which means U.S. working people, taxpayers, are subsidizing the building of factories in dictatorships to produce goods in competition with their own jobs.

Most of the investment that has gone into many of these countries, and much of it into China, we are not selling refrigerators there. We are selling people who are exporting what? Manufacturing units of refrigerators which end up being sold in the United States and putting our own people out of work. This is immoral. It is wrong, especially wrong when we are dealing with a dictatorship that is the recipient of this business activity.

My amendment will help protect U.S. taxpayers by preventing the Export-Import Bank from providing corporate welfare to risky ventures by megacorporations who should not be investing in these antidemocratic societies in the first place. But if they do, they can do it at their own risk. And it will keep us moral by preventing the taxpayers from subsidizing and propping up those regimes.

This is in fact corporate welfare that subsidizes imports actually to a higher degree than exports. For example, in China, where the United States airline companies, which we have heard today, have sold their products subsidized by the Export-Import Bank, we, as part of those agreements, have set up an aerospace industry or are in the process of setting up an aerospace industry that will put my people out of work in the medium term, not the long term but the medium term. It is ridiculous. If the dictatorships are making those sorts of demands, the last thing we should do is subsidize it with the Export-Import Bank.

I would call on my colleagues to support my amendment and let us stop this subsidization of providing manufacturing units for dictatorships.

Madam Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mrs. EMERSON). Does the gentleman from Delaware [Mr. CASTLE] rise in opposition to the amendment?

Mr. CASTLE. Madam Chairman, I do rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from Delaware [Mr. CASTLE] is recognized for 10 minutes.

Mr. CASTLE. Madam Chairman, I yield myself such time as I may consume. Last time I looked, the American government was not a dictatorship. These are American businesses and American workers which we are helping. Virtually nobody else is being helped at the same level. We are helping them compete with other countries.

I do rise in very strong opposition to this amendment. This is a debate about means and ends. The sponsor of the amendment seeks to promote democracy and the rule of law abroad. So does this Member and every Member of this body. There is no disagreement about the objective, but there is disagreement about the means.

The amendment's sponsor evidently believes that the United States should express its repugnance for undemocratic governments by enacting sweeping, unprecedented global sanctions against ourselves by cutting off trade, by unilaterally embargoing American exports and sacrificing good, high-paying American jobs. I do not. The United States does not advance its interest in democracy and the rule of law by punishing ourselves by telling foreign purchasers of United States goods and services to buy their industrial machinery, power equipment, telecommunications and aircraft from European or Japanese companies.

The Department of State is opposed to this amendment. The Department of the Treasury is also opposed to the amendment because Eximbank is the most effective tool in the Treasury-led international negotiations to reduce foreign export financing subsidies. The Export-Import Bank itself is opposed to this and states very explicitly that their business would be decimated by the Rohrabacher amendment. I will include their letter for the RECORD.

The effect of this amendment would be to cut off Exim financing of all export transactions in any country anywhere around the world with an unelected government, such as in the Persian Gulf, Sub-Saharan Africa, Central Asia and Southeast Asia. Likewise, the amendment would also shut off Exim financing in any country around the world which does not have an independent judiciary. This would include many countries in the newly independent states, the Middle East and Southeast Asia. Exim financing is cut off regardless of whether or not the U.S. exporter is facing government-financed competition.

The amendment therefore shifts export sales and the jobs they support from U.S. exporters all across the country to the exporters of our competitors. How can this be in the national interest?

This amendment would leave U.S. exporters defenseless in the face of foreign-government-financed competition for export contracts throughout much of the developing world. I cannot imagine a more unsound and ill-conceived basis for United States economic policy.

I urge my colleagues to reject this ill-conceived amendment.

Madam Chairman, I include for the RECORD the letter to which I referred:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, DC, October 6, 1997.

Hon. MIKE CASTLE,
Chairman, Subcommittee on Domestic and International Monetary Policy, House of Representatives, Washington, DC.

DEAR CHAIRMAN CASTLE: I am writing to express my great concern about two amendments being offered by Congressman Rohrabacher that seriously undermine the ability of U.S. exporters to sell goods and services into emerging markets and cost U.S. jobs. Simply stated, these two amendments put Ex-Im Bank "out of business".

The Rohrabacher amendments cost U.S. jobs by preventing U.S. companies from competing against Airbus and other European and Japanese supported competitor companies. Had these amendments been in effect during the past five years, Ex-Im Bank would have been unable to support approximately \$50 billion out of \$77 billion in U.S. exports that went forward during this period. The loss of these exports would have resulted in the loss of hundreds of thousands of jobs in each of the five years.

Small business programs at Ex-Im Bank will be decimated by the Rohrabacher amendments. Ex-Im Bank has worked diligently over the last four years to simplify its small business programs and make them accessible through delegated authority arrangements. Last year alone, Ex-Im Bank directly supported \$2.4 billion in small business exports. Ex-Im Bank would be unable to finance these U.S. small business exports under the Rohrabacher amendments.

In short, these two amendments would prevent the Bank from fulfilling its mission to support U.S. exports and thereby create and sustain U.S. jobs. Without Ex-Im Bank, U.S. companies and U.S. workers will be unable to compete in emerging markets.

Sincerely,

JAMES A. HARMON.

Madam Chairman, I reserve the balance of my time.

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

Mr. CASTLE. Madam Chairman, I yield 2 minutes to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Madam Chairman, I rise in opposition to the amendment.

It seems to me that a part of our responsibility is obviously to create U.S. jobs wherever that possibility exists for us. Indeed, what we have done through Exim cannot be duplicated from any other source that we have in America.

It seems to me that as we look at the letter that James Harmon has sent and that the gentleman from Delaware [Mr. CASTLE] has asked to be included in the RECORD, we would have lost a great deal of money and a great number of jobs had we not had the Eximbank support for those American companies who are doing business abroad over the last 5 years. As a matter of fact, he estimates that we would have lost \$50 billion out of \$77 billion in exports. That is not, it seems to me, the direction that we ought to be going.

The gentleman who is the sponsor of the amendment seems to be moving in a direction that takes out of hand the possibility for us to be able to create

jobs for American companies and for American citizens. I tend to think that we cannot afford to support this amendment. It is completely unilateral. No other government would adopt such restrictions. It means that we have basically given this market over to other countries and to other companies. That does not provide any kind of creation of jobs for American citizens.

I would hope that as our colleagues come to vote on this particular amendment, that they would vote against it and that we would continue to provide the level of support for the Exim that we have in the past.

Mr. CASTLE. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Iowa [Mr. LEACH], chairman of the Committee on Banking and Financial Services.

Mr. LEACH. Madam Chairman, I thank my colleague for yielding me the time. Let me just say this amendment not only defies rational explication today, it defies our history. For half a century the United States of America has set a model around the world of active engagement with many different societies, even when we disagree with what is happening in those societies.

What this amendment says is, if we do not like what is happening in another society, we are going to express our differences by hitting ourselves in the face. It is patently counterproductive. I would say to my distinguished friend that while he has certain premises and certain concerns which we all share, by the same token he has a solution that I think is a countersolution.

The great question is, is this country going to be better off to constructively engage even with those with whom we differ, or are we better off going through some sort of economic isolation that amounts not only to unilateral economic disarmament but amounts to harming ourselves by giving markets to others, by allowing them to build up their export capacity in direct competition with us?

I think the answer has to be that this is an amendment that is very dicey and something that this Congress should would be ill-served to adopt.

Mr. ROHRBACHER. Madam Chairman, I yield myself 3 minutes.

Just to reflect on what my colleague, the gentleman from Iowa [Mr. LEACH] has just said, this is not unilateral disarmament. This is refraining from arming our adversaries. Yes, we have been engaged for the last half century, since World War II, the United States has been the sucker of the world most of that time. But we had to defend the world against international communism.

We do not have to take American taxpayers' dollars anymore and subsidize business deals in foreign lands, taking that money directly out of the pool of money that is available for our

own people, the small business men and women of every community throughout our country. They have to take money from that same pool in order to do business in their communities, and instead we are decreasing the amount of money in that pool to give to large corporations to do what? To do business in some communist or some fascist dictatorship overseas. It is not only immoral, it is bad economics.

Yes, Red China has been a big market for our airplanes and other things, they are setting up an aerospace industry at our expense, but they have a \$40 billion trade deficit with the United States. Let them finance their own business deals. They have got the money. They have got the capital.

The fact is that no private companies will finance that because it is risky, because you are dealing with a dictatorship. So what do we do? We take the pressure off them to liberalize and become a freer society by giving them the loans and guaranteeing the loans anyway.

Who are the benefactors in the Three Gorge Dam project in China, \$30-\$40 billion? Yes, there are some American companies over here that would like to sell the equipment to do the \$30-\$40 billion Three Gorge Dam project in China. We have got some public works projects here in our own country. Why are we taking money from the pool of money that is available to do things in the United States and transferring it overseas? We can buy the tractors and we can buy the equipment to do those projects right here in the United States.

We do not need to drain our own pool of capital dry in order so a few big corporations can show a profit at the end of this year, while what we are really doing is subsidizing projects in vicious and ugly dictatorships around the world, especially Red China; Red China, which now has such an unfair trading relationship with the United States that when we try to send our goods and services in, they are taxed, they are tariffed at 30-40 percent.

What do we do? We subsidize somebody who wants to set up a company over there. They set up the company and then, because we only charge them 3-4 percent tariffs on their goods coming back, that company begins exporting to the United States. In the medium run, yes, a few jobs are created in the short run, but in the long run we are destroying the economic base of our own country. We are destroying the working people of our own country, subsidizing with taxpayers' dollars. Vote for my amendment.

Mr. CASTLE. Madam Chairman, I yield myself 15 seconds.

I would like to make a couple points. First is, this is the Eximbank, not OPIC. Exim is not financing the Three Gorges project in China because of environmental concerns.

Mr. Harmon, talking about small businesses and their involvement in this, says the small business programs at Eximbank will be decimated by the Rohrabacher amendments. He is the head of Eximbank. Exim has worked diligently over the last 4 years to simplify its small business programs. It has \$2.4 billion in small business exports.

Madam Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. LAFALCE].

Mr. LAFALCE. Madam Chairman, I would think that the governments of Japan, the governments of Germany, the governments of France would favor the Rohrabacher amendment. But I would think that the people of the United States and the exporters in the United States would strongly oppose it because if his amendment passes, we will be at a competitive disadvantage.

The argument has been made, and I agree with it, that we would lose money, lose jobs, to be sure, but even more important than that in my judgment, we would lose influence over those governments. The gentleman from California [Mr. ROHRBACHER] used the word "adversaries," why are we financing United States exporters who want to sell their goods or services to our adversaries. I do not view them as adversaries simply because they have a form of government that is not a clone of the United States or is not the form of government that we have. I think that we have more influence over the Chiles of this world, the Argentinas, the Brazils, the Mexicos, the central European countries, Russia, Saudi Arabia, et cetera, when we trade with them and promote trade with them rather than when we build a wall of isolation between ourselves and those countries.

Mr. CASTLE. Madam Chairman, I yield 1½ minutes to the gentleman from Illinois [Mr. MANZULLO].

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Mr. MANZULLO. Madam Chairman, the Eximbank, to my dear colleague from the State of California, does not build factories overseas. That is not what the Eximbank does. What the Eximbank does is make loans to foreign companies so that they can buy goods that are manufactured by American companies. That is what this is about.

I met with two gentlemen from the Republic of Georgia; perhaps the George Masons and James Madisons who are in the process of writing the Constitution to set up an independent judiciary. They do not have one yet, they are working on it. The gentleman from California would draw this arbitrary line and say, well, if their government does not meet our standards of running a government, they cannot be involved in buying American goods.

Eximbank is about allowing people in foreign countries to buy goods manufactured in the United States, because

Eximbank has a rule that most of the content of that which is financed has to be American products. That is what Eximbank is all about. It is very, very simple.

The gentleman from California would cut off sales to China, cut off sales to Saudi Arabia, even cut off sales to Peru, where ultimately the independent judiciary there is the military triumvirate.

Mr. ROHRABACHER. Madam Chairman, I yield myself the balance of my time.

I do not believe in economic isolation. I applaud those enterprisers of the United States who want to go out and take risks. Let them take their own risks. Let them take their own risks. They will reap the profit. If they reap the profit, they can take the risk.

Yes, if someone wants to do business in red China, where Christians are being tortured, where the Dalai Lama's followers are being victims of genocide in Tibet, where they are wiping out Muslims in East Turkestan. Let those businessmen who want to do business in that situation take their risk, get their own loans.

Let us not deplete the limited amount of money available to create new business from our country and ship it to those people who are trying to do business over there. Let us let the mom and pops continue to have the money available from that pool of resources for us.

If the Saudis, and they have been our friends during the cold war, but if they want to buy something, let them finance it. Let the Red Chinese finance it. Let us not take this from the American taxpayers' pockets.

And if we were following the logic I have heard in this debate, we would never have ended farm subsidies in this Congress. We would have said, well, other countries have farm subsidies so we have to continue. Other countries have socialism and government controls and government subsidies to other people, thus we have to do it and follow those same countries down the drain of collectivism, which has destroyed the standard of living of so many other countries. We do not need to do that. We can lead the way.

And, in fact, the risks that are taken overseas, we do not say that these people are going to be isolated, we just say we are not going to subsidize it with taxpayers' dollars.

And again we keep hearing the refrain of selling American products overseas. Let us note that many of these projects that are being financed by mega corporations are the export of manufacturing units, which only in the short term look like exports but in the long term become a huge force for imports to overwhelm our own manufacturing jobs in the United States of America.

Let us vote for this amendment. Vote against subsidizing dictatorships.

Mr. CASTLE. Madam Chairman, I yield such time as he may consume to the gentleman from Washington [Mr. METCALF].

Mr. METCALF. Madam Chairman, I rise in opposition to the amendment.

In simple terms, the United States has a trade deficit. The only major component doing poorly in the total economy is exports. The only strong tool we have to fend off foreign nations that subsidize their exports is the U.S. Export Import Bank.

This amendment will hurt American exporters and American jobs. It does not target the perpetrator of the problem—that being the foreign nation who we disagree with. The effect of this amendment is handing over billions of dollars of contract to foreign countries.

Surely this amendment will hurt large corporations, but let us not forget that EXIM is vital to small business exporters. Approximately 81 percent, let me repeat, 81 percent of EXIM transactions go to small exporters. Last year EXIM extended nearly \$378 million in guarantees to support small business exporters which have supported 200,000 jobs annually and over 2,000 communities.

Export transactions supported by EXIM ripple through the economy to hundreds of suppliers. Thus, EXIM is not some financial boutique merely for the Fortune 500. United States Manufacturers, small and large, only go to EXIM when they have to, which is when foreign government financing is being offered on behalf of our competitors. It would be nice to live in a world where agencies such as the Export-Import Bank were not needed. Until we do this disbanding EXIM would be tantamount to unilateral economic disarmament.

The effect of this amendment will place the burden on U.S. companies and will hurt the American Worker.

Mr. CASTLE. Madam Chairman, I yield the balance of my time to the distinguished gentleman from Florida [Mr. MICA].

Mr. MICA. Madam Chairman, we have heard the statement, let U.S. businesses get their own financing. The whole purpose of Exim is for U.S. businesses, small, medium and large, to obtain financing to sell U.S.-produced goods overseas where there is no financing. That is the whole purpose.

There is no money that goes overseas with Exim. It is U.S.-produced products only. There is no building of factories with this money. It is U.S. goods with the government assisting and financing small, medium and large U.S. companies to sell those goods where they cannot get financing. Only U.S. contractors would be financed under this program.

We have heard about the plea for small businesses. Over 80 percent of Exim assistance goes to medium and small U.S. firms who cannot find financing to sell these U.S.-made products overseas in these difficult markets.

Exim is not corporate welfare. Exim is not a giveaway program. Exim is not a business subsidy. Exim creates thousands of jobs for American workers.

The CHAIRMAN pro tempore (Mrs. EMERSON). The question is on the amendment offered by the gentleman from California [Mr. ROHRABACHER].

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

Mr. ROHRABACHER. Madam Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to House Resolution 255, further proceedings on the amendment offered by the gentleman from California [Mr. ROHRABACHER] will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 6 printed in House Report 105-282.

AMENDMENT NO. 6 OFFERED BY MR. SOLOMON

Mr. SOLOMON. Madam Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. SOLOMON:
At the end of the bill, add the following:

SEC. 10. PROHIBITION AGAINST ASSISTANCE TO RUSSIA IF RUSSIA TRANSFERS CERTAIN MISSILE SYSTEMS TO THE PEOPLE'S REPUBLIC OF CHINA.

Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended by adding at the end the following:

“(12) PROHIBITION AGAINST ASSISTANCE TO RUSSIA IF RUSSIA TRANSFERS CERTAIN MISSILE SYSTEMS TO THE PEOPLE'S REPUBLIC OF CHINA.—If the President of the United States is made aware that Russia has transferred or delivered to the People's Republic of China an SS-N-22 or SS-N-26 missile system, the President of the United States shall notify the Bank of the transfer or delivery. Upon receipt of the notification, the Bank shall not insure, guarantee, extend credit or participate in an extension of credit with respect to, or otherwise subsidize the export of any good or service to Russia.”

The CHAIRMAN pro tempore. Pursuant to House Resolution 255, the gentleman from New York [Mr. SOLOMON] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York [Mr. SOLOMON].

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

Madam Chairman, my amendment simply would prohibit further Export-Import Bank subsidies of transactions involving Russian firms if, and this is so important, if Russia transfers either the SS-N-26 Sunburn missile or the SS-N-26 Yakhont missile to Communist China.

As all my colleagues will recall, this amendment passed on the State Department authorization bill, which covers Freedom Support Act aid to Russia, in June with over 240 votes at that time.

Madam Chairman, over the past 5 or 6 years, America has been engaged in

an extraordinary act of generosity toward the Russian people. I have monitored all of that aid as it has gone to the former Soviet Union, now the country called Russia. Together with our allies, we have provided tens of billions of dollars in assistance for Russia's transformation toward a free market democracy, including over \$2 billion in Eximbank assistance.

That is a lot of money, my colleagues. It is a lot of taxpayers' money. And yet we have seen instances over the years where Russia has shown a very alarming disregard for the legitimate security interests of the United States of America in return for this assistance. And that puts America's soldiers and sailors at risk wherever they may serve in other foreign ports of this world. In the hands of the Communist government in Beijing, these missiles pose a direct threat to U.S. ships and U.S. sailors in the Pacific Theatre.

My colleagues, the Sunburn, and in case Members do not know, they should listen closely, the Sunburn is a supersonic sea-skimming missile designed specifically for what purpose, for the purpose to attack American ships equipped with the Aegis radar system. That is what the thing was developed for in the first place. That is right, let me say it again. The Sunburn was designed specifically to take out American ships and kill American sailors. One noted Russian defense analyst has called the Sunburn the most vicious antiship missile in the world.

The Chinese Government began shopping for this missile. Why? In direct response to the deployment of the United States aircraft carrier last year to the Strait of Taiwan, after China began lobbing missiles at Taiwan. That is true. Because of the Taiwan Relations Act we have to defend Taiwan, one of our greatest allies in the history of this world, and they were having missiles lobbed at them.

We have put American sailors at risk in those Taiwan straits and we have learned recently, Madam Chairman, that the Russians are readying to export another advanced cruise missile. This one is the SS-N-26, called the Yakhont, that travels at more than Mach II speed and has a range of 200 miles. Do my colleagues know what kind of damage that can do to American personnel serving overseas?

It would be nothing short of irresponsible, Madam Chairman, if we did not take every step possible to prevent Communist China from acquiring these missiles, and we still have time to do it. Though the Sunburn missile sale has been in the work for some time now, it is not final yet. And there are forces in Russia I have spoken to that are opposed to it. There are good people over there. There are even people like Yeltsin who want good democracy in that country and they say, "Block that sale."

We can give those positive forces in Russia some help by using our considerable aid, including Export-Import Bank subsidies, as leverage.

Madam Chairman, this amendment is about deterrence. It does not cut off Eximbank subsidies to Russia unless and until a transfer of these missile systems to China take place. If we pass it, the ball is in the Russian court.

All we want to do is to help Russia succeed, Madam Chairman. But if our aid cannot induce the Russian Government to refrain from making a sale that poses such a direct threat to our security interests, then the return on our investment is very low indeed.

If this is the case, then we owe it to the taxpayers and we owe it to our military personnel in the Pacific and in other parts of the world to terminate our aid to Russia, and that is why I urge support of this amendment. It is a very reasonable amendment, and I urge the managers of the bill from both sides of the aisle to accept the amendment.

Madam Chairman, I reserve the balance of my time.

Mr. CASTLE. Madam Chairman, I do not rise in opposition but, if there is no Member in opposition, I ask unanimous consent to control the time.

The CHAIRMAN pro tempore. Without objection, the Chair recognizes the gentleman from Delaware [Mr. CASTLE] for 5 minutes.

There was no objection.

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

Madam Chairman, this amendment prohibits Exim financing of exports to Russia if Russia transfers two sea-launched cruise missile systems to China, which is obviously a worthwhile goal.

The background to the gentleman's amendment is a concern with China's international security policy, particularly with the perception that Beijing is believed to be focused on obtaining a greater power projection capability, in part through an enhanced naval capability.

In addition, sales to China of advanced missile technology from Russia poses concerns for United States policymakers, as it does this gentleman, in part because of the potential for retransfer to buyers of Chinese supplies.

In this context, the gentleman has raised a very serious issue and the committee will not oppose his amendment.

Having said that, let me just highlight a number of concerns that will have to be addressed at some point later as the legislative process wends its way through here.

It is very broad in scope. It would impose an automatic shutoff of all Exim financing to Russia if the transfer occurs. The cutoff would apply to any transaction involving a Russian inter-

est, whether or not the export is to Russia or involves a project in Russia.

By contrast, other United States nonproliferation legislation more narrowly targets foreign persons, including individuals and entities responsible for the arms transfer. The amendment, in its current form, also provides no waiver authority or discretionary flexibility to the executive branch.

In addition, the committee is notified that the Department of State is opposed to the amendment, noting that current law does not proscribe or sanction arms transfer by third countries to the PRC.

Nevertheless, the committee will not object to the amendment from the distinguished chairman of the Committee on Rules and, hopefully, we can work through what may or may not be problems as stated here.

Madam Chairman, I reserve the balance of my time.

Mr. SOLOMON. Madam Chairman, I yield myself the balance of my time.

Mr. FLAKE. Madam Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from New York, one of the outstanding, distinguished Members of this House.

Mr. FLAKE. Madam Chairman, we are prepared to accept the amendment.

Ms. HARMAN. Madam Chairman, I move to strike the requisite number of words.

As a Californian, I understand the value of the Ex-Im Bank, which supports 737 small and large businesses in my state, with a total export value of \$4 billion.

But not all exports have commendable objectives, and for this reason, I rise in support of the amendment offered by my friend, the gentleman from New York [Mr. SOLOMON].

Like him, I am especially concerned about the proliferation of technologies related to weapons of mass destruction out of the former Soviet Union. Despite reassurances from top Russian leaders that these technologies and materials are under lock and key, evidence is mounting to the contrary.

An area of particular concern to me and a bipartisan group of my colleagues, including Mr. SOLOMON, is that Russia has failed to halt the sale of ballistic missile technology to Iran.

Madam Chairman, these Russian transactions are in violation to the Missile Control Technology Regime (MTCR) of which Russia has been a member since 1995.

The Administration is working through diplomatic channels to address this problem, but the response of the Russian government so far is not satisfactory. Further, the clock is ticking, and I have very credible evidence suggesting that this problem may be getting worse.

Together with 76 colleagues from the House, including the gentleman from New York, Mr. SOLOMON, I have introduced a concurrent resolution asking that Russia take all the necessary steps to stop these illegal transactions with Iran in accordance with its own policy, export control laws, and criminal code.

If Russia fails to take appropriate action, our resolution calls on President Clinton to impose

sanctions on the Russian entities responsible for this proliferation under current policy and law.

It is time for the Russian government to provide evidence that its proliferating activities to Iran and elsewhere have stopped. It's time for the U.S. government to act to ensure Russia acts as well.

I applaud my colleague Mr. SOLOMON for having raised this issue at this time.

Mr. SOLOMON. Madam Chairman, I yield back the balance of my time.

Mr. CASTLE. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

□ 1600

The Chairman pro tempore [Mrs. EMERSON]. It is now in order to consider amendment No. 7 printed in House Report 105-282.

AMENDMENT NO. 7 OFFERED BY MR. VENTO

Mr. VENTO. Madam Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. VENTO:

At the end of the bill, add the following:

SEC. 10. PROHIBITION AGAINST PROVISION OF ASSISTANCE FOR EXPORTS TO COMPANIES THAT EMPLOY CHILD LABOR.

Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635 is amended by adding at the end the following:

"(f) PROHIBITION AGAINST ASSISTANCE FOR EXPORTS TO COMPANIES THAT EMPLOY CHILD LABOR.—The Bank shall not guarantee, insure, extend credit, or participate in the extension of credit with respect to the export of any good or service to an entity if the entity—

"(1) employs children in a manner that would violate United States law regarding child labor if the entity were located in the United States; or

"(2) has not made a binding commitment to not employ children in such manner."

The CHAIRMAN pro tempore. Pursuant to House Resolution 255, the gentleman from Minnesota [Mr. VENTO] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

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

Madam Chairman, this is a simple amendment that amplifies the theme that is currently in the law that guides the approval of loans, loan guarantees, and insurance to customers or consumers abroad for the benefit of U.S. jobs. This amendment will certify that in addition to evaluating a foreign buyer's creditworthiness, the Export-Import Bank would consider the child labor practices of the potential foreign buyer. If the company exploits child labor, it would not be eligible for assistance from the Export-Import Bank.

This amendment would motivate, of course, domestic companies to investigate the labor and business practices of potential partners before entering into such agreements. In fact, this bill recognizes the increased potential in the Newly Independent States of the former Soviet Union and the sub-Saharan African areas. It, in fact, emphasizes that more of the loans ought to be made to smaller entities and smaller businesses, smaller loans, in fact, which of course bring us into contact.

Madam Chairman, I am not going to go through a recitation all of the problems with child labor around the world. Someone might say, well, we do not have a lot of data on it. And that is accurate; we are operating in the dark. But we know from reports from the International Labor Organization that there are 250 million children worldwide under the age of 15 that are working instead of receiving basic education, that are being employed in jobs that would not be permitted to be employed in our Nation.

That is 250 million reasons, in my judgment, to in fact make certain that the assistance and loans and loan guarantees and insurance that we provide in this program does have this as a major focus specified in the legislation. There is no doubt that these programs touch upon the problem that we should be proactive, not reactive, to the matter of child labor.

The employment and exploitation of children is an emerging scandal around the globe. We need to be certain, as we engage in subsidizing trade, that we do what we can to curtail the exploitation of children. This amendment will help, I think. And I trust that it is not a major problem with this area, but it is one that we have to, as I said, be proactive on.

My amendment prohibits the Export-Import Bank to provide assistance for exports to companies that violate U.S. child labor laws. The question is what types of enterprises are we facilitating abroad.

The amendment would certify that, in addition to evaluating a foreign buyer's creditworthiness, the Export-Import Bank would consider the child labor practices of the potential foreign buyer. If the company exploits child labor, then it would not be eligible for Export-Import assistance. This amendment would motivate domestic companies to investigate the labor and business practices of potential partners before entering into export agreements. The global market place means that this Congress can no longer remain passive regards how programs that we advance; U.S. loans, guarantees, and insurance may be engaged to help address the most serious problems, such as child labor.

On this issue we are advancing current policy in the dark, there is, no data to suggest that is not a problem. In fact, there is every reason for concern. The International Labor Organization estimates that over 250 million children worldwide under the age of 15 are working instead of receiving basic education.

That is 250 million reasons to ensure that U.S. Ex-Im loan guarantees, insurance, and loans take the extra step to protect against the exploitation of child labor by U.S. companies and partners, there is no doubt that these programs touch upon the problem. And we should be pro-active not reactive to the matter of child labor. Child labor practices today reveal an unprecedented tragedy of a far greater magnitude than what transpired in a less global economic marketplace. It was, therefore, surprising to me that child labor practices are not considered by the Export-Import Bank when evaluating potential firms and their partners. Because we neither investigate nor know the child labor practices of the companies we assist, this amendment is essential to help assure that our U.S. child labor standards are not violated. Both symbolically and substantively, the U.S. must set an example as we advance and engage in the global marketplace.

The employment and exploitation of children is an emerging scandal around the globe. We need to be certain as we engage in subsidizing trade that we do what we can to curtail the exploitation of children.

No single nation or single agency can eradicate the child labor problem. However, we should deliberately pursue each opportunity in order to turn the tide on the inappropriate employment exploitation of young children. We have leverage in the export sector, and we should harness our market power to effect positive change. If we help these U.S. companies, then we should expect that they and their partners reflect and follow fundamental U.S. values and basic laws.

If we impede the development of young people, we curb the growth of economies and nations. And we shortchange our own workforce.

Our American workers need a raise. Not just a raise in wages and benefits, but a raise in corporate conscience too and trade responsibility and fairness that addresses such obvious concerns. Let me be clear, I support the Export-Import Bank. I think that its programs are necessary in a world of global governments which subsidize corporate trade transactions. However, the U.S. Export-Import Bank needs to concentrate on financing export growth that will create good jobs at home and reinforce our basic values. The Bank's primary concern cannot only be to maximize corporate profits. We must be certain that it tracks our respect for individuals and the welfare of children.

The initiative to move into sub-Saharan Africa and other markets like the newly independent states [NIS], the former Soviet Union, raise new real risks regards child labor.

Our Nation must be more responsible in choosing with whom we do business and who our policies benefit. If the Export-Import Bank provides financing to an overseas company to buy U.S. exports, both companies win. The U.S. firm increases its profits through the sale of its goods, and the overseas company receives the financial support it needs to purchase the product. We certainly should not allow enterprises which directly or indirectly exploit children—that rob children of their most formative years—to flourish by helping them get the goods they need. Export sales advanced through Export-Import assistance

should carefully screen out products which employ illegal child labor. We need to send both domestic and foreign firms the message that if you violate the principles of U.S. child labor laws, you are no longer eligible for U.S. Export-Import assistance. Today, this amendment provides the opportunity to stand up for children, who even marginally, may be contributing to a subsidized U.S. export product.

By providing assistance to companies that employ child labor, we would be short-changing hard working American adults by threatening their economic security. Goods produced by child labor ultimately end up in our own markets, exerting downward pressure on wages and living standards. American consumers do not want their Government to provide assistance to a market for goods produced and squeezed from the sweat and toil of children.

The United States has a long history of encouraging fair and responsible business practices. In this vein, my amendment would encourage that domestic businesses and the Export-Import Bank enter into agreements with companies that follow U.S. child labor laws. Children working in overseas factories deserve the same standard of protection that we extend to U.S. children. While this amendment does not question the benefits of young people working, it opposes excessive hours, interference with education, and hazardous occupations and workplaces that are intellectually and physically debilitating to the health of young individuals. U.S. child labor laws protect the educational opportunities of minors and prohibit their employment in jobs that are detrimental to their development. By extending essentially such protection to all children, this amendment is one small step towards closing the market for illegal child labor.

This measure—the Exim Bank—isn't our sole instrument of U.S. foreign policy, but frankly it is time that we're asked to "show us the money" that we have the best leverage in collaboration with U.S. exporters we can get positive results to stop the exploitation of children.

There is no other practice so universally condemned, yet so universally practiced as the exploitation of child labor and the problem of the global marketplace means that it's our problem. Crimes committed against children around the world, that this Congress is so adamant to speak out against, should not be encouraged or tolerated by our own Government policies. This ought to be boiler plate law and policy on our every action. Export-Import financing should promote progress in wages, living standards, and human rights here in the United States and around the globe. I've been encouraged by new progress on this topic regards many imports to the United States of America. U.S. sponsored financing should not undermine progress in these important areas or legitimize the negative status quo. U.S. Labor protections are just one reason why the United States has a good economy in the world today. Why should we lower the standards and protections that provide the foundation for U.S. prosperity? I urge my colleagues to support the Vento amendment which places the interests and well-being of our children ahead of international corporate profits.

Mr. CASTLE. Madam Chairman, I do not rise in opposition.

Madam Chairman, this amendment, as has been so fairly stated by its sponsor, prohibits the use of Exim assistance for exports to companies that employ child labor.

The majority does not intend to object to the amendment. The gentleman from Minnesota [Mr. VENTO] seeks to address a very serious human rights concern that is being examined in a number of fora, including the OECD, as well as by our own Customs Department.

Although we have doubts that Eximbank is the appropriate vehicle through which to address this issue, the amendment is certainly a powerful symbol of congressional concerns that inhumane child labor practices should not be tolerated.

Having said that, let me register some apprehensions the majority has regarding how the amendment would be implemented. Is there any comprehensive list available to the Bank of companies that employ child labor? Would the amendment apply retrospectively to new transactions only? How would it be enforced? Would foreign buyers of U.S. goods see this as an extraterritorial of U.S. laws?

It would be my hope that we would work with the sponsor of the amendment and the minority to iron out these details later in conference with the other body.

Having said that, we will not oppose the amendment. And I applaud the gentleman from Minnesota [Mr. VENTO] for his thoughtful initiative.

Mr. VENTO. Madam Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from Minnesota.

Mr. VENTO. Madam Chairman, I appreciate the support of the subcommittee chairman and the questions he raised. There are not such lists, but there are other questions that we need to work together on. I appreciate his support, and I pledge myself to work with that and make this a part of the explicit policy of the Eximbank, the U.S. Export Bank, I guess, if we are successful with the new nomenclature of the gentleman from New York [Mr. LAFALCE].

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

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

Madam Chairman, I would just say with respect to the name change, after some of the debates I have heard here in the 2 days we have debated this, I hope we can make this name change sooner rather than later. There seems to be a lot of confusion about what this bank does, I believe.

In any event, with respect to the amendment, it has been stated and we will support it.

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

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Minnesota [Mr. VENTO].

The amendment was agreed to.

Mr. CASTLE. Madam Chairman, I move that the Committee do now rise. The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. SOLOMON] having assumed the chair, [Mrs. EMERSON], Chairman pro tempore 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. 1370) to reauthorize the Export-Import Bank of the United States, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

RECESS

The SPEAKER pro tempore (Mr. SOLOMON). Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 5 p.m.

Accordingly (at 4 o'clock and 7 minutes p.m.), the House stood in recess until approximately 5 p.m.

□ 1700

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. SHAW] at 5 p.m.

PERSONAL EXPLANATION

Mr. JONES. Mr. Speaker, on Wednesday, October 1, 1997, I missed rollcall votes 484 to 489. I was presenting testimony on behalf of my legislation, H.R. 765, to the Senate Committee on Energy and Natural Resources Subcommittee on National Parks, Historic Preservation, and Recreation. If I had been present, I would have voted "yes" on roll call 484, 485, 487, 488 and 489. I would have voted "no" on roll call 486.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2160, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 232 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 232

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2160) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes. All points of order against the conference report and against its consideration are waived.

SEC. 2. Upon adoption of this resolution the House shall be considered to have adopted the concurrent resolution specified in section 3.

SEC. 3. The text of the concurrent resolution described in section 2 is as follows:

“Resolved by the House of Representatives (the Senate concurring), That in the enrollment of H.R. 2160 the Clerk of the House shall, in title IV, in the item relating to ‘Domestic Food Programs—Food Stamp Program’, strike the period and insert the following: ‘: *Provided further*, That none of the funds made available under this heading shall be used for studies and evaluations.’”

The SPEAKER pro tempore. The gentleman from Washington [Mr. HASTINGS] is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the distinguished 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.

Mr. Speaker, House Resolution 232 provides for the consideration of the conference report to accompany H.R. 2160, a bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for fiscal year 1998, and for other purposes.

The rule waives all points of order against the conference report and its consideration, and upon its adoption the House shall be considered to have adopted the text of the following concurrent resolution: “*Resolved by the House of Representatives, the Senate concurring*, that in the enrollment of H.R. 2160 the Clerk of the House shall, in title IV, in the item relating to ‘Domestic Food Programs—Food Stamp Program’, strike the period and insert the following: ‘: *provided further*, That none of the funds made available under this heading shall be used for studies and evaluations.’”. This amendment, I understand, has been agreed to.

Mr. Speaker, the chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations, the distinguished gentleman from New Mexico [Mr. SKEEN], and the ranking minority member, the gentlewoman from Ohio [Ms. KAPTUR], are to be commended for their leadership on the House-Senate conference committee. They have brought to the House floor a conference report which largely reflects the priorities agreed upon earlier this year when the House passed H.R. 2160 by a vote of 395 to 14.

Mr. Speaker, this conference report appropriates \$49.6 billion in new fiscal year 1998 budget authority for agriculture programs, which is \$103 million more than the House-passed bill but \$3.6 billion less than was appropriated in fiscal year 1997. When scorekeeping adjustments are taken into account, the bill provides \$35.8 billion for mandatory programs, which is about 80 percent of the total appropriated, and \$13.8 billion for discretionary programs.

This conference report cuts food stamps by \$2.5 billion from last year. It increases funding for the supplemental nutrition program for women, infants and children by \$118 million over fiscal year 1997. It cuts funding for the Commodity Credit Corporation, maintains level funding for the Federal Crop Insurance and increases funding for both the Agriculture Research Service and the Cooperative State Research, Education and Extension Service.

Finally, Mr. Speaker, as I mentioned, this rule also self-executes one minor technical correction which was inadvertently omitted from the conference report itself. Once again, I commend the House conferees on their work on this important agreement and urge my colleagues to support both the rule and the accompanying conference report.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume. I want to thank my colleague from Washington [Mr. HASTINGS] for yielding me the time.

As he explained, this resolution is a rule waiving all points of order against the conference report to accompany H.R. 2160, which is a bill making appropriations for Agriculture, Rural Development and Food and Drug Administration programs for fiscal 1998. The rule also self-executes an amendment to correct a technical problem.

On September 15, the Department of Agriculture released new statistics revealing that 11 million people in the United States experienced moderate or severe hunger, including more than 4 million children. In a Nation as rich as ours, this is unacceptable. Private charities cannot do the job alone.

This bill funds critical food and nutrition programs that are essential to ensuring a minimal safety net. The programs protect children, the elderly and other vulnerable populations from facing the harsh realities of hunger.

I am pleased that the conference agreement provides a slight increase above the original House level for child nutrition programs. These programs are important to maintain the health of the next generation of Americans. I am also pleased to see a small increase in funding over the House position for overseas food assistance programs. These programs save lives and show America's commitment to reducing hunger worldwide.

I commend the chairman and ranking minority member of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for their work on this bill. Mr. Speaker, this rule was approved by the Committee on Rules on a voice vote. I urge adoption of the rule and of the conference report.

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

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. BURR].

Mr. BURR of North Carolina. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in opposition to the rule, even though some have signed off on this crazy agreement. This rule waives all points of order. Earlier this year as the Committee on Appropriations moved this bill through this House, one section was struck. It was a section that dealt with reauthorizing the fees that pharmaceutical companies pay to have the approval process expedited for their drugs that are currently under the approval process at FDA. It was struck because in fact it is not the authority of the appropriators to authorize and extend that. Today we are faced with a rule that waves the point of order, does not allow us to strike from this conference report an issue that is clearly the responsibility of the Committee on Commerce.

What are we in fact here to talk about? We are here on the brink of the ability to for once help patients in America, because user fees are great if in fact we have a process at FDA that works. For the first time since I have been here, the Food and Drug Administration was willing and has sat down and talked about real reform and real modernization at the approval process, real reforms that mean quality of care and better health for Americans.

In fact, with the passage of this, with this point of order not having an opportunity to be raised, we put that in question. We put in question, can we actually get modernization of the Food and Drug Administration? Will the Bonnie Skyler's of the world, who wait for noninvasive glucose monitors so she will not have to prick her finger 4 times a day at 4 years old to check her blood sugar, will she still have to do it with this? Probably so. Because we are so close but we have allowed this to step in the way. I urge my colleagues in this House to defeat this rule. Let us send it back to the Committee on Rules. Let us do the work in a manner that we are supposed to.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I have no further requests for time. I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.
 The SPEAKER pro tempore. The question is on the resolution.
 The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.
 Mr. BURR of North Carolina. 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 367, nays 34, not voting 32, as follows:

[Roll No. 490]

YEAS—367

Abercrombie	Cunningham	Hayworth
Ackerman	Danner	Hefner
Aderholt	Davis (FL)	Herger
Allen	Davis (IL)	Hill
Andrews	Davis (VA)	Hilleary
Archer	DeGette	Hinchee
Army	Delahunt	Hinojosa
Bachus	DeLauro	Hobson
Baker	DeLay	Hoekstra
Barcia	Dellums	Holden
Barrett (NE)	Diaz-Balart	Hooley
Barrett (WI)	Dickey	Horn
Bartlett	Dingell	Hostettler
Bass	Doggett	Houghton
Bateman	Doolittle	Hoyer
Bentsen	Doyle	Hulshof
Bereuter	Dreier	Hutchinson
Berman	Duncan	Hyde
Berry	Dunn	Inglis
Bilirakis	Edwards	Istook
Bishop	Ehlers	Jackson (IL)
Blagojevich	Ehrlich	Jackson-Lee
Bliley	Emerson	(TX)
Blumenauer	Engel	Jefferson
Blunt	English	Jenkins
Boehrlert	Ensign	John
Boehner	Eshoo	Johnson (CT)
Bonilla	Etheridge	Johnson (WI)
Bonior	Evans	Johnson, E. B.
Bono	Everett	Johnson, Sam
Borski	Ewing	Kanjorski
Boswell	Farr	Kaptur
Boucher	Fattah	Kasich
Boyd	Fawell	Kelly
Brady	Fazio	Kennedy (MA)
Brown (CA)	Filner	Kennedy (RI)
Brown (OH)	Flake	Kennelly
Bryant	Foley	Kildee
Bunning	Forbes	Kilpatrick
Burton	Ford	Kim
Buyer	Fowler	Kind (WI)
Callahan	Fox	King (NY)
Calvert	Frank (MA)	Kingston
Camp	Franks (NJ)	Kiecicka
Campbell	Frelinghuysen	Knollenberg
Canady	Frost	Koibae
Cannon	Furse	Kucinich
Capps	Galleghy	LaFalce
Cardin	Gedensson	LaHood
Carson	Gekas	Lampson
Castle	Gibbons	Lantos
Chabot	Gilchrest	Latham
Chambliss	Gillmor	LaTourette
Chenoweth	Goodlatte	Lazio
Christensen	Goodling	Leach
Clay	Gordon	Levin
Clayton	Goss	Lewis (GA)
Clement	Granger	Lewis (KY)
Clyburn	Green	Linder
Collins	Gutierrez	Lipinski
Combest	Gutknecht	Livingston
Cook	Hall (OH)	LoBlundo
Cooksey	Hall (TX)	Lofgren
Cox	Hamilton	Lofgren
Coyne	Hansen	Lucas
Cramer	Harman	Luther
Crane	Hastert	Maloney (CT)
Crapo	Hastings (FL)	Manton
Cummings	Hastings (WA)	Manzullo

Markey	Petri	Smith (NJ)
Martinez	Pickering	Smith (TX)
Mascara	Pickett	Smith, Adam
Matsui	Pitts	Smith, Linda
McCarthy (MO)	Pomeroy	Snowbarger
McCarthy (NY)	Porter	Snyder
McCollum	Portman	Solomon
McCrery	Price (NC)	Spence
McDade	Pryce (OH)	Spratt
McDermott	Quinn	Stabenow
McGovern	Radanovich	Stark
McHugh	Ramstad	Stearns
McInnis	Rangel	Stokes
McIntosh	Redmond	Strickland
McIntyre	Regula	Stump
McKeon	Reyes	Stupak
McNulty	Riggs	Talent
Meehan	Riley	Tanner
Menendez	Rivers	Tauscher
Metcalf	Rodriguez	Tauzin
Mica	Roemer	Taylor (NC)
Millender-McDonald	Rogan	Thomas
Miller (FL)	Rogers	Thompson
Mink	Ros-Lehtinen	Thornberry
Moakley	Rothman	Thune
Mollohan	Roukema	Tiahrt
Moran (KS)	Roybal-Allard	Tierney
Moran (VA)	Rush	Torres
Morella	Ryun	Towns
Murtha	Sabo	Trafficant
Myrick	Salmon	Turner
Nadler	Sanchez	Upton
Neal	Sanders	Velázquez
Nethercutt	Sandlin	Vento
Neumann	Sandman	Viscosky
Ney	Sawyer	Walsh
Northup	Saxton	Wamp
Oberstar	Schaefer, Dan	Waters
Obey	Schaffer, Bob	Watkins
Olver	Scott	Watt (NC)
Ortiz	Sensenbrenner	Watts (OK)
Oxley	Serrano	Waxman
Packard	Sessions	Weldon (FL)
Pallone	Shaw	Weldon (PA)
Pappas	Shays	Weller
Parker	Sherman	Wexler
Pascarella	Shimkus	White
Pastor	Shuster	Wicker
Paul	Sisisky	Wise
Paxon	Skaggs	Wolf
Payne	Skeen	Woolsey
Pease	Skelton	Wynn
Peterson (PA)	Slaughter	Yates
	Smith (MI)	Young (FL)

NAYS—34

Baessler	Graham	Rohrabacher
Ballenger	Jones	Scarborough
Barton	Klink	Shadegg
Burr	Klug	Souder
Coble	Largent	Stenholm
Condit	McHale	Sununu
Costello	Miller (CA)	Taylor (MS)
Deal	Minge	Thurman
DeFazio	Norwood	Whitfield
Deutsch	Nussle	Young (AK)
Ganske	Peterson (MN)	
Goode	Poshard	

NOT VOTING—32

Baldacci	Foglietta	Meek
Barr	Gephardt	Owens
Becerra	Gilman	Pelosi
Bilbray	Gonzalez	Pombo
Brown (FL)	Greenwood	Rahall
Coburn	Hefley	Royce
Conyers	Hilliard	Schiff
Cubin	Hunter	Schumer
Dicks	Lewis (CA)	Smith (OR)
Dixon	Maloney (NY)	Weygand
Dooley	McKinney	

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The Clerk announced the following pair:

On this vote:

Mr. Smith of Oregon for, with Mrs. Cubin against.

Messrs. GRAHAM, DEUTSCH, BAESLER, NORWOOD, KLINK, and SHAD-EGG changed their vote from "yea" to "nay."

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

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid upon the table.

PERSONAL EXPLANATION

Mr. RAHALL. Mr. Speaker, I was unavoidably detained in getting back from my district, and missed rollcall vote No. 490. But had I been present and voting, I would have voted "yes" on rollcall vote No. 490, on the Rule House Resolution 232, calling up the Agriculture Appropriations Act Conference Agreement for FY 1998.

The SPEAKER pro tempore [Mr. SHAW]. Pursuant to House Resolution 232, House Concurrent Resolution 167 is considered as adopted.

The text of House Concurrent Resolution 167 is as follows:

H. CON. RES. 167

"Resolved by the House of Representatives (the Senate concurring). That in the enrollment of H.R. 2160 the Clerk of the House shall, in title IV, in the item relating to 'Domestic Food Programs—Food Stamp Program', strike the period and insert the following: 'Provided further, That none of the funds made available under this heading shall be used for studies and evaluations.'"

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 629, TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT CONSENT ACT

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105-299) on the resolution (H.Res. 258) providing for consideration of the bill (H.R. 629) to grant the consent of the Congress to the Texas Low-Level Radioactive Waste Disposal Compact, which was referred to the House Calendar and ordered to be printed.

CONFERENCE REPORT ON H.R. 2160, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mr. SKEEN. Mr. Speaker, pursuant to House Resolution 232, I call up the conference report on the bill (H.R. 2160) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes, and I ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 17, 1997, at page 19166.)

The SPEAKER pro tempore. The gentleman from New Mexico [Mr. SKEEN]

and the gentlewoman from Ohio [Ms. KAPTUR] each will control 30 minutes.

The Chair recognizes the gentleman from New Mexico [Mr. SKEEN].

GENERAL LEAVE

Mr. SKEEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report to accompany H.R. 2160 and that I may include tabular and extraneous material.

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

There was no objection.

Mr. SKEEN. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I am pleased to present to the House a conference report on H.R. 2160, providing appropriations for fiscal year 1998 for the Department of Agriculture, Food and Drug Administration, and related agencies.

Mr. Speaker, the House voted overwhelmingly in favor of this bill on July 24. Since then, we were given an additional \$100 million in the combined allocation process with the Senate. That money has been spent on rural development, research, and conservation, making it an even stronger bill than before while still remaining within our revised allocation.

Mr. Speaker, this bill benefits every American every day, and this is incor-

porated in this bill. It is truly a bipartisan bill. All of our subcommittee members and many other Members from both sides of the aisle have helped put this bill together, which I think was reflected in the earlier House vote.

Mr. Speaker, I want to thank the gentleman from Louisiana [Mr. LIVINGSTON], the gentleman from Wisconsin [Mr. OBEY], and the gentlewoman from Ohio [Ms. KAPTUR], the distinguished subcommittee ranking member, for their support. I ask my colleagues to send this conference report on to the Senate and the President with a strong "yes" vote.

**AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2160)**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - AGRICULTURAL PROGRAMS						
Production, Processing, and Marketing						
Office of the Secretary.....	2,836,000	2,872,000	2,836,000	2,836,000	2,836,000	
Executive Operations:						
Chief Economist.....	4,231,000	5,306,000	4,844,000	5,252,000	5,048,000	+ 817,000
Commission on 21st Century Production Agriculture.....		1,100,000				
National Appeals Division.....	11,718,000	13,359,000	11,718,000	12,360,000	11,718,000	
Office of Budget and Program Analysis.....	5,986,000	5,918,000	5,986,000	5,986,000	5,986,000	
Office of Small and Disadvantaged Business Utilization 1/.....		795,000			783,000	
Office of Chief Information Officer.....		4,826,000	4,773,000	4,773,000	4,773,000	+ 4,773,000
Total, Executive Operations.....	21,835,000	31,308,000	27,321,000	29,154,000	27,525,000	+ 5,590,000
Chief Financial Officer.....	4,283,000	4,718,000	4,283,000	4,283,000	4,283,000	
Office of the Assistant Secretary for Administration.....	613,000	621,000	613,000	613,000	613,000	
Agriculture buildings and facilities (USDA).....	144,053,000	131,085,000	141,085,000	131,085,000	131,085,000	-12,968,000
Payments to GSA.....	(103,754,000)	(98,600,000)	(98,600,000)	(98,600,000)	(98,600,000)	(-5,154,000)
Building operations and maintenance.....	(16,794,000)	(24,785,000)	(24,785,000)	(24,785,000)	(24,785,000)	(+ 7,991,000)
Repairs, renovations, and construction.....	(23,505,000)	(5,000,000)	(15,000,000)	(5,000,000)	(5,000,000)	(-18,505,000)
Relocation expenses.....		(2,700,000)		(2,700,000)	(2,700,000)	(+ 2,700,000)
Hazardous waste management.....	15,700,000	25,000,000	20,000,000	15,700,000	15,700,000	
Departmental administration.....	30,529,000	25,258,000	27,231,000	26,948,000	27,231,000	-3,298,000
Office of the Assistant Secretary for Congressional Relations.....	3,668,000	3,714,000	3,668,000	3,668,000	3,668,000	
Office of Communications.....	8,138,000	8,279,000	8,138,000	8,138,000	8,138,000	
Office of the Inspector General.....	63,026,000	65,259,000	63,128,000	63,728,000	63,128,000	+ 100,000
Office of the General Counsel.....	27,749,000	29,449,000	27,949,000	29,088,000	28,524,000	+ 775,000
Office of the Under Secretary for Research, Education and Economics.....	540,000	547,000	540,000	540,000	540,000	
Economic Research Service.....	53,109,000	54,310,000	71,604,000	53,109,000	71,604,000	+ 18,495,000
National Agricultural Statistics Service.....	100,221,000	119,877,000	116,861,000	118,048,000	118,048,000	+ 17,827,000
Census of Agriculture.....	(17,500,000)	(36,327,000)	(36,140,000)	(36,327,000)	(36,327,000)	(+ 18,827,000)
Agricultural Research Service.....	716,826,000	726,797,000	725,059,000	738,000,000	744,805,000	+ 27,779,000
Buildings and facilities.....	69,100,000	59,300,000	59,000,000	69,100,000	80,630,000	+ 11,530,000
Total, Agricultural Research Service.....	785,926,000	786,097,000	784,059,000	807,100,000	825,235,000	+ 39,309,000
Cooperative State Research, Education, and Extension Service:						
Research and education activities.....	421,504,000	422,342,000	421,223,000	427,526,000	431,410,000	+ 9,906,000
Native Americans Institutions Endowment Fund.....	(4,800,000)	(4,800,000)	(4,800,000)	(4,800,000)	(4,800,000)	
Buildings and facilities.....	81,591,000					-81,591,000
Extension Activities.....	426,273,000	417,811,000	415,110,000	423,322,000	423,376,000	-2,697,000
Total, Cooperative State Research, Education, and Extension Service.....	906,368,000	840,153,000	836,333,000	850,848,000	854,786,000	-54,582,000
Office of the Assistant Secretary for Marketing and Regulatory Programs.....	618,000	625,000	618,000	618,000	618,000	
Animal and Plant Health Inspection Service:						
Salaries and expenses.....	434,909,000	424,491,000	424,244,000	437,183,000	426,282,000	-8,627,000
AQI user fees 2/.....	(98,000,000)	(100,000,000)	(88,000,000)	(100,000,000)	(88,000,000)	(-10,000,000)
Buildings and facilities.....	3,200,000	7,200,000	3,200,000	4,200,000	4,200,000	+ 1,000,000
Total, Animal and Plant Health Inspection Service.....	438,109,000	431,691,000	427,444,000	441,383,000	430,482,000	-7,627,000
Agricultural Marketing Service:						
Marketing Services.....	38,507,000	49,786,000	45,592,000	49,627,000	46,582,000	+ 8,085,000
New user fees.....	(3,887,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(+ 113,000)
(Limitation on administrative expenses, from fees collected).....	(59,012,000)	(59,521,000)	(59,521,000)	(59,521,000)	(59,521,000)	(+ 509,000)
Funds for strengthening markets, income, and supply (transfer from section 32).....	10,576,000	10,690,000	10,690,000	10,690,000	10,690,000	+ 114,000
Payments to states and possessions.....	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	
Total, Agricultural Marketing Service.....	50,283,000	61,876,000	57,482,000	61,517,000	58,482,000	+ 8,199,000
Grain Inspection, Packers and Stockyards Administration.....	23,128,000	25,722,000	23,928,000	23,583,000	23,928,000	+ 800,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected).....	(43,207,000)	(43,092,000)	(43,092,000)	(43,092,000)	(43,092,000)	(-115,000)
Office of the Under Secretary for Food Safety.....	446,000	583,000	446,000	446,000	446,000	
Food Safety and Inspection Service.....	574,000,000	591,209,000	589,263,000	590,614,000	589,263,000	+ 15,263,000
Lab accreditation fees 3/.....	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	
Total, Production, Processing, and Marketing.....	3,258,280,000	3,240,053,000	3,234,830,000	3,263,057,000	3,286,163,000	+ 27,883,000
Farm Assistance Programs						
Office of the Under Secretary for Farm and Foreign Agricultural Services.....	572,000	580,000	572,000	572,000	572,000	

**AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2160) — continued**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
Farm Service Agency:						
Salaries and expenses.....	746,440,000	742,789,000	702,203,000	700,659,000	700,659,000	-45,781,000
(Transfer from export loans).....	(589,000)	(648,000)	(589,000)	(589,000)	(589,000)	
(Transfer from P.L. 480).....	(745,000)	(815,000)	(745,000)	(815,000)	(815,000)	(+ 70,000)
(Transfer from ACIF).....	(208,446,000)	(209,861,000)	(208,446,000)	(209,861,000)	(209,861,000)	(+ 1,415,000)
Total, salaries and expenses.....	(956,220,000)	(954,113,000)	(911,983,000)	(911,924,000)	(911,924,000)	(-44,296,000)
State mediation grants.....	2,000,000	4,000,000	2,000,000	2,000,000	2,000,000	
Dairy indemnity program.....	100,000	100,000	350,000	550,000	550,000	+ 450,000
Total, Farm Service Agency.....	748,540,000	746,889,000	704,553,000	703,209,000	703,209,000	-45,331,000
Agricultural Credit Insurance Fund Program Account:						
Loan authorizations:						
Farm ownership loans:						
Direct.....	(50,000,000)	(30,828,000)	(30,828,000)	(60,000,000)	(60,000,000)	(+ 10,000,000)
Guaranteed.....	(550,000,000)	(400,000,000)	(400,000,000)	(400,000,000)	(400,000,000)	(-150,000,000)
Subtotal.....	(600,000,000)	(430,828,000)	(430,828,000)	(480,000,000)	(460,000,000)	(-140,000,000)
Farm operating loans:						
Direct.....	(495,071,000)	(450,000,000)	(450,000,000)	(495,000,000)	(495,000,000)	(-71,000)
Guaranteed unsubsidized.....	(1,700,000,000)	(1,700,000,000)	(1,700,000,000)	(1,700,000,000)	(1,700,000,000)	
Guaranteed subsidized.....	(200,000,000)	(200,000,000)	(191,701,000)	(200,000,000)	(200,000,000)	
Subtotal.....	(2,395,071,000)	(2,350,000,000)	(2,341,701,000)	(2,395,000,000)	(2,395,000,000)	(-71,000)
Indian tribe land acquisition loans.....	(1,000,000)	(1,000,000)	(500,000)	(1,000,000)	(1,000,000)	
Emergency disaster loans.....	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	
Boll weevil eradication loans.....	(34,653,000)		(34,653,000)	(34,653,000)	(34,653,000)	
Credit sales of acquired property.....	(25,000,000)	(25,000,000)	(19,432,000)	(25,000,000)	(25,000,000)	
Total, Loan authorizations.....	(3,080,724,000)	(2,831,828,000)	(2,852,114,000)	(2,940,653,000)	(2,940,653,000)	(-140,071,000)
Loan subsidies:						
Farm ownership loans:						
Direct.....	5,920,000	4,020,000	4,020,000	5,940,000	5,940,000	+ 20,000
Guaranteed.....	22,055,000	15,440,000	15,440,000	15,440,000	15,440,000	-6,615,000
Subtotal.....	27,975,000	19,460,000	19,460,000	21,380,000	21,380,000	-6,595,000
Farm operating loans:						
Direct.....	65,450,000	29,585,000	29,585,000	32,224,500	32,224,000	-33,226,000
Guaranteed unsubsidized.....	19,210,000	19,890,000	19,210,000	19,890,000	19,890,000	+ 680,000
Guaranteed subsidized.....	18,480,000	19,280,000	18,480,000	19,280,000	19,280,000	+ 800,000
Subtotal.....	103,140,000	68,735,000	67,255,000	71,394,500	71,394,000	-31,746,000
Indian tribe land acquisition.....	54,000	132,000	66,000	132,000	132,000	+ 78,000
Emergency disaster loans.....	6,365,000	6,008,000	6,008,000	6,008,000	6,008,000	-357,000
Boll weevil loans subsidy.....	499,000		500,000	249,500	250,000	-249,000
Credit sales of acquired property.....	2,530,000	3,255,000	2,530,000	3,255,000	3,255,000	+ 725,000
Total, Loan subsidies.....	140,563,000	97,590,000	95,819,000	102,419,000	102,419,000	-38,144,000
ACIF expenses:						
Salaries and expense (transfer to FSA).....	208,446,000	209,861,000	208,446,000	209,861,000	209,861,000	+ 1,415,000
Administrative expenses.....	12,600,000	10,000,000	10,000,000	10,000,000	10,000,000	-2,600,000
Total, ACIF expenses.....	221,046,000	219,861,000	218,446,000	219,861,000	219,861,000	-1,185,000
Total, Agricultural Credit Insurance Fund.....	361,609,000	317,451,000	314,265,000	322,280,000	322,280,000	-39,329,000
(Loan authorization).....	(3,080,724,000)	(2,831,828,000)	(2,852,114,000)	(2,940,653,000)	(2,940,653,000)	(-140,071,000)
Risk Management Agency:						
Administrative and operating expenses.....	64,000,000	68,485,000	65,000,000	64,000,000	64,000,000	
Sales commission of agents.....		202,571,000	188,571,000	202,571,000	188,571,000	+ 188,571,000
Total, Risk Management Agency.....	64,000,000	271,036,000	253,571,000	266,571,000	252,571,000	+ 188,571,000
Total, Farm Assistance Programs.....	1,174,721,000	1,335,956,000	1,272,961,000	1,292,632,000	1,278,632,000	+ 103,911,000
Corporations						
Federal Crop Insurance Corporation:						
Federal crop insurance corporation fund.....	1,785,013,000	1,584,135,000	1,584,135,000	1,584,135,000	1,584,135,000	-200,878,000
Commodity Credit Corporation Fund:						
Reimbursement for net realized losses.....	1,500,000,000	783,507,000	783,507,000	783,507,000	783,507,000	-716,493,000
Hazardous waste (limitation on administrative expenses).....	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	
Total, Corporations.....	3,285,013,000	2,367,642,000	2,367,642,000	2,367,642,000	2,367,642,000	-917,371,000

**AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2160) — continued**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
Total, title I, Agricultural Programs	7,718,014,000	6,643,651,000	6,875,433,000	6,923,331,000	6,932,437,000	-785,577,000
(By transfer)	(209,780,000)	(211,324,000)	(209,780,000)	(211,265,000)	(211,265,000)	(+ 1,485,000)
(Loan authorization)	(3,080,724,000)	(2,831,828,000)	(2,852,114,000)	(2,940,653,000)	(2,940,653,000)	(-140,071,000)
(Limitation on administrative expenses)	(107,219,000)	(107,613,000)	(107,613,000)	(107,613,000)	(107,613,000)	(+ 394,000)
TITLE II - CONSERVATION PROGRAMS						
Office of the Under Secretary for Natural Resources and Environment	883,000	702,000	883,000	883,000	883,000	
Natural Resources Conservation Service:						
Conservation operations	619,742,000	722,268,000	610,000,000	729,880,000	633,231,000	+ 13,489,000
Watershed surveys and planning 4/	12,381,000		10,000,000		11,190,000	-1,191,000
Watershed and flood prevention operations 5/	101,036,000	40,000,000	101,036,000	40,000,000	101,036,000	
Resource conservation and development	29,377,000	47,700,000	29,377,000	44,700,000	34,377,000	+ 5,000,000
Forestry Incentives program	6,325,000	6,325,000	6,325,000	6,325,000	6,325,000	
Outreach for socially disadvantaged farmers and ranchers	1,000,000	5,000,000	2,000,000	4,000,000	3,000,000	+ 2,000,000
Total, Natural Resources Conservation Service	789,861,000	821,293,000	758,738,000	824,905,000	789,159,000	+ 19,298,000
Total, title II, Conservation Programs	770,554,000	821,995,000	759,431,000	825,588,000	789,852,000	+ 19,298,000
TITLE III - RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS						
Office of the Under Secretary for Rural Development	588,000	586,000	588,000	588,000	588,000	
Rural Housing Service:						
Rural Housing Insurance Fund Program Account:						
Loan authorizations:						
Single family (sec. 502)	(1,000,000,000)	(1,000,000,000)	(950,000,000)	(1,000,000,000)	(1,000,000,000)	
Unsubsidized guaranteed	(2,300,000,000)	(3,000,000,000)	(3,000,000,000)	(2,300,000,000)	(3,000,000,000)	(+ 700,000,000)
Housing repair (sec. 504)	(35,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(-5,000,000)
Farm labor (sec. 514)	(15,000,000)	(15,001,000)	(15,000,000)	(15,001,000)	(15,000,000)	
Rental housing (sec. 515)	(58,854,000)	(128,640,000)	(128,640,000)	(128,640,000)	(128,640,000)	(+ 69,886,000)
Multi-family housing guarantees (sec. 538)			(19,700,000)	(19,700,000)	(19,700,000)	(+ 19,700,000)
Site loans (sec. 524)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	
Self-help housing land development fund	(600,000)	(587,000)	(587,000)	(587,000)	(587,000)	(-13,000)
Credit sales of acquired property	(50,000,000)	(25,004,000)	(25,000,000)	(25,004,000)	(25,000,000)	(-25,000,000)
Total, Loan authorizations	(3,459,854,000)	(4,199,832,000)	(4,169,527,000)	(3,519,532,000)	(4,219,527,000)	(+ 759,873,000)
Loan subsidies:						
Single family (sec. 502)	83,000,000	128,100,000	121,600,000	128,100,000	128,100,000	+ 45,100,000
Unsubsidized guaranteed	6,210,000	6,900,000	6,900,000	5,290,000	6,900,000	+ 690,000
Housing repair (sec. 504)	11,081,000	10,308,000	10,300,000	10,308,000	10,300,000	-781,000
Farm labor (sec. 514)	6,885,000	7,388,000	7,388,000	7,388,000	7,388,000	+ 503,000
Rental housing (sec. 515)	28,987,000	68,745,000	68,745,000	68,745,000	68,745,000	+ 39,758,000
Multi-family housing guarantees (sec. 538)			1,200,000	1,200,000	1,200,000	+ 1,200,000
Self-help housing land development fund	17,000	20,000	17,000	20,000	17,000	
Credit sales of acquired property	4,050,000	3,493,000	3,492,000	3,493,000	3,492,000	-558,000
Total, Loan subsidies	140,230,000	224,954,000	219,642,000	224,544,000	226,142,000	+ 65,912,000
RHF administrative expenses (transfer to RHS)	366,205,000	354,785,000	354,785,000	354,785,000	354,785,000	-11,420,000
Rental assistance program:						
(Sec. 521)	487,970,000	535,497,000	487,970,000	535,497,000	535,497,000	+ 47,527,000
(Sec. 502(c)(5)(D))	5,900,000	5,900,000	5,900,000	5,900,000	5,900,000	
Convert from HUD's section 8 contracts to USDA's section 521		52,000,000				
Total, Rental assistance program	493,870,000	593,397,000	493,870,000	541,397,000	541,397,000	+ 47,527,000
Total, Rural Housing Insurance Fund	1,000,305,000	1,173,136,000	1,068,297,000	1,120,726,000	1,122,324,000	+ 122,019,000
(Loan authorization)	(3,459,854,000)	(4,199,832,000)	(4,169,527,000)	(3,519,532,000)	(4,219,527,000)	(+ 759,873,000)
Mutual and self-help housing grants 6/	26,000,000		26,000,000	26,000,000	26,000,000	
Rural community fire protection grants		2,000,000	2,000,000	1,285,000	2,000,000	+ 2,000,000
Rural housing assistance program	130,433,000		86,488,000			-130,433,000
Rural housing assistance grants		70,900,000		45,720,000	45,720,000	+ 45,720,000
Subtotal, grants and payments	156,433,000	72,900,000	114,488,000	73,005,000	73,720,000	-82,713,000
RHS expenses:						
Administrative expenses	60,743,000	58,804,000	58,804,000	58,804,000	58,804,000	-1,939,000
(Transfer from RHF)	(366,205,000)	(354,785,000)	(354,785,000)	(354,785,000)	(354,785,000)	(-11,420,000)
Total, RHS expenses	(426,948,000)	(413,589,000)	(413,589,000)	(413,589,000)	(413,589,000)	(-13,359,000)
Total, Rural Housing Service	1,217,481,000	1,304,840,000	1,241,589,000	1,252,535,000	1,254,848,000	+ 37,387,000
(Loan authorization)	(3,459,854,000)	(4,199,832,000)	(4,169,527,000)	(3,519,532,000)	(4,219,527,000)	(+ 759,873,000)

**AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2160) — continued**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
Rural Business-Cooperative Service:						
Rural Development Loan Fund Program Account:						
(Loan authorization)	(37,544,000)	(35,000,000)	(35,000,000)	(40,000,000)	(35,000,000)	(-2,544,000)
Loan subsidy	17,270,000	16,888,000	16,888,000	19,200,000	16,888,000	-382,000
Administrative expenses (transfer to RBCS)		3,482,000	3,482,000	3,482,000	3,482,000	+3,482,000
Total, Rural Development Loan Fund	17,270,000	20,370,000	20,370,000	22,682,000	20,370,000	+3,100,000
Rural Economic Development Loans Program Account:						
(Loan authorization)	(12,865,000)	(25,000,000)	(25,000,000)	(12,865,000)	(25,000,000)	(+12,135,000)
Direct subsidy	2,830,000			3,076,000	5,978,000	+3,148,000
Administrative expenses (transfer to RBCS)	654,000					-654,000
By transfer from cushion of credit payments		(5,978,000)	(5,978,000)			
Alternative Agricultural Research and Commercialization						
Revolving Fund	7,000,000	10,000,000		10,000,000	7,000,000	
Rural cooperative development grants		3,000,000	3,000,000	3,000,000	3,000,000	+3,000,000
Rural business-cooperative assistance 7/	51,400,000		51,400,000			-51,400,000
Rural community advancement program		688,570,000		644,259,000	652,197,000	+682,197,000
RBCS expenses:						
Salaries and expenses	25,680,000	27,482,000	25,680,000	25,680,000	25,680,000	
(Transfer from RDLFP)		(3,482,000)	(3,482,000)	(3,482,000)	(3,482,000)	(+3,482,000)
(Transfer from REDLP)	(654,000)					(-654,000)
Total, RBCS expenses	(26,334,000)	(30,964,000)	(29,162,000)	(29,162,000)	(29,162,000)	(+2,828,000)
Total, Rural Business-Cooperative Service	104,834,000	749,422,000	100,450,000	708,697,000	714,225,000	+609,391,000
(By transfer)	(654,000)	(9,460,000)	(9,460,000)	(3,482,000)	(3,482,000)	(+2,828,000)
(Loan authorization)	(50,409,000)	(60,000,000)	(60,000,000)	(52,865,000)	(60,000,000)	(+9,591,000)
Rural Utilities Service:						
Rural Electrification and Telecommunications Loans						
Program Account:						
Loan authorizations:						
Direct loans:						
Electric 5%	(125,000,000)	(125,000,000)	(125,000,000)	(125,000,000)	(125,000,000)	
Telecommunications 5%	(75,000,000)	(40,000,000)	(75,000,000)	(52,756,000)	(75,000,000)	
Subtotal	(200,000,000)	(165,000,000)	(200,000,000)	(177,756,000)	(200,000,000)	
Treasury rates: Telecommunications	(300,000,000)	(300,000,000)	(300,000,000)	(300,000,000)	(300,000,000)	
Muni-rate: Electric	(525,000,000)	(400,000,000)	(400,000,000)	(500,000,000)	(500,000,000)	(-25,000,000)
FFB loans:						
Electric, regular	(300,000,000)	(300,000,000)	(300,000,000)	(300,000,000)	(300,000,000)	
Telecommunications	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)	
Subtotal	(420,000,000)	(420,000,000)	(420,000,000)	(420,000,000)	(420,000,000)	
Total, Loan authorizations	(1,445,000,000)	(1,285,000,000)	(1,320,000,000)	(1,397,756,000)	(1,420,000,000)	(-25,000,000)
Loan subsidies:						
Direct loans:						
Electric 5%	3,625,000	9,325,000	9,325,000	9,325,000	9,325,000	+5,700,000
Telecommunications 5%	1,193,000	1,568,000	3,136,000	2,068,000	2,940,000	+1,747,000
Subtotal	4,818,000	10,893,000	12,461,000	11,393,000	12,265,000	+7,447,000
Treasury rates: Telecommunications	60,000	60,000	60,000	60,000	60,000	
Muni-rate: Electric	28,245,000	16,880,000	16,880,000	21,100,000	21,100,000	-7,145,000
FFB loans: Electric, regular	2,790,000	2,760,000	2,760,000	2,760,000	2,760,000	-30,000
Total, Loan subsidies	35,913,000	30,593,000	32,161,000	35,313,000	36,185,000	+272,000
RETLP administrative expenses (transfer to RUS)	29,982,000	34,398,000	34,398,000	29,982,000	29,982,000	
Total, Rural Electrification and Telecommunications						
Loans Program Account	65,895,000	64,991,000	66,559,000	65,295,000	66,167,000	+272,000
(Loan authorization)	(1,445,000,000)	(1,285,000,000)	(1,320,000,000)	(1,397,756,000)	(1,420,000,000)	(-25,000,000)
Rural Telephone Bank Program Account:						
(Loan authorization)	(175,000,000)	(175,000,000)	(175,000,000)	(175,000,000)	(175,000,000)	
Direct loan subsidy	2,328,000	3,710,000	3,710,000	3,710,000	3,710,000	+1,382,000
RTP administrative expenses (transfer to RUS)	3,500,000	3,000,000	3,000,000	3,000,000	3,000,000	-500,000
Total	5,828,000	6,710,000	6,710,000	6,710,000	6,710,000	+882,000
Distance learning and medical link grants and loans:						
(Loan authorization)	(150,000,000)	(150,000,000)	(150,000,000)	(150,000,000)	(150,000,000)	
Direct loan subsidy	1,530,000	30,000	30,000	30,000	30,000	-1,500,000
Grants	7,470,000	20,970,000	15,000,000	12,000,000	12,500,000	+5,030,000
Total	9,000,000	21,000,000	15,030,000	12,030,000	12,530,000	+3,530,000

**AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2160) — continued**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
Rural utilities assistance program 7/	566,935,000		577,242,000			-566,935,000
RUS expenses:						
Salaries and expenses	33,195,000	33,000,000	33,000,000	33,000,000	33,000,000	-195,000
(Transfer from RETLP)	(29,982,000)	(34,398,000)	(34,398,000)	(29,982,000)	(29,982,000)	
(Transfer from RTP)	(3,500,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(-500,000)
Total, RUS expenses	(66,677,000)	(70,398,000)	(70,398,000)	(65,982,000)	(65,982,000)	(-695,000)
Total, Rural Utilities Service	680,653,000	125,701,000	698,541,000	117,035,000	118,407,000	-562,446,000
(By transfer)	(33,482,000)	(37,398,000)	(37,398,000)	(32,982,000)	(32,982,000)	(-500,000)
(Loan authorization)	(1,770,000,000)	(1,610,000,000)	(1,645,000,000)	(1,722,756,000)	(1,745,000,000)	(-25,000,000)
Total, title III, Rural Economic and Community Development Programs	2,003,756,000	2,180,559,000	2,041,168,000	2,078,855,000	2,068,068,000	+84,312,000
(By transfer)	(400,341,000)	(401,643,000)	(401,643,000)	(391,249,000)	(391,249,000)	(-9,092,000)
(Loan authorization)	(5,280,263,000)	(5,869,832,000)	(5,874,527,000)	(5,295,153,000)	(6,024,527,000)	(+ 744,264,000)
TITLE IV - DOMESTIC FOOD PROGRAMS						
Office of the Under Secretary for Food, Nutrition and Consumer Services	454,000	560,000	454,000	454,000	554,000	+ 100,000
Food and Consumer Service:						
Child nutrition programs	3,219,544,000	2,617,375,000	2,543,555,000	2,617,675,000	2,612,675,000	-606,869,000
Discretionary spending	14,000,000	14,000,000	5,000,000		3,750,000	+ 3,750,000
Transfer from section 32	5,433,753,000	5,151,391,000	5,218,411,000	5,151,391,000	5,151,391,000	-282,362,000
Total, Child nutrition programs	8,653,297,000	7,782,766,000	7,766,966,000	7,789,066,000	7,767,816,000	-885,481,000
Special supplemental nutrition program for women, infants, and children (WIC)	3,805,807,000	4,108,000,000	3,924,000,000	3,927,600,000	3,924,000,000	+ 118,193,000
Reserve		(100,000,000)				
Food stamp program:						
Expenses	26,244,029,000	23,747,479,000	23,736,479,000	23,747,479,000	23,736,479,000	-2,507,550,000
Reserve	100,000,000	2,500,000,000	100,000,000	1,000,000,000	100,000,000	
Nutrition assistance for Puerto Rico	1,174,000,000	1,204,000,000	1,204,000,000	1,204,000,000	1,204,000,000	+ 30,000,000
The emergency food assistance program 8/	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	
Total, Food stamp program	27,618,029,000	27,551,479,000	25,140,479,000	26,051,479,000	25,140,479,000	-2,477,550,000
Commodity assistance program	168,000,000	272,185,000	141,000,000	148,600,000	141,000,000	-25,000,000
Food donations programs for selected groups:						
Needy family program	1,250,000		1,165,000	1,165,000	1,165,000	-85,000
Elderly feeding program	140,000,000		145,000,000	140,000,000	140,000,000	
Total, Food donations programs 9/	141,250,000		146,165,000	141,165,000	141,165,000	-85,000
Food program administration	106,128,000	105,501,000	104,128,000	107,719,000	107,619,000	+ 1,491,000
The Center for Nutrition Policy and Promotion 10/		2,499,000				
Total, Food and Consumer Service	40,480,511,000	39,822,410,000	37,222,738,000	38,145,629,000	37,222,079,000	-3,268,432,000
Total, title IV, Domestic Food Programs	40,480,965,000	39,822,970,000	37,223,192,000	38,146,083,000	37,222,633,000	-3,268,332,000
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS						
Foreign Agricultural Service:						
Direct appropriation 11/	131,295,000	146,549,000	131,295,000	132,367,000	131,295,000	
(Transfer from export loans)	(3,231,000)	(3,327,000)	(3,231,000)	(3,231,000)	(3,231,000)	
(Transfer from P.L. 480)	(1,035,000)	(1,066,000)	(1,035,000)	(1,066,000)	(1,035,000)	
Total, Program level	(135,561,000)	(150,942,000)	(135,561,000)	(136,664,000)	(135,561,000)	
Public Law 480 Program Account:						
Title I - Credit sales:						
Program level	(240,805,000)	(123,149,000)	(238,048,000)	(247,530,000)	(244,508,000)	(+ 3,703,000)
Direct loans	(226,900,000)	(112,899,000)	(225,798,000)	(226,900,000)	(226,900,000)	
Ocean freight differential	13,905,000	10,250,000	12,250,000	20,630,000	17,806,000	+ 3,703,000
Title II - Commodities for disposition abroad:						
Program level	(837,000,000)	(837,000,000)	(837,000,000)	(837,000,000)	(837,000,000)	
Appropriation	837,000,000	837,000,000	837,000,000	837,000,000	837,000,000	
Title III - Commodity grants:						
Program level	(29,500,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(+ 500,000)
Appropriation	29,500,000	30,000,000	30,000,000	30,000,000	30,000,000	+ 500,000
Loan subsidies	185,589,000	87,898,000	175,738,000	178,596,000	178,596,000	-8,963,000
Salaries and expenses:						
General Sales Manager (transfer to FAS)	1,035,000	1,066,000	1,035,000	1,066,000	1,035,000	
Farm Service Agency (transfer to FSA)	745,000	815,000	745,000	815,000	815,000	+ 70,000
Subtotal	1,780,000	1,881,000	1,780,000	1,881,000	1,850,000	+ 70,000

**AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2160) — continued**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
Total, Public Law 480:						
Program level.....	(1,107,305,000)	(990,149,000)	(1,105,048,000)	(1,114,530,000)	(1,111,508,000)	(+4,203,000)
Appropriation.....	1,067,774,000	967,000,000	1,056,768,000	1,066,107,000	1,063,054,000	-4,720,000
CCC Export Loans Program Account:						
Loan guarantees: Short-term export credit.....	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	.....
Loan subsidy.....	390,305,000	527,546,000	527,546,000	527,546,000	527,546,000	+137,241,000
Emerging markets export credit.....	.....	(200,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	(+200,000,000)
Salaries and expenses (Export Loans):						
General Sales Manager (transfer to FAS).....	3,231,000	3,327,000	3,231,000	3,231,000	3,231,000	.....
Farm Service Agency (transfer to FSA).....	589,000	648,000	589,000	589,000	589,000	.....
Total, CCC Export Loans Program Account.....	364,125,000	531,521,000	531,366,000	531,366,000	531,366,000	+137,241,000
Total, title V, Foreign Assistance and Related Programs.....	1,593,194,000	1,645,070,000	1,719,429,000	1,729,840,000	1,725,715,000	+132,521,000
(By transfer).....	(4,266,000)	(4,393,000)	(4,266,000)	(4,297,000)	(4,266,000)	.....
TITLE VI - RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION						
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Food and Drug Administration						
Salaries and expenses, direct appropriation.....	819,971,000	750,922,000	852,501,000	873,057,000	857,501,000	+37,530,000
Prescription drug user fee act 12/.....	(87,528,000)	(91,204,000)	.....	(91,204,000)	(91,204,000)	(+3,676,000)
Mammography clinics user fee 12/.....	(13,403,000)	(13,966,000)	(13,966,000)	(13,966,000)	(13,966,000)	(+563,000)
New proposed user fees 12/.....	.....	(131,643,000)	.....	.....	.....	.....
Total, Program level.....	(920,902,000)	(987,735,000)	(866,467,000)	(978,227,000)	(962,671,000)	(+41,768,000)
Buildings and facilities.....	21,350,000	22,900,000	21,350,000	22,900,000	21,350,000	.....
Rental payments.....	46,294,000	46,294,000	46,294,000	46,294,000	46,294,000	.....
Total, Food and Drug Administration.....	887,615,000	820,116,000	920,145,000	942,251,000	925,145,000	+37,530,000
DEPARTMENT OF THE TREASURY						
Financial Management Service: Payments to the Farm Credit System Financial Assistance Corporation.....	10,290,000	7,728,000	7,728,000	7,728,000	7,728,000	-2,562,000
INDEPENDENT AGENCIES						
Commodity Futures Trading Commission.....	55,101,000	60,101,000	57,101,000	60,101,000	58,101,000	+3,000,000
Farm Credit Administration (limitation on administrative expenses).....	(37,478,000)	(34,423,000)	(34,423,000)	(34,423,000)	(34,423,000)	(-3,055,000)
Total, title VI, Related Agencies and Food and Drug Administration.....	953,006,000	887,945,000	984,974,000	1,010,080,000	990,974,000	+37,968,000
TITLE VII - EMERGENCY APPROPRIATIONS						
DEPARTMENT OF AGRICULTURE						
Farm Service Agency						
Emergency conservation program.....	25,000,000	.....	.....	.....	.....	-25,000,000
Emergency appropriations (P.L. 105-18).....	23,000,000	.....	.....	.....	.....	-23,000,000
Natural Resources Conservation Service						
Watershed and flood prevention operations.....	63,000,000	.....	.....	.....	.....	-63,000,000
Emergency appropriations (P.L. 105-18).....	245,000,000	.....	.....	.....	.....	-245,000,000
Rural Utilities Service						
Emergency appropriations (P.L. 105-18).....	4,000,000	.....	.....	.....	.....	-4,000,000
Total, title VII:						
New budget (obligational) authority.....	360,000,000	.....	.....	.....	.....	-360,000,000
Grand total:						
New budget (obligational) authority.....	53,889,489,000	52,302,190,000	49,603,627,000	50,713,787,000	49,749,679,000	-4,139,810,000
Appropriations.....	(53,801,489,000)	(52,302,190,000)	(49,603,627,000)	(50,713,787,000)	(49,749,679,000)	(-4,051,810,000)
Emergency appropriations.....	(88,000,000)	.....	.....	.....	.....	(-88,000,000)
(By transfer).....	(614,387,000)	(617,360,000)	(615,688,000)	(606,811,000)	(606,780,000)	(-7,607,000)
(Loan authorization).....	(13,860,987,000)	(14,201,660,000)	(14,226,841,000)	(13,735,806,000)	(14,465,180,000)	(+604,193,000)
(Limitation on administrative expenses).....	(144,697,000)	(142,036,000)	(142,036,000)	(142,036,000)	(142,036,000)	(-2,661,000)

**AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2160) — continued**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
RECAPITULATION						
Title I - Agricultural programs	7,718,014,000	6,943,651,000	6,875,433,000	6,923,331,000	6,932,437,000	-785,577,000
Title II - Conservation programs	770,554,000	821,995,000	759,431,000	825,598,000	789,852,000	+19,298,000
Title III - Rural economic and community development programs	2,003,756,000	2,180,559,000	2,041,168,000	2,078,855,000	2,088,068,000	+84,312,000
Title IV - Domestic food programs	40,490,965,000	39,822,970,000	37,223,192,000	38,146,083,000	37,222,633,000	-3,268,332,000
Title V - Foreign assistance and related programs	1,593,194,000	1,645,070,000	1,719,429,000	1,729,840,000	1,725,715,000	+132,521,000
Title VI - Related agencies and Food and Drug Administration...	953,006,000	887,945,000	984,974,000	1,010,080,000	990,974,000	+37,968,000
Title VII - Emergency appropriations	360,000,000	.....	.....	.....	.....	-360,000,000
Total, new budget (obligational) authority	53,889,489,000	52,302,190,000	49,603,627,000	50,713,787,000	49,749,679,000	-4,139,810,000

- 1/ Funded under Departmental Administration in FY 1997.
- 2/ In addition, \$41 million is anticipated from Farm Bill direct appropriations.
- 3/ In addition to appropriation.
- 4/ Budget proposes to fund this account under Conservation Operations.
- 5/ Budget proposes to fund technical assistance for WFPO under Conservation Operations.
- 6/ Budget proposes to fund this account under the Rural Housing Assistance program.
- 7/ The Administration proposed funding for this account under the name "Rural community advancement program".
- 8/ Program created in Welfare Reform.
- 9/ Budget proposes to include funding for these programs under the Commodity Assistance Program in FY 1998.
- 10/ \$2,218,000 included under Food Program Administration in FY 1997.
- 11/ Includes \$10 million shift from mandatory spending for IRM activities.
- 12/ President's budget proposes collections to be used as revenues.

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

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

Mr. Speaker, I thank my colleagues for their forbearance here. I feel privileged to join the gentleman from New Mexico [Mr. SKEEN], our subcommittee chair, and all of our committee members in supporting this conference report on H.R. 2160, our fiscal year 1998 Agriculture, Rural Development, Food and Drug Administration, and related agencies appropriation bill.

I just want to say that this bill truly represents a bipartisan, bicameral compromise in our efforts to provide critical support for the Department of Agriculture, Food and Drug Administration, and other agencies funded in this bill. This will help our Nation remain at the leading edge for food production, fuel production, fiber and forest production, as well as agricultural research, trade promotion, and food and drug safety.

Mr. Speaker, there cannot be too many places in this Congress where one is privileged to serve on a committee where in a week he can talk about windmills and lambing season, child nutrition, and coyotes all at the same time. We are very pleased that the additional funding that is included in this bill will help us on our important research programs, our conservation programs, and our rural housing and development programs. The agreement also fully funds the budget request for youth tobacco prevention and food safety initiatives under the Food and Drug Administration.

I would like to acknowledge and thank the very talented and hard-working subcommittee staff: Tim Sanders, Carol Murphy, John Ziolkowski, JoAnne Orndorf, Doug Lawrence, Sally Chahbourne, and Roberta Jeaquent. We all rely on these individuals' experience and expertise in agriculture programs; and without their help, we would not be on this floor today.

I have to say to the gentleman from New Mexico [Mr. SKEEN], my good friend, the chairman, I shall always remember that he has been the chair of this committee during the first year that I served as its ranking member, and these moments will remain among my treasured moments in this Congress.

Mr. Speaker, I yield as much time as he may consume to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, I rise in strong support of this conference report and commend those conferees who did an excellent job in making balanced the priorities.

Ms. KAPTUR. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I might just mention that we have one request for time on this side.

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

Ms. KAPTUR. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I rise in strong support of this bill. So often agriculture and so often rural America gets overlooked in the whole scheme of things.

This bill does an excellent job. I compliment the chairman and the ranking member on the bipartisan approach to this. The fact that it is agreed upon and is noncontroversial speaks well for the way agriculture is being treated, rural development is being handled, and as well as the agriculture research, which is so very, very important for the agriculture community, which in turn is important to all of America.

□ 1745

Ms. KAPTUR. Mr. Speaker, I yield myself such time as I may consume to observe for the RECORD that the gentleman from Missouri [Mr. SKELTON] took off his field boots in order to give his remarks this afternoon. So we thank him very much for being down on the floor.

Mr. BENTSEN. Mr. Speaker, I rise to express my strong support for H.R. 2160, the conference report on the fiscal year 1998 Agriculture Appropriations Bill. I am especially pleased that this conference report includes \$11.3 million for pediatric research conducted at the Children's Nutrition Research Center [CNRC] in Houston, which I represent. This funding level represents a \$500,000 increase over last year's bill and will be used to conduct critical nutrition research on children.

It is important that we provide sufficient funding for agricultural research programs, including nutrition research. This research has helped to lead to better and more effective strategies to improve children's health. I have worked closely with members of the Appropriations Committee and the Texas Congressional Delegation to secure this vital funding, and I wish to thank Subcommittee Chairman SKEEN and ranking member KAPTUR for their assistance.

The Children's Nutrition Research Center was founded in 1978 and operates in cooperation with Texas Children's Hospital and Baylor College of Medicine in the Texas Medical Center. It is a world leader in the field of pediatric nutrition, and its research has led to better health and reduced health care costs for children. For instance, some of its research has saved 40 percent of the cost of treating premature infants at Texas Children's Hospital by developing a better system for feeding without compromising nutritional intake. This system saves \$7,500 per infant and reduced the average hospital stay of premature infants by 3 days. The CNRC is currently conducting research on children's obesity, which may lead to more effective treatments to prevent such serious diseases as atherosclerosis, osteoporosis, and diabetes.

This conference report also includes critical funding for many nutrition programs, including the Food Stamp Program, the school lunch

and breakfast programs, and the Women, Infants, and Children [WIC] program. For many low-income families, these programs are the only way that they can meet their nutritional needs. This legislation also includes \$858 million for the Food and Drug Administration, the Federal agency responsible for protecting food safety and promoting safe and effective drugs to combat illnesses. This legislation also includes \$34 million for a new food safety initiative to increase surveillance, research, and education concerning food-borne illnesses.

I urge my colleagues to support this important legislation.

Mrs. ROUKEMA. Mr. Speaker, I would like to commend the conferees for their work in putting together a conference report that achieves so many important goals.

This conference report includes an increase from \$4 million to \$34 million to implement the FDA's regulations aimed at curbing tobacco use by underage consumers. This makes sense.

Underage smoking creates a new generation of smokers and it puts them on the road to potentially debilitating and costly health problems. We need to prevent this now.

I would have liked a conference report that included language that would have eliminated the USDA's nonrecourse loan program for sugar. Through a combination of import quotas, price supports and subsidized loans, our Government props up sugar prices nationwide.

This is not about the small sugar farmer. This is about big agri-business. Most beneficiaries of the sugar program are large corporate interests, not small farmers. The GAO estimates that 42 percent of the sugar program benefits went to 1 percent of sugar plantations. We need to eliminate this corporate welfare, and I am sorry we are not doing that with this conference report today.

Yet, I do support this conference report because it helps our children.

What we are doing with this conference report is protecting and feeding our children.

Mr. Speaker, we are helping ensure the health of our children by increasing funding for WIC by \$118 million over the previous year. This will help maintain the current participation level of 7.4 million individuals. The WIC program is a program that works, and in the longer-term, actually saves Federal money. For every \$1 dollar used in the prenatal segment of the WIC Program, Medicaid saves untold moneys and give healthy productive lives to these children and cannot be measured in dollars and cents.

WIC works. It reduces the instances of infant mortality, low birthweight, malnutrition and the myriad other problems of impoverished children. The WIC program also provides valuable health care counseling for expectant mothers for both mothers and children.

This report also provides \$7.8 billion for child nutrition programs, such as the school lunch and breakfast programs. This is \$885 million more than the previous year. These programs help our children focus in the classroom and have the ability to concentrate on learning, and not hunger.

Mr. Speaker, we have been presented with a great opportunity today to make wise investments in our children, and our future. Let's vote for this conference report.

Ms. KAPTUR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. SHAW). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 399, nays 18, not voting 16, as follows:

[Roll No. 491]
YEAS—399

Abercrombie	Cox	Granger
Ackerman	Coyne	Green
Aderholt	Cramer	Gutierrez
Allen	Crane	Gutknecht
Archer	Crapo	Hall (OH)
Army	Cummings	Hall (TX)
Bachus	Cunningham	Hamilton
Baesler	Danner	Hansen
Baker	Davis (FL)	Harman
Baldacci	Davis (IL)	Hastert
Ballenger	Davis (VA)	Hastings (FL)
Barcia	Deal	Hastings (WA)
Barr	DeGette	Hayworth
Barrett (NE)	Delahunt	Hefley
Barrett (WI)	DeLauro	Hefner
Bartlett	DeLay	Hergert
Barton	Dellums	Hill
Bass	Deutsch	Hilleary
Bateman	Diaz-Balart	Hinchey
Bentsen	Dickey	Hinojosa
Bereuter	Dicks	Hobson
Berman	Dingell	Hoekstra
Berry	Dixon	Holden
Bilbray	Dooley	Hooley
Billirakis	Doolittle	Horn
Bishop	Doyle	Hostettler
Blagojevich	Dreier	Houghton
Billey	Duncan	Hoyer
Blumenauer	Dunn	Hulshof
Blunt	Edwards	Hunter
Boehler	Ehlers	Hutchinson
Boehner	Ehrlich	Hyde
Bonilla	Emerson	Inglis
Bonior	Engel	Istook
Bono	English	Jackson (IL)
Borski	Eshoo	Jackson-Lee
Boswell	Etheridge	(TX)
Boyd	Evans	Jefferson
Brady	Everett	Jenkins
Brown (CA)	Ewing	John
Brown (OH)	Farr	Johnson (CT)
Bryant	Fattah	Johnson (WI)
Bunning	Fawell	Johnson, E.B.
Burr	Fazio	Johnson, Sam
Burton	Flner	Jones
Buyer	Flake	Kanjorski
Callahan	Foley	Kaptur
Calvert	Forbes	Kasich
Camp	Ford	Kelly
Canady	Fowler	Kennedy (MA)
Cannon	Fox	Kennedy (RI)
Capps	Frank (MA)	Kennelly
Cardin	Franks (NJ)	Kildee
Carson	Frelinghuysen	Kilpatrick
Castle	Frost	Kim
Chabot	Furse	Kind (WI)
Chambliss	Galleghy	King (NY)
Chenoweth	Ganske	Kingston
Christensen	Gejdenson	Kleccka
Clay	Gekas	Klink
Clayton	Gibbons	Klug
Clement	Gilchrist	Knollenberg
Clyburn	Gillmor	Kolbe
Coble	Gilman	LaFalce
Collins	Goode	LaHood
Combest	Goodlatte	Lampson
Condit	Goodling	Lantos
Cook	Gordon	Largent
Cooksey	Goss	Latham
Costello	Graham	LaTourette

Lazio	Oxley	Skeen
Leach	Packard	Skelton
Levin	Pallone	Slaughter
Lewis (CA)	Pappas	Smith (MI)
Lewis (GA)	Parker	Smith (NJ)
Lewis (KY)	Pascrell	Smith (TX)
Linder	Pastor	Smith, Adam
Lipinski	Paxon	Smith, Linda
Livingston	Payne	Snowbarger
LoBlondo	Pease	Snyder
Lowe	Pelosi	Solomon
Lucas	Peterson (MN)	Souder
Luther	Peterson (PA)	Spence
Maloney (CT)	Petri	Spratt
Maloney (NY)	Pickering	Stabenow
Manton	Pickett	Stark
Markey	Pitts	Stenholm
Martinez	Pomeroy	Stokes
Mascara	Porter	Strickland
Matsui	Portman	Stump
McCarthy (MO)	Poshard	Stupak
McCarthy (NY)	Price (NC)	Sununu
McCullum	Pryce (OH)	Talent
McCrery	Quinn	Tanner
McDade	Radanovich	Tauscher
McDermott	Rahall	Tauzin
McGovern	Ramstad	Taylor (NC)
McHale	Rangel	Thomas
McHugh	Redmond	Thompson
McInnis	Regula	Thornberry
McIntosh	Reyes	Thune
McIntyre	Riggs	Thurman
McKeon	Riley	Tiahrt
McKinney	Rivers	Tierney
McNulty	Rodriguez	Torres
Meehan	Roemer	Towns
Meek	Rogan	Trafcant
Menendez	Rogers	Trucert
Metcalfe	Ros-Lehtinen	Upton
Mica	Rothman	Velázquez
Millender	Roukema	Vento
McDonald	Roybal-Allard	Visclosky
Miller (FL)	Rush	Walsh
Minge	Ryun	Wamp
Mink	Sabo	Waters
Moakley	Sanchez	Watkins
Mollohan	Sanders	Watt (NC)
Moran (KS)	Sandlin	Watts (OK)
Moran (VA)	Sanford	Waxman
Morella	Sawyer	Weldon (FL)
Murtha	Saxton	Weldon (PA)
Myrick	Schaefer, Dan	Weller
Nadler	Schaffer, Bob	Wexler
Neal	Scott	White
Nethercatt	Serrano	Whitfield
Neumann	Sessions	Wicker
Ney	Shadegg	Wise
Northup	Shaw	Wolf
Norwood	Shays	Woolsey
Nussle	Sherman	Wynn
Oberstar	Shimkus	Yates
Obey	Shuster	Young (AK)
Oliver	Sisisky	Young (FL)
Ortiz	Skaggs	

NAYS—18

Andrews	Ensign	Royce
Campbell	Kucinich	Salmon
Conyers	Lofgren	Scarborough
Cubin	Miller (CA)	Sensenbrenner
DeFazio	Paul	Stearns
Doggett	Rohrabacher	Taylor (MS)

NOT VOTING—16

Becerra	Gonzalez	Schiff
Boucher	Greenwood	Schumer
Brown (FL)	Hilliard	Smith (OR)
Coburn	Manzullo	Weygand
Foglietta	Owens	
Gephardt	Pombo	

□ 1805

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF INTENT TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 2159, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1998

Mr. LARGENT. Mr. Speaker, pursuant to rule XXVIII, clause 1(c), I rise today to give the House notice of my intention to offer a motion to instruct conferees on the bill (H.R. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes. The motion is at the desk.

The form of the motion is as follows:

Mr. LARGENT moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 2159 be instructed to insist upon the provisions contained in section 581 of the House bill (relating to restrictions on assistance to foreign organizations that perform or actively promote abortions).

APPOINTMENT OF CONFEREES ON H.R. 2267, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2267) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1998, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. MOLLOHAN

Mr. MOLLOHAN. Mr. Speaker, I offer a motion to instruct.

The Clerk read as follows:

Mr. MOLLOHAN moves that the managers on the part of the House at the conference on the disagreeing votes of the House and the Senate on H.R. 2267, Commerce-Justice-State-Judiciary Appropriations Act for Fiscal Year 1998, be instructed to insist on the House position regarding funding for programs under the Victims of Child Abuse Act in the Juvenile Justice Programs account.

The SPEAKER. The gentleman from West Virginia [Mr. MOLLOHAN] and the gentleman from Kentucky [Mr. ROGERS] each will control 30 minutes.

The Chair recognizes the gentleman from West Virginia [Mr. MOLLOHAN].

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

Mr. Speaker, let me explain this motion to instruct to my colleagues. The

House-Commerce-Justice-State appropriation bill provides \$7 million for various programs authorized by the Victims of Child Abuse Act. The Senate bill provides \$4.5 million for these programs, which is the budget request.

The Victims of Child Abuse Program improves the quality of local and Federal child abuse prosecution and case handling. It does this by identifying and implementing improved policies and procedures to assist State and Federal prosecutors in keeping abreast of modern practices in child abuse prosecution.

The program also funds local and regional child advocacy center programs to focus attention on the needs of child abuse victims by enhancing coordination and support among community agencies and professionals involved in the intervention, prevention, prosecution, and investigation systems that respond to child abuse cases.

Children's advocacy centers are child-focused, facility-based programs that use multidisciplinary teams to coordinate judicial and social service systems' response to victims of child abuse, Mr. Speaker.

My motion instructs conferees to remain firm on the House position of \$7 million for Victims of Child Abuse programs. These programs are working and working well and deserve this level of funding.

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

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

Mr. Speaker, I have no objection to the motion.

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

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

The SPEAKER. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER. The question is on the motion to instruct offered by the gentleman from West Virginia [Mr. MOLLOHAN].

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Without objection, the Chair appoints the following conferees:

Messrs. ROGERS,
KOLBE,
TAYLOR of North Carolina,
REGULA,
FORBES,
LATHAM,
LIVINGSTON,
MOLLOHAN,
SKAGGS,
DIXON, and
OBEY.

There was no objection.

GENERAL LEAVE

Mr. ROGERS. 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. 2267, and that I may include tabular and extraneous material.

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

There was no objection.

REAUTHORIZATION OF THE EXPORT-IMPORT BANK

The SPEAKER pro tempore. Pursuant to House Resolution 255 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for further consideration of the bill, H.R. 1370.

□ 1812

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. 1370) to reauthorize the Export-Import Bank of the United States, with Mrs. EMERSON, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, amendment No. 7 printed in House report 105-282 offered by the gentleman from Minnesota [Mr. VENTO] had been disposed of.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to House Resolution 255, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 4 offered by the gentleman from California [Mr. ROHRABACHER] and amendment No. 5 offered by the gentleman from California [Mr. ROHRABACHER].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

□ 1815

AMENDMENT NO. 4 OFFERED BY MR. ROHRABACHER

The CHAIRMAN pro tempore (Mrs. EMERSON). The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California [Mr. ROHRABACHER] 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.

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT NO. 5 OFFERED BY MR. ROHRABACHER

The CHAIRMAN pro tempore. The pending business is the demand for a

recorded vote on amendment No. 5 offered by the gentleman from California [Mr. ROHRABACHER] 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.

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN pro tempore. 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.

Mr. PAUL. Mr. Chairman, H.R. 1370, reauthorizing the Export-Import Bank, should be rejected for several reasons. The claim to constitutionality is dubious. The Bank rewards special interest groups with political favors. Reallocating money from the job-producing, productive sectors of the economy to the less efficient sectors distorts credit allocation. Reauthorization of the Bank is both bad economics and bad politics.

Article I section 8 of the U.S. Constitution enumerates areas over which Congress has authority. The ninth and tenth amendments further reinforce that powers not vested in the U.S. Congress are reserved to the States or to the people. The fifth amendment of the Constitution forbids the taking from the people in order to subsidize the business of the politically well-connected. It is not through free trade that the Government subsidizes the politically well-connected. Rather, it is through such organizations as the Eximbank.

The justification of H.R. 1370 under the general welfare clause of the Constitution stretches the imagination of the intent of the Founding Fathers. Nowhere in the authors' dreams could the general welfare clause be used to tax all American individuals in order to give corporate welfare to a few, specific, large political donors. The supporters of the bill have not satisfactorily explained how the authorization of the Eximbank could be justified as regulating commerce. To construe Congress' power to coin money so broadly as to include the Federal regulation of the provision of credit by creating and perpetuating the Eximbank threatens the intrinsic value of American money itself. As former Federal Reserve Chairman Paul Volcker pointed out, "The truly unique power of a central bank, after all, is the power to create money, and ultimately the power to create is the power to destroy." Even if Congress has the constitutional authority to destroy money incident to its enumerated authority to coin, this is not to say it should do so through the reauthorization of the credit-misallocating Eximbank.

The U.S. Government takes money from its citizens through taxes to subsidize other nations' purchases. Very often, our Government subsidizes the purchases by foreign governments, such as the People's Republic of China or other brutal regimes, whose practices many Americans find objectionable. In fact, according to the Export-Import Bank's 1996

Annual Report, the People's Republic of China was the second largest recipient country of U.S. Eximbank loans or loan guarantees; American taxpayers subsidized \$4.1 billion of mainland China's purchases. It is one thing to permit voluntary exchanges between citizens of different countries but quite another to coerce the American taxpayer to subsidize the purchases of a country whose practices offend many. Such practices can best be explained by considering the way in which the Eximbank operates.

Maria L. Haley, one of the five Bank directors, is a long-time friend of Bill from Arkansas who ran then-Gov. Clinton's program to attract foreign investment in the state. She advocated approval of loans to Pauline Kanchanalak (a Thai native living in Virginia) to set up Blockbuster video stores in Bangkok, Thailand. The Eximbank has never approved financing for franchise rights; retail stores abroad do not create U.S. jobs. Ms. Kanchanalak contributed \$85,000 on June 18, 1996, the same day DNC fundraiser John Huang arranged for her to be invited to a White House coffee. Mr. Huang called her that day and twice more in August. The DNC eventually returned \$250,000 of Ms. Kanchanalak's donations because of questionable foreign origin. It is clear that the Bank sometimes acts as a slush fund to repay political favors—it is, however, not their money to lend. It is the taxpayers' money.

The act of the government taking from its people to return only part of it—and that part with strings attached—is another sign of the so-called Nanny State. The strings are meant to induce the welfare or subsidy recipients to act in a manner that another group of individuals, through the coercive power of the State, subjectively consider desirable. A "Bully State" might be a better characterization of such a government. The Frank amendment rightfully acknowledges this fact and attempts to maintain some form of equality of discrimination.

The section added by Rep. Bernard Sanders makes an effort to address the charge that the Bank uses taxpayer dollars from both individuals and job-producing small businesses to fund large corporations that export American jobs or downsize their workforce here. If money is to be taken from the paychecks of our citizens, then it should at least be spent on companies showing a commitment to reinvestment and job creation in the United States.

That the Eximbank works at cross-purposes with our stated foreign policy objectives is clear. The bank supports state-owned and military-controlled companies in foreign nations at the same time that our foreign policy calls for the privatization of the same companies and limitations on the activities of many foreign military companies. Amendments correcting these problems should be favorably considered by the House.

The supporters of the Export-Import Bank will point to the few examples of claimed jobs created through subsidized exports of the beneficiaries of their programs. They will be conspicuously silent on the greater number of jobs lost or forgone, dispersed throughout the country, due to the increased tax burden levied on the productive companies to support the less efficient companies living on govern-

ment subsidies. The few beneficiaries of government largesse are easier to identify than the no less real, but harder to identify, losers of the government's misguided policies.

The funding for the Export-Import Bank affords politicians the opportunity to pay back their contributors with other people's money. By voting for reauthorization of the Bank, those individual politicians that depend on the political support of the few large companies subsidized at taxpayer expense can return the favor. This Congress should put a stop to this special interest favoritism. The Congressional Research Service, in a recent report, noted that the Bank's "subsidized export financing raises financing costs for all borrowers by drawing on financial resources that otherwise would be available for other uses."

Small businesses that are the engine of export growth and job creation in this country subsidize the larger corporations that are shedding jobs in America. This misallocation of credit occurs because the larger corporations have the resources to lobby politicians in order to seek special favors that are out of reach of the smaller businesses. These lobbyists will claim that these special interest subsidies are important to the country. Yet with over \$600 million funding for the Bank, only \$20 billion of our total U.S. exports of \$700 billion are subsidized.

Arguments that we must reauthorize the Bank because it creates jobs, generates economic growth, and counterbalances the subsidies of our major trading partners is not supported by objective economic data:

Country	Percent of country's exports subsidized ¹	Percent rate of real GDP growth ²	Percent rate of unemployment ²
Japan	32	0.7	3.1
France	18	2.2	11.6
Canada	7	2.2	9.5
Germany	5	2.1	9.4
Italy	4	3.0	12
U.K.	3	2.4	8.2
U.S.A.	2	2.0	5.6

¹ Export-Import Bank, 1995 figures.
² Bureau of Economic and Business Affairs, 1995 figures.

It would be difficult for anyone but the most committed statist to argue that the dirigiste wonders of government bureaucrats could be demonstrated by macroeconomic statistics. However, if there is a broad relationship, it is directly inverse to the relationship the central planners envision.

In 1995, according to Export-Import Bank data, Japan subsidized 32 percent of its exports and France subsidized 18 percent while the United States only aided 2 percent of total exports. However in the same year, according to figures from the Bureau of Economic and Business Affairs, Japan's real growth in Gross Domestic Product registered a paltry 0.7 percent against a solid 2.0 percent in the U.S., and France had an unemployment rate of 11.6 percent, more than double the American rate of only 5.6 percent. Perhaps, following the logic of the Bank's supporters, we should increase the portion of our subsidized exports to nine times the current level (with the accompanying tax increases) to double our unemployment rate, and, if that isn't desirable, we could double that rate of subsidy (again with the increased tax burden) to cut our economic growth rate to one-third its current level. We should not jump off the bridge of special inter-

est corporatism just because our competitors do.

"Corporate welfare does not work anywhere in the world. It does not work because it penalizes a country's winners with excess taxes in order to fund that country's losers with inefficiently run government programs," testified Dr. T.J. Rodgers, President and C.E.O. of Cypress Semiconductor Corporation, before Congress in 1995. "They've got subsidies; we need subsidies," is exactly wrong. America will be much more competitive on a relative basis if we allow the nations with whom we compete to squander their taxpayer's money, while we encourage our companies to win without subsidies. It's like the Olympics: there comes the day when an athlete must walk alone into the arena of competition. The government cannot lift the weights and run the miles that are required to be a champion—only an individual can."

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. SHAW] having assumed the chair, Mrs. EMERSON, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 1370) to reauthorize the Export-Import Bank of the United States, pursuant to House Resolution 255, she 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? If not, the question is on the amendment.

The amendment 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.

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

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 378, nays 38, not voting 17, as follows:

[Roll No. 492]
 YEAS—378

- | | | |
|-------------|----------|--------------|
| Abercrombie | Archer | Baldacci |
| Ackerman | Bachus | Ballenger |
| Aderholt | Baessler | Barcia |
| Allen | Baker | Barrett (NE) |

Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Billbray
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr

Fattah
Fawell
Fazio
Filner
Flake
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Gedensson
Gekas
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hefley
Hefner
Herger
Hill
Hinchey
Hinojosa
Hobson
Holden
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Latham
LaTourrette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)

Lewis (KY)
Linder
Lipinski
Livingston
LoBlundo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHale
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalfe
Mica
Millender
McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Oliver
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pitts
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard

Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Scott
Serrano
Sessions
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith, Adam

Smith, Linda
Snowbarger
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney

Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Waters
Watkins
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
White
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young

NAYS—38

Andrews
Army
Barr
Bass
Bilirakis
Bonior
Campbell
Chabot
Coble
Cox
DeFazio
Duncan
Ganske

Hayworth
Hilleary
Hoekstra
Hostettler
Johnson (WI)
Jones
Largent
McDermott
McIntosh
Miller (FL)
Paul
Petri
Radanovich

Rogan
Rohrbacher
Royce
Sanford
Scarborough
Sensenbrenner
Shadegg
Smith (MI)
Solomon
Stearns
Wamp
Watts (OK)

NOT VOTING—17

Brown (FL)
Coburn
Foglietta
Gephardt
Gilman
Gonzalez

Greenwood
Hilliard
Maloney (NY)
Owens
Pombo
Rangel

Schiff
Schumer
Smith (OR)
Weygand
Whitfield

□ 1836

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

Mr. GILLMOR, Mrs. CHENOWETH, and Mr. EVERETT changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I regret that I was delayed on my arrival to Washington from New York, which prevented me from voting on rollcall No. 490. Had I been able to vote I would have voted "aye."

I was also inadvertently detained in voting on rollcall No. 492. Had I been Present, I would have voted "aye."

Mr. CASTLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1026) to reauthorize the Export-Import Bank of the United States, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1026

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 "Export-Import Bank Reauthorization Act of 1997".

SEC. 2. EXTENSIONS OF AUTHORITY.

Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "1997" and inserting "2001".

SEC. 3. TIED AID CREDIT FUND AUTHORITY.

(a) Section 10(c)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i-3(c)(2)) is amended by striking "through" and all that follows through "1997".

(b) Section 10(e) of such Act (12 U.S.C. 635i-3(3)) is amended by striking the first sentence and inserting the following: "There are authorized to be appropriated to the Fund such sums as may be necessary to carry out the purposes of this section."

SEC. 4. EXTENSION OF AUTHORITY TO PROVIDE FINANCING FOR THE EXPORT OF NONLETHAL DEFENSE ARTICLES OR SERVICES THE PRIMARY END USE OF WHICH WILL BE FOR CIVILIAN PURPOSES.

Section 1(c) of Public Law 103-428 (12 U.S.C. 635 note; 108 Stat. 4376) is amended by striking "1997" and inserting "2001".

SEC. 5. OUTREACH TO COMPANIES.

Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended by adding at the end the following:

"(I) The Chairman of the Bank shall undertake efforts to enhance the Bank's capacity to provide information about the Bank's programs to small and rural companies which have not previously participated in the Bank's programs. Not later than 1 year after the date of the enactment of this subparagraph, the Chairman of the Bank shall submit to Congress a report on the activities undertaken pursuant to this subparagraph."

MOTION OFFERED BY MR. CASTLE

Mr. CASTLE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASTLE moves to strike all after the enacting clause of S. 1026 and insert in lieu thereof the provisions of H.R. 1370, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 1370) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to S. 1026 and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware? The Chair hears none and, without objection, appoints the following conferees:

Messrs. LEACH, CASTLE, BEREUTER, LAFALCE and FLAKE.

There was no objection.

VETERANS HEALTH PROGRAMS
IMPROVEMENT ACT OF 1997

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2206, as amended.

The Clerk read the title of the bill. The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 2206, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

POSTPONING FURTHER CONSIDERATION OF MOTIONS TO SUSPEND RULES CONSIDERED ON MONDAY, SEPTEMBER 29, 1997, UNTIL TUESDAY, OCTOBER 7, 1997

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that further consideration of the remaining motions to suspend the rules originally considered on Monday, September 29, 1997 be postponed until Tuesday, October 7.

This has been cleared.

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

There was no objection.

CANCELLATION OF DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-147)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on the Budget and the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Line Item Veto Act, I hereby cancel the dollar amounts of discretionary budget authority, as specified in the attached reports, contained in the "Military Construction Appropriations Act, 1998" (Public Law 105-45; H.R. 2016). I have determined that the cancellation of these amounts will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

WILLIAM J. CLINTON.

THE WHITE HOUSE, October 6, 1997.

NATIONAL MONUMENT FAIRNESS
ACT OF 1997

The SPEAKER pro tempore. Pursuant to House Resolution 256 and rule

XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1127.

□ 1842

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1127) to amend the Antiquities Act to require an act of Congress and the concurrence of the Governor and State legislature for the establishment by the President of national monuments in excess of 5,000 acres, with Mr. SNOWBARGER in the chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from Utah [Mr. HANSEN] and the gentleman from California [Mr. MILLER], each will control 30 minutes.

The Chair recognizes the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Chairman, I yield myself 6½ minutes.

Mr. Chairman, this is a very interesting bill that we have in front of us at this time. It is a fairness act, is what it is.

On September 18, 1996, the President of the United States, William Jefferson Clinton, stood on the south rim of the Grand Canyon and declared 1.7 million acres of land as a national monument in the State of Utah. What did he do this under? He did this under the 1906 antiquities law.

Does he have the right to do it? You bet he does. He has the right to do that. President Carter earlier had done a similar piece of legislation in Alaska of around 53 million acres.

□ 1845

Why is this bill around? Because in 1906 the President of the United States had no way to protect the gorgeous parts of America that should be protected. Wisely, Teddy Roosevelt could see a reason to do it, and out of that we got the Grand Canyon, we got Zion, we got some beautiful areas. All of those should be protected.

Later on, in 1915, we got a park bill. That park bill is what President Roosevelt probably would have used, but he did not have anything. There was nothing to protect it. Later on, Congress passed the 1964 Wilderness Act. Later on, in 1969, they passed the NEPA Act. In 1976, they passed the bill called FLPMA, or Federal Land Policy Management Act. And besides that there was the Wild Washington Trail Act, there is the Scenic Rivers Act, and the list goes on and on.

So Teddy Roosevelt did not have a tool to use. He did not have a way to do it so he used this. Since that time, other Presidents have used it and we now have 73 national monuments.

Mr. Chairman, I would be willing to say that the majority of people in here could tell me what was a distinguishing feature of the Golden Spike National Monument. They would say, of course, what it is is where the two trains came together. How about the Rainbow Bridge National Monument, where we see that beautiful red arch? Everyone could distinguish that one. So we say, well, what did we do on this one; what is the distinguishing feature? He talked about archeology, but he did not distinguish it. He talked about geology, but he did not tell us what it was. But we have 1.7 million acres.

Now let us go back to the law, where we put our hands in the air and took an oath that we would obey the law. That is the next thing; is that he would use the smallest acreage possible to do it. Smallest acreage to preserve what? What did we come up with to preserve 1.7 million acres?

To give my colleagues an idea of 1.7 million acres, that is pretty big. We could take Delaware and two other States and put it in that and they would become a national monument.

The bill we have in front of us says, well, if we are really mad at the President, as some of our colleagues say, if we are vindictive, if we want revenge, if we want to get even, let us repeal the law. I hope we rise above that. I hope we are bigger than that. I hope we should say this should still be on the books.

So we said what would be a reasonable amount of acreage for the President, and we came up with the figure 50,000 acres. Can people in this room equate with 50,000 acres? I will give them a hint. How big is Washington, DC? Anybody in here know? How about 39,000 acres. So all of Washington, DC is only 39,000 acres.

So we are saying we are going to give the President 50,000 acres; he can do it wherever, whenever he wants. He can put it in San Francisco, he can put it in New York, he can put it in Minnesota, which I would suggest three great places there. Anyway, carrying that on, we are giving him 50,000 acres.

Let us say the President says he wants more than that; he wants a bigger piece. This bill says the President now has to talk for 30 days with the Governor of the State and confer with him. But if he wants more than that, all he has to do is come to Congress. So this bill takes care of it.

We are not hurting any environment. In fact, it would be a very interesting debate that I would look forward to entering into, saying what does the antiquities bill protect. I have the bill in my hands here. It protects nothing.

In fact, if my colleagues do not believe that, go down to southern Utah and look at the people going there in hordes looking for something to see. When I stand out there as a Federal official and they say, where is the monument? I say, "Friend, you are standing

in it." They say, "Well, what am I supposed to see?" I say, "I don't know, look around and enjoy it."

People say, well, we got rid of that coal mine before it protected anything. I would be willing to ask anybody in the 435, who has been to that coal mine other than me? I have been there a number of times. If my colleagues have not been there, if they want to see one of the ugliest places in the State of Utah, they should go stand at Smokey Hollow. Rolling hills of sagebrush and bugs and nothing else. And if anybody wants to stand up and say that is beautiful, I would certainly question it.

Well, Mr. Chairman, what are we trying to do? This has nothing to do with the environment because it protects nothing. It has nothing to do with wilderness. Some of my colleagues have said, oh, the President did this because we did not pass the wilderness bill. Come on, get real.

Let us go back to the things we took from the President and the Department of Interior. All of the correspondence, not one shred of it, not one scintilla, says anything about protecting, except Mrs. Katy McGinty, who says one other thing, she says, "There is nothing here worth preserving." Right in her own words. So protection is not an issue, wilderness is not an issue, parks are not an issue.

In fact, if wilderness was the issue, I sometimes wonder, when my friends on the other side of the aisle were in control, why they did not allow the Wayne Owens bill of 5.4 million acres. Did not even allow a hearing on it, as I recall, and when I put in the bill every year, never even looked at it. So do not give us that stuff regarding wilderness.

This, my colleagues, is something that when it was brought up the Governor of the State was not made aware of it. And the gentleman from New York, I read his statement in the CONGRESSIONAL RECORD saying the Governor of New York knew about it. I talked to the Governor today and he adamantly refuses that. He says that did not happen. I was not made aware of this.

But to equivocate, my friend from New York, at 2 in the morning he got a call from the President of the United States and then it happened at 10. So if he wants to use that stretch, I have to agree with him.

The Governor was not made aware of it, I was not made aware of it, the two Senators were not made aware of it, but in this they say we want the enviro crowd there, we do not want the Utah people.

I urge my colleagues to realize this is a good piece of legislation and we should move ahead on it.

Mr. Chairman, I appreciate the opportunity to bring this important bill to the floor. H.R. 1127, the National Monument Fairness Act, is designed to limit the President's authority to create national monuments under the Antiquities Act of 1906.

The bill as reported from the Resources Committee would limit unilateral monument withdrawals to 50,000 acres or the size of the District of Columbia. Anything larger would require consultation with the Governor and congressional consent. However, at the appropriate time, I will be offering a compromise amendment that addresses the concerns of most Members.

This action was provoked when President Clinton, on September 18, 1996, claiming authority under the Antiquities Act, stood on the south side of the Grand Canyon in Arizona and designated 1.7 million acres of southern Utah as a national monument.

Over at the Resources Committee, we have met with administration officials, held hearings, and subpoenaed documents in an effort to sort this thing out. Thus far, this is pretty much what we've been able to come up with:

The first time I or any other Utah official heard about the new national monument was on September 7, 1996, when the Washington Post published an article announcing that President Clinton was about to use the Antiquities Act of 1906 to create a 2 million acre national monument in southern Utah. Naturally, we were all somewhat concerned. In fact, I think most of us found it a little hard to believe. Surely the President would have had the decency to at least let the citizens of Utah know if he were considering a move that would affect them so greatly.

When we expressed our concerns to the Clinton administration, they denied that they had made any decisions. They tried to make it look like the monument was an idea that was being kicked around, but that we shouldn't really take it too seriously or worry about it. As late as September 11th, Secretary of Interior Bruce Babbitt wrote to Utah Senator BENNETT and pretty much told him that.

Within the confines of the administration, however, it was clear that the monument was a go. The real issue was keeping it a secret from the rest of the world. By July of 1996, the Department of Interior had already hired law professor Charles Wilkinson to draw up the President's National Monument proclamation. In a letter written to Professor Wilkinson asking him to draw up the proclamation, DOI solicitor John Leshy wrote: "I can't emphasize confidentiality too much—if word leaks out, it probably won't happen, so take care."

When I say that the Clinton administration went to great lengths to keep everyone in the dark, I should qualify that a little. On August 5, 1996, CEQ chair Katy McGinty wrote a memo to Marcia Hale telling her to call some key western Democrats to get their reactions to the monument idea. There was a conspicuous absence on her list, however, of anyone from the state of Utah. Even former Utah Democrat Congressman Bill Orton was kept in the dark. Clinton didn't want to take any chances. In the memo, Ms. McGinty emphasized that it should be kept secret, saying that "Any public release of the information would probably foreclose the President's option to proceed."

Why, you ask, did President Clinton want to keep this secret from the rest of the world until the day it happened? Because it would ruin their timing. This thing was a political election year stunt and those type of things have to be

planned and timed perfectly. If news of the monument were to break too early it would be old news by the time Bill Clinton got his photo-op at the Grand Canyon.

Let's back up a little and ask ourselves why President Clinton wanted to create this new 1.7 million acre national monument. The administration claimed that the move was taken to protect the land. At our hearing on this issue back in April, Katy McGinty told us that "by last year the lands were in real jeopardy".

That sounds real nice, but the truth is the land wasn't in any danger, and even if it were, national monument status wouldn't do much to protect it. We have subpoenaed documents from the administration where they admit to both of these points. Take for example a March 25, 1996 E-Mail message about the proposed Utah national monument from Katy McGinty to T.J. Glauthier at OMB: "I do think there is a danger of abuse of the withdrawal/antiquities authorities, especially because these lands are not really endangered." There you have it—in Katy McGinty's own words. The administration didn't think that the land was in any real danger. The "lands in Jeopardy" excuse is nothing but that . . . An excuse.

So the administration didn't really think the lands involved were in any real danger. Lets just ignore that for a minute and ask ourselves if creating a national monument out of those lands was a good idea from a protection standpoint;

Does it stop coal mining in the area? No. You can still mine coal in a national monument and Andalex still has their coal leases. Does it stop mineral development? No. CON-OCO is drilling exploratory oil wells on the Grand Staircase-Escalante National Monument as we speak. Does it stop grazing on the land? No. Grazing will continue. Does it stop people from visiting the land? No. On the contrary, national monuments are like national parks, they are meant for people to come see. The number of people coming to see the area has increased exponentially since President Clinton created his new monument. Does it stop new roads from being built? No. In fact even more new roads will probably have to be built to accommodate the increased traffic. The land wasn't in any kind of danger, and even if it were, a national monument was probably the least effective method at the administration's disposal to protect it.

Why did President Clinton pick the national monument idea when it actually protected the land less than the other options available to him? It was pure presidential politics. Utah was an expendable State and this dramatic action would assure some environmental votes in 49 other States. The Clinton administration needed to do something dramatic to get their votes. Bill Clinton needed to stand there overlooking the Grand Canyon, with the wind blowing through his hair, telling everyone how he was following in Teddy Roosevelt's footsteps and saving the land by creating a new national monument. How profound. How courageous. It kind of brings a tear to the eye, doesn't it. Never mind the fact that creating this monument didn't really achieve any of the administration's stated objectives. Chances were that no one would figure that out until after the election anyway.

Well, people are starting to figure it out now. For instance, a couple of weeks ago I read an article in the Salt Lake Tribune where a spokesman for the Southern Utah Wilderness Alliance called President Clinton and Vice President GORE "election-year environmentalists" because CONOCO is being allowed to drill for oil in the monument. Remember, these are the same people that were cheering and crying and hugging each other at the Grand Canyon a year ago. Today they are beginning to realize that they were all duped—that this was nothing but an election year stunt and that national monument status doesn't do anything for their cause.

I doubt that the election year politics reason comes as much of a surprise to anyone. And I think we have all grown to expect that sort of thing from the Clinton administration. The second reason they created the monument, however, is a lot worse, and something we should all be a little concerned about. The Clinton administration created this national monument to circumvent the powers of Congress. Essentially to circumvent the democratic process itself. All of the documents produced by the White House make it clear that the extreme environmentalists were frustrated by their failures in Congress and put immense pressure on the President to circumvent Congress by abusing the Antiquities Act.

Well, the rest is history. The rest of the world heard about the whole thing 11 days before it happened. By this time, none of us could stop it. Bill Clinton had his photo-op at the Grand Canyon, bypassed congressional power over the public lands, gave Congress the slap in the face that he had been wanting to give it for a long time, got the few extra votes he needed, and won the election. Meanwhile, the land isn't protected, hundreds of thousands of acres of private and state school trust land are hanging in limbo, and we are all wondering how we can stop this from happening again.

Since September of last year, I have had several Congressmen and Senators call me to express their concern that the same thing could happen to their state. They are outraged. Many have proposed that we completely repeal the 1906 Antiquities Act. Others have offered bills that would exempt their own states from the provisions of the act.

Before we embark on a discussion on how we should change the act, I think it would be helpful to talk a little bit about the history of the Antiquities Act of 1906. Why did we need it? What did Congress intend for the legislation to do? And how have Presidents used the act in the past?

The roots of the Antiquities Act go back into the 1800's. The 1890's saw a dramatic rise in interest in archaeological objects from the American Southwest. Pottery, ancient tools, and even human skulls obtained from prehistoric ruins brought a handsome price on the market.

As horror stories of looting and destruction of these sites reached Congress, they began to realize that something needed to be done before our archaeological sites were all destroyed. The problem, however, was that getting individual protection bills through Congress took a lot of time—too much time. These sites were being destroyed too fast. To

solve this problem someone proposed that we give the President the authority to protect archaeological sites through executive withdrawal. This would provide a method to protect a large number of archaeological sites quickly.

The debate over the legislation continued for about 6 years. By 1905, the proposed Antiquities Law raised the withdrawal limit from 320 to 640 acres. In 1906, a prominent archaeologist by the name of Edgar Lee Hewett drew up a new antiquities bill that would allow the President to "declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are owned or controlled by the Government of the United States to be national monuments". The size of such withdrawals would be in all cases "confined to the smallest area compatible with the proper care and management of the objects to be protected." This compromise bill quickly passed the House and Senate, and The Antiquities Act was signed into law by President Theodore Roosevelt on June 8, 1906.

As we can see from the legislative history, Congress intended that national monuments be small in size and that they were for the purpose of preserving specific "objects". Congress specifically rejected the proposal that national monument withdrawals extend to national park type preservation of land.

Mr. Chairman, some of our Nation's greatest treasures were protected in the early years following passage of the Antiquities Act. During the next several decades, public concern for conservation increased and Congress responded by passing powerful laws to serve the cause of conservation. In 1916 the Organic Act was passed, creating the National Park Service. In 1964 the Wilderness Act created the National Wilderness Preservation System. In 1968 the Wild and Scenic Rivers Act was passed. This was followed by the National Environmental Policy Act of 1969 and the Federal Land Policy and Management Act of 1976. These laws made it easy to preserve large portions of land without forcing the President to abuse the Antiquities Act.

The era of large national park type monument withdrawals came to an abrupt close in 1943 when Franklin Roosevelt created the Jackson Hole National Monument, covering 221,610 acres. After that day, the creation of large national monuments virtually ceased. In the last 50 years there have only been four occasions when new national monuments were designated by Presidential proclamation that exceeded 1,500 acres in size. Only 2 of those have exceeded 50,000 acres: President Carter's 56 million acre withdrawal in Alaska in 1978 and President Clinton's 1.7 million acre withdrawal in Utah in 1996.

All of the other monuments created through Presidential proclamation during the last 50 years have been small and have fit the criteria of the 1906 Act relatively well.

Mr. Chairman, one might ask, why have most of the Presidents during the past 50 years declined to use the Antiquities Act to create large monuments? Is it because none of them have cared about the environment? Of course not. The answer is that they have been busy preserving our lands within the new systems and frameworks that have been set

up since 1906. We have been creating wilderness areas, national parks, historical parks, recreation areas, wildlife refuges, etc. We have been following the systematic and democratic processes set forth in FLPMA, NEPA, NFMA, and other planning statutes. These new laws and systems preserve our lands more fully, and encourage public participation in planning for our public lands.

By allowing Presidents like Bill Clinton to abuse the 1906 Antiquities Act by creating multimillion acre monuments we are defeating the whole purpose of these conservation laws. Both President Carter and President Clinton used the 1906 Antiquities Act to circumvent the public land use planning procedures that Congress has created.

That's not what democracy is all about. These are issues that should be debated, issues that need to be discussed and subjected to the democratic process. These are issues where people on all sides of the debate have legitimate concerns, and they need to be heard.

Mr. Chairman, so what's the solution? How do we keep this sort of thing from happening again? The most obvious solution, and one that has been suggested to me by several Congressmen, is to just repeal the Antiquities Act. If the Antiquities Act were completely repealed, the President wouldn't be able to create any national monuments through presidential proclamation. This would eliminate Presidential abuse of the Antiquities Act, but would also eliminate the small, beneficial, archaeological withdrawals originally envisioned by the act.

There may be areas out there on the public domain that still qualify for national monument status under the criteria originally envisioned by the act. It is not at all unlikely that we could uncover new and important archeological sites. These areas will need the same type of prompt executive national monument protection that other archeological sites have received under the Antiquities Act. For this reason, I think it may be unwise to completely repeal the act.

Instead, H.R. 1127 would limit the President's withdrawal authorities under the Antiquities Act.

Mr. Chairman, I will offer an amendment at the appropriate time that would not affect the authority of the President under the antiquities Act of 1906 for proclamations under 50,000 acres or an area the size of the District of Columbia. The President will have the authority to protect historic and prehistoric resources, and other objects of scientific interest on Federal lands, as currently provided in section 2 of the Antiquities Act of 1906 (16 U.S.C. 431). However, my amendment would provide for any national monument in excess of 50,000 acres to sunset after 2 years unless Congress approves of the action by way of a joint resolution. Moreover, my amendment would amend section 2 of the 1906 Act by mandating that the President transmit such a proclamation to the Governor of the affected State for comment 30 days prior to the monument proclamation taking effect.

Mr. Chairman, this compromise amendment has been worked out among many Members of this House and I must admit with much compromise on my part. However, I believe

that the result of this amendment is that the authority of the President is assured for protecting resources as intended by the Antiquities Act of 1906, but has placed Congress in the appropriate constitutional role of determining designation of Federal lands on behalf of the people of the United States.

Mr. Chairman, I urge all Members to support the Hansen substitute, defeat all other amendments and give back to Congress the balance of power this democracy demands.

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

Mr. MILLER of California. Mr. Chairman, I yield 6 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in opposition to this measure, H.R. 1127. It is a measure which, in effect, would remove an important tool from this and future Presidents in the management of hundreds of millions of acres of the public's land.

This bill upsets the balance between the executive and the Congress, blocking the President from declarations of key lands and resources when a crisis arises, often because Congress cannot or, more often, will not act.

I think it is instructive in this case to examine why the House is considering this legislation today. We in Congress have for at least the last 10 or 15 years been debating the status we would give the incredible wildlands of Utah, the red rock country.

I have seen those lands, Mr. Chairman, and I have made no secret of the fact that I am an advocate of creating federally designated wilderness areas in Utah, but of course there is great disagreement at all levels on this issue from here on the Capitol Hill all the way to the affected communities in Utah. Unfortunately, while Congress has been considering this issue, industrial and other exploitative interests have had their eyes and are attempting to get their hands on many of these Utah lands. The Kaiparowits Plateau in southern central Utah is an example.

In the face of congressional disagreements, and in an effort to protect these lands from further leasing and development, the President, last year, utilized the nearly 100-year authority granted our chief executives and designated the Grand Staircase-Escalante National Monument in south-central Utah because of its superior natural, historic, scientific and ecological values.

Now, I have heard the gentleman from Utah comment on the fact the President did not state the reasons for it, but there are four pages laid out of various types of geologic and scientific and interesting type and important type of plant life, historic materials dating from the various Native American groups all the way through pre-Colombian history, such as the arrival of the Mormons that have occurred in the artifacts and the products that are present from this culture.

So the President did, against the backdrop of years of congressional debate, years of hearings involving members of the affected communities, use the powers embodied within the purpose of this act, the Antiquities Act of 1906.

It is clear, in times when Congress is embroiled in controversy, when Federal natural, scientific, and cultural resources are at risk, the President needs tools to act to specifically designate Federal lands. Teddy Roosevelt, the first great conservationist President of this century, passed and signed the Antiquities Act in 1906. T.R. used that power in this act 18 times. Perhaps most notably was President Roosevelt's action to establish the Grand Canyon as a national monument in 1908. Presidents in general have designated 105 monuments using the Antiquities Act, including astounding areas that define our preservation and conservation achievements: as I said, Grand Canyon, Bryce Canyon, Death Valley, the Alaska's Glacier Bay, the Statute of Liberty and many, many others.

That, my colleagues, is an effective law. It worked throughout the past nine decades and it should be used the next nine decades, but today it is under attack. While supporters of this bill say they are seeking fairness and seeking to improve the Antiquities Act, I think the facts show that the effect of their action would render this law ineffective and unworkable and our special Federal lands for tomorrow would be without the protection and safeguards inherent in this important law.

This fairness act requires congressional authorization for all newly designated national monuments over a certain size. Supporters of this legislation claim the President abused his power under the act and that intensive new congressional oversight powers are needed to check executive authority. I disagree with the allegations. President Clinton acted following years of debate on the issue. This act has been used rarely since 1950, and only in situations where cherished natural resources were in immediate danger of degradation.

To require cumbersome congressional oversight procedures would greatly weaken this law in a manner that contradicts the intended purpose and the need. In fact, the 1906 act, as a law, preserves the authority of Congress to overturn or to alter monument designations made by the President. And Congress has often done so, not to diminish them, in fact, but to enlarge them.

I think it is instructive, Mr. Chairman, that none of my colleagues are attempting to rescind the President's designation of the Grand Staircase-Escalante National Monument today. They know that the American people would never support such a move. In-

stead, the advocates of this measure are attempting to accomplish their goals in a backhanded manner. This action has far more impact.

The new monument in Utah will not be affected, but they would hobble forever the ability of future Presidents to act as they have done for the last 91 years in 100-some actions taken to preserve our special legacies. The measure places a 50,000-acre limit on the President's designation of powers under this Antiquities Act.

I suppose if I were in the District of Columbia and all I could see was out to the beltway, I might think that is what comprises this great country. But the fact is that we have one of the greatest stewardship responsibilities in terms of managing hundreds of millions of acres of land, and it is public land. That is what we are designating in this area. This is land owned by the American people and managed for the benefit of the American people. That is the purpose.

So if we have an inside the beltway view, maybe 50,000 acres sounds like a lot, but if any of my colleagues have had the opportunity to work, and I know many of my colleagues have, to see the depth and breadth of this great country and the areas that have been left as they were touched by the creator of this land, we have a responsibility in terms of stewardship.

We needed this to stop the robber barons in the 1900's, and Teddy Roosevelt stopped them. And I think our Presidents in the future need that same power. Let us not go back to those thrilling days of yesterday when conservation took a second seat to the special interests.

I know my colleagues do not want to do that, but that is the effect of removing this power. We need this because we need balance in this so we can act and move to establish wilderness and to establish parks and to establish these other resources in this country. I ask my colleagues to vote against this measure.

This measure, H.R. 1127 places a 50,000-acre limit on the President's designation powers under the Antiquities Act. Supporters of the bill claim that most designations in the history of the act have broken this threshold. But look, Mr. Chairman, at the national monuments that have been more than 50,000 acres: the Grand Canyon, Olympic National Park, Glacier Bay, Grand Teton, Joshua Tree, Arches, and many others. They are today the grown jewels of our park system. I would hope that this Congress will be willing to prevent future Presidential declarations and designations of such natural treasures.

I urge my colleagues to oppose this bill in its current form. This Congress should not gut the law that is the foundation for all the great landscape conservation acts have been built upon. The intense passion and reaction to Presidential monument declaration isn't new. Such opposition had plagued the Presidents

from Teddy Roosevelt to Bill Clinton. The Antiquities Act is the bed rock that our conservation laws are built upon it is as relevant today as it was in 1906. It has not been eclipsed but reinforced by law to designate parks, wilderness, wild and scenic rivers, and a host of other actions almost all at the sole disposal of Congress.

I will, in recognition of the House agenda, offer an amendment that greatly improves H.R. 1127. First, it will allow—not require—a year of congressional review following Presidential declarations of national monuments before the designation becomes final. This time period will give Congress a chance to review, study, and even alter new designations. My amendment also, importantly, will protect proclaimed areas from development during this review period. No final action would be taken nor would the administration of the lands change save to maintain the status quo.

I hope the House adopts my amendment. This is a major change to the existing law and circumstance but retains the essence of this 1906 Antiquities Act.

It is ironic Mr. Chairman that this Congress and majority members that lead the Resources Committee boast of a willingness to take on more work, more responsibility to designate and manage more land use and the decisions related to it. Frankly, this committee has more to do than there is time on the clock. This measure is not an action to restore a congressional role regarding monuments, rather the result would be to submarine the 1906 act and the limited role that Presidents have had since 1906. This measure deserved and demands the strong opposition and rejection by this House as the transparent effort to move us many steps back to the days of the 19th century robber barons—say no to this bill and this policy. Say yes to our children and let's leave them a legacy for the 21st century.

Mr. HANSEN. Mr. Chairman, I yield 3 minutes to the gentleman from Alaska [Mr. YOUNG], chairman of the Committee on Resources.

Mr. YOUNG of Alaska. Mr. Chairman, I just listened to the previous speaker speak, and since 1943, there was an Effigy Mounds National Monument by Mr. Truman of 1,481 acres; Russell Cave National Monument, 310 acres by President Kennedy; Buck Island Reef National Monument, 850 acres by Mr. Kennedy; Chesapeake & Ohio Canal National Monument, 19,236 acres historical; Marble Canyon National Monument, 26,000 scientific, by Mr. Johnson; 1978, and the reason I am speaking, the Alaska Monuments, 56 million acres; and then, of course, the Grand Staircase-Escalante National Monument, 1,700,000 acres.

□ 1900

Both of those, the Alaska one and the Escalante, were for political purposes only and that is all.

We talk about robber barons. What about the coal deposits in that area that are now set aside so that people of every day can benefit from them? It is ironic that there are some other people at that time also interested in coal in foreign countries.

This was used for political purposes only. There was no consultation, even with Mr. Orton, who was one of their colleagues. He got shot in the foot, in the head, and the back by his President for the environmental community.

The bill we have before us today is a bill that will work. Fifty thousand acres is bigger than any other ones, than the political ones in Utah and Alaska. The true monuments, the true antiquities acts, have been applied with less acreage than is in this bill. This is a fairness bill. This is about if there is that much threat to an area, it can be saved by the President. If it is larger than that, and God help us, it never will be larger than that, they can come to the Congress.

I am surprised the gentleman from Minnesota [Mr. VENTO] wants to give away the authority of this Congress, because under this Constitution, only this Congress can designate and classify lands. The gentleman also said, we can come back and undo what they did in Escalante. With this President, who are they kidding? It will never get signed into law.

Do my colleagues know what they did to me in Alaska? After 56 million acres, they came back with Mo Udall, bless his heart, John Seiberling, a few others I can mention, and they set aside 147 million acres of land, took it away from the people of Alaska, took it away from the people of America, and put it in little classified areas so that only a few and the elite can get to see. This is not what the Antiquities Act is all about.

I am suggesting, respectfully, if we really want to save the Antiquities Act, if we really want to make it work, then we ought to take and adopt this bill. It is a fairness bill. It is a bill that does allow the President, by the stroke of a pen, to set aside 50,000 acres. If he wants more, he has to come back to us. And that is our role, and that is what we should be doing. This is a good bill, and I urge a "yes" on this legislation.

Mr. MILLER of California. Mr. Chairman, I yield 5 minutes to the gentleman from American Samoa [Mr. FALEOMAVAEGA], the ranking Democratic member of the subcommittee.

Mr. FALEOMAVAEGA. Mr. Chairman, with due respect to the distinguished gentleman from Alaska [Mr. YOUNG], as the chairman of the Committee on Resources, and also to the gentleman from Utah [Mr. HANSEN], for whom I have the highest respect not only in his capacity as chairman of the Subcommittee on National Parks and Public Lands, but the privilege I have serving as ranking member of that subcommittee, I thank the gentleman from California [Mr. MILLER], the ranking member, for allowing me this opportunity to share my thoughts with our colleagues here in the Chamber.

Mr. Chairman, I rise in opposition to this bill in its current form. H.R. 1127

amends the Antiquities Act, a law that has been in effect for 91 years. Pursuant to this act, 105 national monuments have been designated, and 29 of these national monuments were later designated as national parks. Among the national monuments that have been later designated national parks are Grand Canyon National Park, Olympic National Park, Glacier Bay National Park, and Bryce and Zion National Parks.

The Antiquities Act has been used by all but three Presidents in the past 90 years and has been the vehicle to protect some of our most cherished public areas. Given this successful history, I do believe the executive should, with modification, retain its current authority to proclaim national monuments.

Not all of the Presidential proclamations have been received favorably by the officials from the States in which the national monuments were made. As a result of this dissatisfaction, the States of Alaska and Wyoming are now treated differently than the other States under the Antiquities Act.

Some would say that these two States are now protected from having further monuments proclaimed within their boundaries. I want to bring this point to my colleagues' attention. This concept of inconsistent treatment among the 50 States should be addressed so that we are all returned to an equal footing.

Mr. Chairman, I believe the driving force behind this legislation is the President's designation of the Grand Staircase-Escalante National Monument in 1996, shortly before the 1996 elections. It is my understanding that the President declared this area in southern Utah as a national monument without proper consultation with the elected leaders of the State of Utah.

To make matters look even worse, the President issued this proclamation while he was physically, physically, Mr. Chairman, in the State of Arizona, as though he was afraid to set foot into Utah to issue the proclamation.

Mr. Chairman, I sympathize with the Utah congressional delegation on this point and feel it was improper for the President to act in this manner. I think any of us would have been offended if such an action were taken in our State or territory, and I do not believe the Antiquities Act should give the President license to proclaim monuments without consulting with the Governor and congressional delegation from that State.

Nevertheless, the State of Utah provides a perfect example of congressional inability to reach final agreement on issues affecting the use of public land and the need for action from the executive branch of the Government.

I believe there is general agreement that it would be beneficial to the Nation if parts of the public lands in

southern Utah were preserved for future generations. And, in fact, there has been legislation introduced in each of the past five Congresses to preserve the scenic, environmentally-sensitive lands.

The problem has been in getting the two sides to agree on a compromise. In fact, even the Utah congressional delegation has not been able to agree. The two competing bills have proposed designating 1.8 million acres and 5.7 million acres of land as wilderness.

Because of differences of how much land to designate and how this land might be used, and despite the efforts of legislators on both sides, Congress has not passed a bill. Furthermore, as best I can tell, Mr. Chairman, there is little prospect of legislation on this issue being enacted into law in the foreseeable future.

Mr. Chairman, as other speakers have noted, Congress retains the power to negate Presidential proclamations. In the case of the Grand Staircase-Escalante National Monument, I am not aware of any effort to prohibit funding for the national monument or to terminate the designation as a national monument.

In fact, contrary to many arguments I have heard that designations of this nature hurt the economic development of the region, I believe the designation of this most recent national monument will provide an economic stimulus to the region. The future designation of part or all of this area as a national park could be even a greater economic stimulus.

Mr. Chairman, at the Committee on Resources markup of H.R. 1127, I offered an amendment to require that at least 60 days before the issuance of a proclamation establishing a national monument, the President must consult with the Governor of that State in which the monument would be located. The rule for this bill provides the gentleman from California [Mr. MILLER] the opportunity to offer this amendment later on today, and I hope to address the amendment in more detail at that time. I believe this change will address the real problem while still giving the President the authority to take definitive, unilateral action.

Mr. HANSEN. The gentleman from Utah [Mr. CANNON] has the whole 1.7 million acres in his district; and, all of a sudden, six little communities are now a national monument.

Mr. Chairman, I yield 6 minutes to the distinguished gentleman from the Third Congressional District in Utah [Mr. Cannon].

Mr. CANNON. Mr. Chairman, I thank the gentleman from Utah [Mr. HANSEN] for yielding me the time and for his comments.

Mr. Chairman, I rise today to explain exactly why we need to rein in the power of the President to create national monuments. I represent Utah's

Third Congressional District. Within its borders is the year-old Grand Staircase-Escalante National Monument.

Last fall, President Clinton stood across the State line in Arizona, as so graciously pointed out by the ranking member, on the other side of the Grand Canyon, and, with a few quick words and the stroke of a pen, created this 1.7-million-acre monument. It is massive, larger in scope than Rhode Island and Delaware combined.

To create the monument, President Clinton used the 1906 Antiquities Act. This designation was not about the environment. This was not about doing the right thing. It was about power, politics, and the deliberate abuse of Presidential power. Those are bold statements, but the events of last September justify them.

September 7, 1996, 11 days before the designation, was a Saturday. Utahns, including the Utah congressional delegation, were startled to read in the Washington Post that President Clinton was planning to designate a massive national monument in southern Utah.

The next Monday, Utah's two Senators and three U.S. Representatives placed calls to the White House and to the Interior Department to see if there was any truth to the Washington Post story.

During a series of meetings that week, both Secretary Babbitt and Katy McGinty, the President's Chair of the Council on Environmental Quality, assured the Utah delegation that nothing was imminent. They explained that the administration had done some internal discussions but nothing was about to occur, and if it became more likely, the administration would closely consult with the Utah delegation.

That was clearly untrue. Towards the weekend, word leaked that the President and Vice President were going to do an environmental event at the Grand Canyon the following Wednesday. The rumored topic was the announcement of a new monument in southern Utah.

Alarmed and angry, the Utah delegation met with Secretary Babbitt and Ms. McGinty. This time they were asked to detail any general concerns about the concept of a monument in southern Utah. The Utah officials asked to see maps. They were told there were none. They asked for details. They received none.

The day before the expected announcement, Utah Governor Mike Leavitt flew to Washington to meet with the President. President Clinton left the Governor cooling his heels while he boarded a plane to Chicago bound for Arizona.

White House Chief of Staff Leon Panetta met with Governor Leavitt. The Governor outlined a long list of concerns and proposed a Utah-developed plan to protect the area without harm-

ing the local economy. Mr. Panetta promised the Governor that he would let him speak to the President that night. The Governor asked for a map of the proposal but again was told one was not available.

Governor Leavitt spent the evening before the announcement waiting at the hotel for a call from the President. At 2 a.m., actually 2 minutes to 2 a.m., he had a conversation with the President where he outlined his concerns. The President did agree to consider a few of the Governor's points. But the President refused to allow logic, details, or local concerns to get in the way of his photo opportunity.

Utahns, except for a few friendly Clinton supporters, were excluded from the announcement. To add insult to injury, Governor Leavitt, still in Washington, DC, picked up the New York Times to find a map of the monument, a map that had been denied to every Utah official but which apparently had been turned over to the press.

On that day, I went down to the southern Utah town of Kanab where the residents released dozens of black balloons. The people of Kanab then suspected what we now know. At a time when the Green Party in California was holding roughly 10 percent of the vote in public opinion polls, President Clinton saw southern Utah merely as an item to sacrifice on the altar of Presidential ambitions.

Mr. Chairman, I sit on the House Resources Committee. Thanks to the leadership of the gentleman from Alaska [Mr. YOUNG] and the gentleman from Utah [Mr. HANSEN], chairman of the Subcommittee on National Parks and Public Land, we have been able to extract a slew of documents concerning the creation of the Utah monument. Though much remains hidden, we have learned much.

First, this decision was not driven by a desire to protect our environment. On the contrary, documents indicate that the administration knew that the monument designation would not improve protection of these lands. The most fragile areas were already in wilderness study areas. In fact, the designation and attendant publicity has probably attracted more visitors than would otherwise come to this delicate area.

Second, law and courtesy dictate that local officials and local residents have a chance to give input on decisions that directly affect them. In this instance, 6 weeks before the designation, the administration contacted the Democratic Governor of Colorado, the two Democratic Senators from Nevada, the former Democratic Governor from Wyoming, the former Democratic Governor from Montana, and even a Democratic House Member from New Mexico to discuss the Utah monument plan. They did not bother to contact any Utahns, not even Utah Democrats. I might point out

that these people had expertise in the politics of the West but not in the particulars of southern Utah.

Third, the administration went to great lengths to avoid public scrutiny of its proposal. The law requires that public land decisions be made in the open so as to be improved by the light of public scrutiny. We now know that the administration went to great lengths to avoid application of the public disclosure requirements of NEPA, FLMPLA, and FACA.

Because of its sloppy process, the White House failed to deal with problems created by its haste. Within the monument are vast deposits of coal and a large potential for oil, gas, methane, and hard rock minerals. The total value would be well in excess of \$1 trillion. The 10,000 residents of the two affected counties were counting on those resources to provide jobs for their children and grandchildren.

Some of those resources are located on school trust land property held by Utah's schools. They contain mineral resources with value potentially in the billions. The Utah School Trust expected to reap millions a year from its lands within the monument.

A year ago, the President stood in Arizona and promised that, "creating this national monument should not and will not come at the expense of Utah's children," and vowed to create a working group, including Utah's congressional delegation, to find equivalent lands for exchange.

Of course, a year later, no working group exists, no member of the Utah delegation has been contacted, and the Utah School Trust has been unable to open negotiations. The only thing Utah's schoolchildren are left with is a Presidential promise that is already of questionable value.

□ 1915

The story of the creation of the Grand Staircase Escalante National Monument is important because it shows what can happen when respect for a legal process is casually set aside. America itself was founded on process. Our Constitution is an elaborate set of checks and balances designed to preclude precipitous action by any leader or any group.

For this reason, I support the bill of my colleague from Utah.

I dare the opponents of this bill to justify the administration's actions with regard to this monument. I challenge opponents of this bill to convince me or anyone in Utah that such abuse will not happen again. They cannot, and that is why we need this bill.

Utah paid a price last fall for being in the way of a President's political agenda. This measure is a reasoned step in response to a gross abuse and is worthy of an affirmative vote.

Mr. MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, in the last several years that I have had the opportunity to serve on the Committee on Resources, I have come to have a great deal of respect and even affection for the present leaders of what is now called the Committee on Resources, the gentleman from Alaska [Mr. YOUNG] and the gentleman from Utah [Mr. HANSEN]; respectively the chairman of the Committee on Resources and the chairman of the Subcommittee on National Parks and Public Lands. However, we also have occasional differences, and we certainly have a difference on this particular piece of legislation.

This bill would restrict the President's ability to declare national monuments. This is a provision that has been in the law now for some 90 years. We have had a large number of monuments that have been declared. I think 13 Presidents have used it, and 102 monuments have been declared over that period of time. This bill is not really about all of that; this bill before us today focuses its attention on simply one national monument declared by President Clinton last year, the Grand Staircase Escalante National Monument in southern Utah.

That act by President Clinton was, I believe, one of the most important domestic acts of his administration. It set aside an area of southern Utah which is vastly important to the future of our country, and it is not the first time that this area has been considered for special consideration by a President. Many Presidents have looked at it and thought about declaring national monuments or treating it in some other special way, going back as far as the administration of Franklin Roosevelt. In fact, in Franklin Roosevelt's time, the Minister of the Interior during that administration recommended that vast portions of southern Utah be set aside as a national park.

Now, this monument is something like 1.7 million acres, only a small percentage of the public land that is owned by all of the people of the United States located in southern Utah. People of the United States own more than 22 million acres administered by the Bureau of Land Management in southern Utah. This 1.7 million acres is just a small piece of that.

So this legislation is designed to really destroy a process that has been in effect now for most of this century, has been used by 13 Presidents, has resulted in the setting aside of 102 national monuments, including the Grand Canyon, some of the most important parts of our country, and it would be destroyed, that process would be destroyed, that privilege would be denied this President and future Presidents if this legislation were to pass.

It would be a serious mistake to pass this legislation because it would mean

that an honored process that has been very valuable to the people of this country would be destroyed, and the opportunity to set aside national monuments in the future would become much more difficult.

For those reasons, I hope that the Members of this House will reject this measure, and it should be defeated.

Mr. HANSEN. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, I would like to engage in a colloquy with the gentleman from Utah [Mr. HANSEN], the chairman of the Subcommittee on National Parks and Public Lands of the Committee on Resources.

Mr. Chairman, I greatly appreciate your willingness to work with me to develop a compromise to allay some of the concerns that H.R. 1127 has raised. As the gentleman knows, last Tuesday night we arrived at a compromise which we both felt quite comfortable. Unfortunately, because of a problem with the rule, we were told that that compromise could not move forward. We had to delete the sections ensuring that no single Member of either this or the other body could block a resolution of approval. That is obviously an essential provision.

I would include the compromise we reached for the RECORD at this point.

AMENDMENT TO H.R. 1127, AS REPORTED,
OFFERED BY MR. HANSEN OF UTAH

Strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Monument Fairness Act of 1997".

SEC. 2. CONGRESSIONAL REVIEW OF NATIONAL MONUMENT STATUS AND CONSULTATION.

The Act of June 8, 1906, commonly referred to as the "Antiquities Act" (34 Stat. 225; 16 U.S.C. 432) is amended as follows:

(1) By adding the following at the end of section 2: "A proclamation of the President under this section that results in the designation of a total acreage in excess of 50,000 acres in a single State in a single calendar year as a national monument may not be issued until 39 days after the President has transmitted the proposed proclamation to the Governor of the State in which such acreage is located and solicited such Governor's written comments, and any such proclamation shall cease to be effective on the date 2 years after issuance unless the Congress has approved such proclamation by joint resolution as provided in section 5 of this Act."

(2) By adding the following new section at the end thereof:

"SEC. 5. CONGRESSIONAL REVIEW OF CERTAIN NATIONAL MONUMENT PROCLAMATIONS.

"(a) JOINT RESOLUTION.—For purposes of approving a proclamation referred to in section 2 that results in the designation of a total acreage in excess of 50,000 acres in a single State in a single calendar year as a national monument, the term 'joint resolution' means only a joint resolution introduced in the period after the proclamation is issued but before the expiration of the 2-year period

thereafter, the matter after the resolving clause of which is as follows: "That Congress approves the proclamation submitted by the President on _____ relating to the designation of a national monument in _____." (The blank spaces being appropriately filled in).

"(b) REFERRAL. A Joint resolution described in this subsection shall be referred to the Committee on Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate.

"(c) SENATE PROCEDURES.—(1) In the Senate, if the Committee on Energy and Natural Resources has not reported such joint resolution (or an identical joint resolution) at the end of 20 calendar days after the submission date, such committee may be discharged from further consideration of such joint resolution upon a petition supported in writing by 30 Members of the Senate, and such joint resolution shall be placed on the calendar.

"(2) In the Senate, when the Committee on Energy and Natural Resources has reported, or is discharged (under paragraph (1)) from further consideration of a joint resolution described in this subsection, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for a motion to proceed to the consideration of the joint resolution, and all points or order against the joint resolution (and against consideration of the joint resolution) are waived. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the Senate until disposed of.

"(3) In the Senate, debate on the joint resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order.

"(4) In the Senate, immediately following the conclusion of the debate on a joint resolution described in this subsection, and a single quorum call at the conclusion of the debate if requested in accordance with the proclamations of the Senate, the vote on final passage of the joint resolution shall occur.

"(5) Appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a joint resolution described in this subsection shall be decided without debate.

"(e) PASSAGE BY ONE HOUSE.—If, before the passage by one House of a joint resolution of that House described in subsection (a), that House receives from the other House a joint resolution described in subsection (a), then the following procedures shall apply:

"(1) The joint resolution of the other House shall not be referred to a committee.

"(2) With respect to a joint resolution described in subsection (a) of the House receiving the joint resolution—

"(A) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

"(B) the vote on final passage shall be on the joint resolution of the other House.

"(f) RULEMAKING POWER.—This section is enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution described in this subsection, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House."

Amend the title so as to read: "A bill to amend the Antiquities Act regarding the establishment by the President of certain national monuments."

Mr. Chairman, I would ask the gentleman from Utah [Mr. HANSEN] if he would agree with me that section 5 of the compromise was an essential provision, that it was dropped only because of a problem with the rule, and that the gentleman will work to ensure that it is restored as the bill moves through the congressional process?

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. I yield to the gentleman from Utah.

Mr. HANSEN. Mr. Chairman, I would respond to the gentleman from New York [Mr. BOEHLERT] that yes, I agree with the gentleman on all of these points. I regret that we had to drop the language because of the problem with the rule and I will work to see it restored.

Mr. BOEHLERT. Mr. Chairman, I thank the gentleman.

With those assurances, I will support this compromise to enable the bill to begin moving forward.

As I said, I will support the compromise embodied in the manager's amendment. That compromise improves on the bill by allowing a monument declaration to take effect immediately, rather than requiring a wait for congressional approval. In other words, in the case in point, the President could have done what he did after giving 30 days advanced notice to the Governor, along with a request for comment from the Governor. The President would consider those comments, but if he did not agree with them, he could still go forward with the declaration, and the declaration would be in effect for 2 years; but then there would be a sunset provision, and after 2 years, if Congress did not pass a joint resolution approving the monument, then the monument would be no more.

I support this compromise because I believe my friends from the West have some reasonable complaints with the current system. It is not unreasonable to involve Congress in changes in the status of huge tracts of land, tracts of land of 50,000 or more acres, as is the

case in point. The President still has the authority to move forward with the designation of smaller tracts of land, and I think that is an appropriate responsibility for the President. But in the rare cases where we have large tracts of land in excess of 50,000 acres, I think we should have some congressional involvement, but we ought to make darn sure that no single person can block consideration by the Congress.

However, congressional involvement must not make the 1906 Antiquities Act a dead letter. The act has served this Nation well and it should not be fundamentally altered.

If our original compromise had remained intact, that standard would have been met unequivocally. Unfortunately, the compromise was blocked by the Committee on Rules because we were told last week that the bill had to come to a vote last week.

I support the current version of the compromise only because I have the commitment of the gentleman from Utah [Mr. HANSEN], the chairman of the subcommittee, to restore the original compromise as we move forward. The gentleman has acted in good faith, and I know he will continue to do so, but I must be clear: If this bill comes back from Congress without the full compromise in place, I will enthusiastically and vigorously oppose it.

We need to pass a bill that gives Congress a reasonable chance to review Presidential declarations, but we cannot pass a bill that allows any single Member of Congress to veto a monument declaration. That was the problem with the original bill, and it is still a problem with the manager's amendment. The problem would have been solved by the procedures that had to be dropped from the compromise.

So again, I thank Chairman HANSEN for his help. I urge support for the manager's amendment, and if it passes, for final passage of the bill. I do so because this puts us on a path to a reasonable compromise. A reasonable compromise will balance congressional and Presidential responsibilities in a way that does not threaten the protection of western lands.

I look forward to working with the gentleman from Utah [Mr. HANSEN] to arrive at a final product that will meet that standard.

The CHAIRMAN. Without objection, the gentleman from Minnesota [Mr. VENTO] shall temporarily control the time for the gentleman from California [Mr. MILLER].

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. VENTO] is recognized.

Mr. VENTO. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Chairman, I want to thank my colleague for yielding me this time.

Mr. Chairman, this bill is not necessary; it is not desirable; the House should reject it.

Since 1906, Presidents have used the authority under the Antiquities Act to protect very, very special parts of this Nation's public lands. Under that authority, President Roosevelt set aside the heart of the Grand Canyon and many other priceless areas. Under its authority, President Coolidge set aside Carlsbad Cavern, and President Harding protected the Indian Mounds in Ohio.

In the 105 times that the act has been used, it has included, in Colorado, usage by President Taft to set aside the sandstone pinnacles of the Colorado National Monument; by President Hoover to protect Great Sand Dunes; and President Hoover as well to take care of that very special dark chasm known as the Black Canyon of the Gunnison. Those were not mistakes. They were not attacks on the West. They were wise actions, taken under sound authority, and that authority should not be undermined.

If Members of Congress are displeased with the way the President, any President, uses this authority, there is a remedy. Congress can modify or overturn any monument a President establishes. This can be done and it has been done, and if the sponsor of this bill, for instance, is opposed to the Grand Staircase-Escalante National Monument, he can introduce a bill to modify or repeal it.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. Mr. Chairman, I have limited time. I would be glad to yield when I am finished.

Mr. HANSEN. We are more than happy to do it. We have one prepared almost and it will be coming. I want everyone to realize that. I thank the gentleman for yielding.

Mr. SKAGGS. Certainly.

Mr. Chairman, I suppose it has a very good chance of having it reported out of the Committee on Resources and probably scheduled for action on the floor, but that is not the bill before us.

Later, when we consider amendments, there will be a proposal to change this bill to make monuments temporary unless approved by Congress. We should not do that either. That would merely give some one Member of the other body, under the rules that obtain over there, the ability to block any monument. That is not the kind of way we want to do business around here.

We should do the right thing. We should do the careful thing. We should do the conservative thing. We should reject this bill.

Mr. HANSEN. Mr. Chairman, I yield 2½ minutes to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I rise in strong support of this very modest,

commonsense, much-needed and eminently fair proposal.

This legislation is needed primarily because of something Senator HATCH referred to as the most arrogant abuse of power he had seen in his 20 years in the Congress. He was referring, of course, to the sneak attack by the Federal Government just before the last election to lock up 1.7 million acres in the State of Utah to produce what is called a national monument in the Escalante-Grand Staircase section of southern Utah. However, there are several reasons why this particular land grant has been questioned like no other in U.S. history.

First, it was done with no public discussion or hearings of any type, no vote by the Congress, no vote by the Utah State Legislature, no vote by the people of Utah. In fact, the Governor of Utah testified that the first notice Utah public officials had was when they read about it 9 days beforehand in press reports.

The second serious question is the secrecy, the coverup. Not only were high-ranking officials not notified, the documents the gentleman from Utah [Mr. CANNON] mentioned earlier, the administration documents, said that it cannot be emphasized enough, this is the administration talking, that public disclosure would have stopped the designation because such an outcry would have been created. It almost makes me wonder if we have people running our Government today who want to run things in the secret, shadowy way of the former Soviet Union or other dictatorships.

Third, this 1.7 million acres contains the largest deposit of clean, low-sulfur coal in the world. Senator HATCH testified, and the gentleman from Utah, Mr. CANNON, mentioned a moment ago that this coal alone is worth over \$1 trillion. Who has the second largest deposit? The Lippo Group from Indonesia, who just happened to make some very large campaign contributions about the time this land was locked up.

In one small rural county in Utah, this means the loss of 900 jobs. Not only does it mean jobs lost, but it means higher prices. It means higher prices for every individual and company which uses coal in this country.

Environmental extremists, who almost always come from wealthy or upper income backgrounds, are really destroying jobs and driving up prices all over this country. Rich environmentalists who have enough money to be insulated from the harm they do are really hurting the poor and working people of this country.

I urge my colleagues, Mr. Chairman, to support this very fair proposal by the gentleman from Utah.

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ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Members are reminded that they should refrain from using personal references to Senators.

Mr. HANSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. PETERSON].

Mr. PETERSON of Pennsylvania. Mr. Chairman, I want to thank the gentleman for the privilege to join him in support of H.R. 1127.

My father always told me, "If it is not broke, don't fix it." The Antiquities Act was not broken, but the Clinton/Gore administration abused the process. It is time to bring people back into this process. Thirteen Presidents have used it, and in my view, two have abused it. Those who have said we are going to upset the balance, I do not believe we are going to upset the balance. We are going to bring balance back.

I come from a large, rural district in Pennsylvania where there is a lot of public ownership. I want to tell the Members, people are very concerned about regulations and declarations and laws that are passed and how it impacts rural America. Utah is 73 percent public land. They had no input. They deserved better. They have a right, when regulations and declarations are coming at them, to have an input. The President should explain why 1.7 million acres was needed. Was it to increase the ability of foreign friends to import a simpler type of coal? That is a public debate that should have happened.

This bill does bring balance back to the process. States and local governments should have input. Citizens need a voice. This act, if amended, will still allow Presidents to act. Utah deserved better.

I urge Easterners, my fellow Easterners from the East, and urban and suburban legislators in this body, to be a whole lot more sensitive to rural America. Regulations and laws and declarations have a huge impact on rural life. We are taking away their very ability to earn a living and to exist and live where they want to live. I urge all Members to be much more sensitive.

This bill is modest. It gets at the problem because this administration broke it.

Mr. HANSEN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CALVERT].

Mr. CALVERT. Mr. Chairman, I rise today in support of the National Monument Fairness Act. Like many Members, I was outraged by the President's decision to designate a whopping 1.7 million acres of land in Utah as a national monument last year. In what was obviously driven by politics and not resource conservation, the President did not consult with and in fact ignored the Governor of Utah, the State's congressional delegation, and most importantly, those affected by his action, the local population.

Tellingly, the President made his announcement in Arizona, surrounded by

hand-selected members of the green movement, far away from the people of Utah. We need to ensure that a President cannot circumvent the will of the people like this again. This bill would ensure that the President works with Congress and with affected Governors before designating large tracts of land as national monuments.

Let us make sure Congress is allowed to do the job the people sent us here to do, to represent them. It is crucial that we never again allow the President to ignore our constituents. Again, I urge a yes vote on this bill.

Mr. MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. VENTO].

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

Mr. Chairman, I just wanted to rise to point out to my colleagues that while each of us represents about 600,000 people, and our respective Senators represent entire States, the only elected official in this Nation that represents all the people is the President.

That is why I think, in constructing this, and I have been a staunch advocate of the authorizing and the other powers of this body, as I had the privilege to chair the Subcommittee on Parks and Public Lands for many years, the fact is, though, in looking at this in toto, we have to have a balance. In other words, when Congress does not act, there has to be some recourse in terms of action. We have to have the power to act.

The other issue with regard to the nature of declarations and how public we go is a real concern, because once we indicate a willingness or an interest in designating or declaring lands, we often find that individuals will put in various types of claims. Some of those claims, in my judgment, with regard to mineral claims or with regard to water permits and other types of activities, are spurious. They are designed to do one thing. That is to exact as many dollars as they can out of taxpayers in order to make the conservation designation that is intended. In fact, it happens all the time when we are considering measures for wilderness or measures within this body.

Of course, as Members know, when action is imminent in terms of a declaration, as it would be in this case, and it is a major flaw that we are going to have with some of the amendments that are being offered here today in terms of notice, because they are fatally flawed in the sense that they prevent and in fact compound the very problems that the President may be taking issue with.

The other issue is with regard to President Carter's action, the D-2 alliance, and I am sorry that my friend, the chairman, has left the floor, because we failed to meet the deadlines with regard to those lands being set

aside in this Congress after many years.

In failing to take action at that time in 1980, in essence, the President had recourse to in fact try to provide some temporary protection. This is the one law he had at that time that he could use to actually address that very serious problem with regard to the disposition and designation of those lands in Alaska, which points out that all the other laws that have been passed that the gentleman commented about earlier, the gentleman from Utah, Chairman HANSEN, really did not do the job, because the President has to have some recourse.

What the chairman is doing with this bill, irrespective of what the merits are concerning, and of course I do not find politics unusual in this Congress or among those that are candidates or serving as President, it is sort of a given, but the fact is that we are taking away the power they have to act, as I think is reasonable, and Members may think unreasonable. This is taking away the ability to act. That is the fundamental flaw with this particular bill.

We have the ability to change this if we think there is a mistake by acting ourselves.

Mr. HANSEN. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. SHADEGG].

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

Let me point out that not a single argument mounted on the other side of the aisle on this issue has addressed the bill as amended by the manager's amendment. The manager's amendment would allow the President to designate any amount of land. It would simply provide that that designation would expire within 2 years. So all the discussions on the other side about emergency need on the President's part is just a distraction from reality.

The other shocking argument we hear from the other side is that they oppose sunshine. If my colleagues around this Capitol listen to my colleague, the gentleman from Utah [Mr. CANNON], detail the outrageous abuse of power by this President in what he did this time around, that is not sunshine. Refusing to discuss the issue and misleading the Utah delegation is not sunshine; it is keeping the American people and the people of Utah in the dark, and it is wrong.

The Antiquities Act was broken by this President, but he raised an issue, and that is, we need to look at what is wrong with it and fix it. How we can fix it is to allow the Congress to have a say.

Let me point out how he broke the act. The act says specifically when the President chooses to exercise this power, he must in all cases confine the area designated to the smallest area

comparable with the proper care and management of the objects that are protected. Mr. Clinton did not do that in this case. He designated 1.7 million acres, vastly more than needed to be designated.

All we are asking on this side is that when the President takes that action, that the measure come back to Congress for a vote. I thought, Mr. Chairman, that we were a Nation of laws and not a Nation of men. I am glad that the previous Presidents designated the Grand Canyon, but this Congress came back in after that and made the Grand Canyon a national park.

What opponents of this bill do not want is they do not want a public debate. They do not want open consideration of this issue. They want raw power in the hands of the President to be exercised in the dark of secrecy. I asked the gentleman on the other side of the aisle if he would yield on that point and he would not yield on that point. Their goal is not to allow the American people to know what the President is doing and to give him a free hand.

Clearly, the President in this case abused the Antiquities Act, and this is a reasonable measure to protect it; to say for 50,000 acres he can do whatever he wants, but when he goes above 50,000 acres to 1 or 22 million acres, then he ought to have to consult the people.

The President may represent all the people. He lost in the State of Utah. It seems to me it is fair to give the people in this Congress whom we represent a voice in these issues.

Mr. MILLER of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong opposition to this legislation. As many of my colleagues have said, it is unnecessary, and it is premised on a misleading argument that it will open the door to wanton acts by the President of the United States. There is no history in this act that that is the case. In fact, this President acted properly, within the law, within the act, and in the best interests of the American people.

The fact of the matter is that many of these lands that the President finally chose to protect by the use of the Antiquities Act have been under discussion, but those discussions have been filibustered, delayed, obstructed by members of the Utah delegation with respect to these lands and to other lands that need to be protected, public lands that are owned by the people of the United States, and lands that are open to the exploitation by the mineral extractive industries that could go onto these lands and start taking coal and petroleum and other products from these lands without regard to their preservation, as is now allowed because of the President's actions.

The facts are that those processes grind on and those companies continue

to get permits to extract those minerals. The bill the gentleman is introducing here today is basically an overturning of the Antiquities Act. It is a gutting of the Antiquities Act.

He says he wants to give 30 days' notice. With 30 days' notice, as we saw in the New World Mine, people rushed in, people rushed in to file claims and try and perfect claims when they heard the President was going to do this. In the time between the time we started considering the California desert and the time that we did the California desert, we ended up with people filing mining claims, perfecting mining claims, knowing that the government would then have to come along and try to deal with them.

The notion that somehow this current law would be improved upon if the Congress had 2 years in which to act, the Congress can act at any time it wants. It is acting tonight with consideration of this legislation. The gentleman from Utah says he has a repeal of this, or to overturn the President's act, coming. That is fine. People can vote yes or no.

But these are the lands of all the people of this Nation. The President from time to time has to take positions to protect those lands, because the legislative process is unable to respond. The legislative process, if we gave them 2 years, we have the very same problem. We have the Senators from Utah or elsewhere that decide they want to filibuster this act, and all the political dynamics kick in, with what else is going on in the Senate, and somehow we cannot report out provisions to protect these lands and we are right back where we are today before the President acted.

That is why, that is why we should keep the current law as it is. It provides for the protection of the lands. And if the Congress is so outraged, they can come back and modify, they can come back and repeal, they can come back and change the provisions of the Monuments Act.

If we listened to these people, we would have the President pick. Maybe this year he could pick the Grand Staircase, but that exceeds 50,000 acres, so he could not pick that one. But once he set notice that he was going to do the Grand Staircase, people would start filing, and the power would plateau, because they could see the handwriting on the wall. The President might be prepared to act.

Then people in the Canyon of the Escalante, they could start to file on those actions. All of a sudden, what we have done is caused the taxpayer a huge liability because we have decided that these people should have a right to file on these public lands for extractive permits.

The fact of the matter is that when we look at these lands and we see them and how they are intertwined, one of

the things I thought we learned over the last 20 years is setting arbitrary acreages does not necessarily guarantee the protection of the ecosystem, the lands, the assets, or the interplay between those resources.

But again, this law that is being presented here tonight or this proposed law that is being presented here tonight is simply one to kick the teeth out of this act, and to somehow try to see if they can embarrass or punish this President for the actions he took. This President should neither be embarrassed nor should he be punished because he took these actions on behalf of the American people.

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And he did it properly so, and he did it over the actions that for years and years of people who decided that they were going to stand in the way of these public lands, they were not going to allow this to happen. And I think that is why the President acted and the President should be very proud of his actions and the American people should be very proud of these actions.

The authors of this legislation, they say they do not know why the President did that because there is nothing there. But then they say there is everything there because people are coming to see the antiquities and the geologic sites and the cultural sites and the beauty of this area.

Obviously, the people of this country understand the assets and value of these lands that are there, and they are obviously supportive of the efforts by the President to protect these lands. Now they can come there to utilize them, and, fortunately enough, we were able to get resources for interpretation of these sites and guidance at these sites. This can again be a wonderful experience for America's families, the millions who take to their automobiles and their vacations to visit and see these wonderful lands of the West, and the arches, and the bridges and canyons, and the rivers and ecosystems, and the riparian areas that are so unique to anything else that is offered in the United States.

We should continue with the current law as it is. Should this legislation pass the House, I would be surprised if it has much of a life after that. But people should not vote for a bad bill just because it is not going to go anywhere. We should turn this bill down and protect the Antiquities Act and protect the prerogatives of the President and, more important than that, protect these valuable, valuable lands of the United States of America.

Mr. Chairman, I yield back the balance of my time.

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

Mr. Chairman, let me just say that the Presidents have used this well and have done a good job with it. If we

wanted to punish the President, we would repeal it. Of all of these hundred and something things, very, very few of them are over 100,000 acres, over 50,000 acres. It can still be used. This is just a modest approach to it.

Mr. Chairman, a lot of Members have talked about the idea of the threatened land that we are talking about. Those who put this together did not realize that. Let me quote from their letters to the White House, to another person in the White House, and I will not mention their names.

I realize the real remaining question is not so much what the letter says, but the political consequences of designating these lands as monuments when they are not threatened.

Let me repeat,

when they are not threatened with losing wilderness stature, and they are probably not the areas of the country most in need of designation.

Right from the White House.

Another one where they talk about, all we are worried about is how the "enviros" will react. This has nothing to do with the Grand Staircase-Escalante. It is talking about balance of power.

We talked about my amendment which I think will more than handle this area. And let me point out, there is no reason to be an apologist for the President or for anybody here. It was a mistake that was made, and therefore this is a very modest, reasonable approach to take care of it.

The CHAIRMAN. All time for general debate has expired. Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered as read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1127

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 "National Monument Fairness Act of 1997".

SEC. 2. CONSULTATION WITH THE GOVERNOR AND STATE LEGISLATURE.

Section 2 of the Act of June 8, 1906, commonly referred to as the "Antiquities Act" (34 Stat. 225; 16 U.S.C. 431) is amended by adding the following at the end thereof: "A proclamation under this section issued by the President to declare any area in excess of 50,000 acres in a single State in a single calendar year, to be a national monument shall not be final and effective unless and until the Secretary of the Interior submits the Presidential proclamation to Congress as a proposal and the proposal is passed as a law pursuant to the procedures set forth in Article 1 of the United States Constitution. Prior to the submission of the proposed proclamation to Congress, the Secretary of the Interior shall consult with and obtain the written comments of the Governor of the State in which the area is located. The Governor

shall have 90 days to respond to the consultation concerning the area's proposed monument status. The proposed proclamation shall be submitted to Congress 90 days after receipt of the Governor's written comments or 180 days from the date of the consultation if no comments were received."

Amend the title so as to read: "A bill to amend the Antiquities Act to require an Act of Congress and the concurrence of the Governor and State legislature for the establishment by the President of national monuments in excess of 50,000 acres."

The CHAIRMAN. No amendment shall be in order except those printed or considered as though they were printed in House Report 105-283, which may be considered only in the order specified, may be offered only by a Member designated in the report, shall be considered read, shall be debated for the time specified in the report, 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.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for the voting on the first question shall be a minimum of 15 minutes.

The Chair is advised that amendment No. 1 will not be offered and, consequently, it is now in order to consider amendment No. 2 printed in House Report 105-283.

AMENDMENT NO. 2 OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. VENTO:
Page 3, line 14, strike "unless and until" and insert "until 1 year after".

Page 3, beginning on line 16, insert a period after "Congress" and strike all that follows through the period on line 18 and insert in lieu thereof: "During the period of review, Federal lands within the proclamation area are hereby withdrawn from all forms of entry, appropriation, or disposal under the public land laws, from location, entry, or patent under the mining laws, and from disposition under all mineral and geothermal leasing laws."

The CHAIRMAN. Pursuant to House Resolution 256, the gentleman from Minnesota [Mr. VENTO] and the gentleman from Utah [Mr. HANSEN] will each control 5 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

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

Mr. Chairman, I rise to offer an amendment with regards to this that will make it workable.

The fact is, the problem is with Congress not acting, and all the other versions that we have over 50,000 acres

provide for Congress to sit on its hands and do nothing, and if they do that, that is simply enough not to, in fact, provide for the protection of these lands.

So, Mr. Chairman, this amendment is a very straightforward amendment. It says that the President can make the declaration, and if Congress does not act within a year, that declaration takes effect. During that pendency, during that period of time, those lands would be protected. They would be protected from mineral entry and from other types of appropriation.

These lands are all public lands we are talking about. They are owned by the Federal Government and by the people of this country, who are the Federal Government. The fact is, that is what this is about: To take away the power. This keeps the power in the hands of the President but gives us the opportunity, with the other types of proposals, to provide for the opportunity to act on this for Congress.

This would be, of course, a limitation in the powers of the President in this particular instance, but it would not inure to the damage in terms of what happens to taxpayers in this instance. It would provide for the conservation, and the other precepts of the Antiquities Act would be kept in place.

This makes sense. Instead of requiring Congress to act, my amendment preserves an option for us to act, and it would not permit us to get by by simply sitting on our hands. In fact, that is, of course, what the case is today with many of the other laws that we have, whether it is a park designation or wilderness designation. Just by doing nothing, we can avoid facing the issue. This gives the President the opportunity to do his job as steward of such lands.

Mr. SHADEGG. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Arizona.

Mr. SHADEGG. Mr. Chairman, if I could ask a couple of questions, the gentleman from Minnesota said this would keep the power in the hands of the President. It would keep the power in the hands of the President to create a monument of over 50,000 acres?

Mr. VENTO. Mr. Chairman, reclaiming my time, I would say to the gentleman: To make the declaration.

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

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

Mr. HANSEN. Mr. Chairman, the 1-year limit for Congress that the gentleman from Minnesota [Mr. VENTO] has come up with, to finalize the monument designation as the Vento amendment would enact, simply does not allow enough time for Congress to act to the Presidential proclamation. In fact, it takes away the power that this

bill provides to Congress in order to pass the proposed designation.

Mr. Chairman, I would ask my colleagues to keep in mind, a case in point would be the most recent Presidential abuse of the Antiquities Act designating 1.7 million acres of mostly sagebrush and pinyon juniper in southern Utah as a national monument.

Mr. Chairman, it is well over a year since the purely political monument was established, yet there continues to be frequent congressional discussion of this blatant and insulting abuse of Presidential power designated as a national monument proclamation, so this amendment really does nothing.

Mr. Chairman, I find it interesting when I hear some say this is only Federal lands and we all own it. That is not what the antiquities law says. Let us go to the law when all else fails. It says "on lands owned or controlled by." Well, they control everything, if we want to take the extreme interpretation of it. In fact, in this 1.7 million acres there are 200,000 acres that belonged to the schoolchildren of Utah. There are countless pieces of private ground that are encompassed. There are cities that are encompassed, but now they are "controlled by." So I do not know where we get this type of thing. I really do not see a reason for this particular amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I think that those lands are not part of the monument.

Mr. HANSEN. Mr. Chairman, reclaiming my time, they are inside the monument. What choice have they got? If they are completely surrounded, they are in the monument. Believe me.

Mr. Chairman, I yield such time as he may consume to the gentleman from Utah [Mr. CANNON].

Mr. CANNON. Mr. Chairman, the gentleman from Minnesota has said several times today, and in the prior debate on the rule, that the problem is that Congress has not acted. Now, what the premise of that is is that there is a problem out there that needs to be solved. It is an urgent problem that requires what the Governor of Utah called a dictatorial action.

Mr. Chairman, I believe this is a straw man. The fact is, what we are saying here is that the people of Utah were somehow out committing depredations on this area. Remember, this is an area bigger than New Hampshire and Delaware combined. It is a huge area that has only about 10,000 people in the periphery, not even on the area.

Therefore, I would like to just point out that I do not think it is a reasonable thing for this body to look at itself and say we need to give up any authority we have because of some potential depredations and give dictatorial powers to the Presidency. I think

in a matter of balance in this body that we should retain that balance, as opposed to the Presidency, and at the same time give him the ability to do what we need to do with monuments.

Mr. Chairman, no one could love monuments more than I. I grew up with Arches National Monument. I grew up with that monument. It is now a park, but I have a hard time calling it a park because it was such a wonderful monument.

We want monuments. America wants monuments, but we want them done in the light, not in the darkness, not hiding in saying, if people find this out, we will not be able to do it, not suggesting a straw man of people going out and making claims on land. Those are not fair things to do. We need policy and balance, and that is what this bill represents.

Mr. HANSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. SHADEGG].

Mr. SHADEGG. Mr. Chairman, I simply want to point out and express my appreciation to the gentleman from Minnesota [Mr. VENTO], my friend, for his candor in his remarks in support of this particular amendment. He said, and I quote quite directly, "This leaves the power in the hands of the President." And indeed that is precisely what the proponents of this amendment want to do. They want to leave the power under the Antiquities Act in the hands of the President.

Mr. Chairman, that might be a good idea and under prior Presidents probably was a good idea. But, regrettably, the most recent incident demonstrates that that power is awesome and can be, and in this case regrettably was, abused.

Even if my colleagues do not think it was abused in this case, they ought to be concerned about the power of the President to act unilaterally; to, as he did in this case, ignore the Utah delegation; to, as he did in this case, ignore the Governor of Utah, who is sitting in a hotel in Washington, DC, desperately trying to see the President.

I suggest that people who believe in sunshine, who believe in process, and who believe in the rule of law, should reject this amendment, because it leaves in the President's hands the power to unilaterally designate a national monument of 50,000 acres, as our bill would do, but to go beyond that and to designate 1.7 million, or 5 million, or 10 million, or 22 million, or, for that matter, 22 billion acres, and to ignore the Congress in doing that.

That simply is not good public policy in this country today, where we believe in the rule of law, where we believe in representational government, where we believe public policy should be debated openly in the Congress between people who represent all kinds of different views.

Mr. Chairman, to leave the President with that sole power to be abused when

he wants to, as sadly happened in this case on the eve of an election, is a mistake, is wrong. I cannot believe that anyone does not see that. Sunshine is what we need. If my colleagues trust people and believe in representative government, I urge them to reject this amendment.

Mr. VENTO. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I would say that this amendment does achieve a balance. I think we had a balance in terms of powers, in terms of many units, conservation units and other units we can designate. And my colleagues are failing to understand that in terms of opening up any of this to public announcement prior to the declaration, we will invite in various groups to make claims, and then the taxpayers have to buy back that which they already own, whether it is a claim for minerals, whether it is a claim for water, whatever the claim may be.

Mr. Chairman, I just think that that is wrong. It is one of the fatal flaws in the legislation, and all the variations that have been proposed by my subcommittee chairman have that particular problem in them. What we are saying here is, if this is an error on the part of the President, if Congress disagreed with it, within a year they could come back and prevent the declaration to occur.

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The fact is that even in this instance, where they are making these claims and some have been talking about the fact that it was unlawful, I am not aware of any court decision or any action, I am not aware of any court decision or action or anything pending in which the Antiquities Act has not been successfully upheld as being a proper and legal power of the President and constitutional. Unless there is something I am unaware of, I would be happy to yield to anyone to give me the name of a case in the last 91 years where that has occurred.

Of course, I think the issue here is, I think that maybe the last thing to criticize, of course, is to say somehow this is political or that is political. There is a lot of politics that go on on the House floor, in our committees, and certainly I do not think the President is beyond that. But in this case, I think he did the right thing. I think that the laws were pending, measures were pending.

The gentleman from Utah quite rightly recognized, as I led the committee, I did not hear that bill or move on that bill of the gentleman from New York [Mr. OWENS] that he was concerned about. I did not do that. Perhaps I should have. We could have averted this particular designation by the President.

I think at that time he probably was giving me different advice than that

which he might be giving me now. Today I think the advice he gives us is wrong. This is a prudent, a measured move that I have in this amendment in terms of providing for a year review and providing for the opportunity but avoiding the type of problem that can exist and has existed.

My view is not seeing the view of the bills that we have before us that would put oil wells in the Grand Canyon. It would put mines in various areas. We have had it. Even today the claims that are being made in Escalante are being honored. We have to honor those types of claims that are being made.

We are talking about Federal land and public land and, yes, there are lands that are included within these monuments. I hope that we could move fairly and expeditiously to deal with the trade-off of those lands so that they could be used and the benefit of that would be to the citizens and others in Utah that might be affected by that.

That is a different issue, though. We are not doing this on the basis of one monument. We are doing it forever. When we do that, we deny the children of the 21st century their legacy. I urge an "aye" vote for the Vento amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. VENTO].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. VENTO. 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 House Resolution 256, further proceedings on the amendment offered by the gentleman from Minnesota [Mr. VENTO] will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 3 printed in House Report 105-283.

AMENDMENT NO. 3 OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. MILLER of California:

Page 3, strike line 8 and all that follows through page 4, line 2, and insert the following:

Section 2 of the Act of June 8, 1906, commonly referred to as the Antiquities Act (34 Stat. 225; 16 U.S.C. 432), is amended by adding at the end the following: "At least 60 days before the issuance of a proclamation under this section, the President shall consult with the Governor of the State in which the proposed monument is to be located and any other individuals or organizations the President deems advisable, unless the President

determines and publishes a notice that a delay in issuing a proclamation will jeopardize the values for which such monument is to be established."

Amend the title to read "To amend the Antiquities Act to provide for consultation in the establishment by the President of national monument."

The CHAIRMAN. Pursuant to House Resolution 256, the gentleman from California [Mr. MILLER], and a Member opposed, each will control 5 minutes.

The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I yield 5 minutes to the gentleman from American Samoa [Mr. FALEOMAVAEGA].

The CHAIRMAN. Without objection, the gentleman from American Samoa [Mr. FALEOMAVAEGA] will control the 5 minutes.

There was no objection.

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

As I noted during the general debate of this bill, from my perspective the problem with the Antiquities Act is that the President has the ability to declare national monuments without consulting with the elected officials from the State in which the monument is being considered. Mr. Chairman, my amendment deletes the language of H.R. 1127 and instead amends the Antiquities Act to require that the President consult with the governor of the State in which the proposed monument is to be located at least 60 days in advance of issuance of a proclamation. The only exception to this requirement is if the President publishes a notice that a delayed issuance of the proclamation would jeopardize the values for which the monument is being established.

Mr. Chairman, this proposal seems to be the right mix of authority vested in the executive while still giving State officials notification of action being considered. This gives the State an opportunity to take any action it seems appropriate before a proclamation is issued.

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

The CHAIRMAN. Does gentleman from Utah [Mr. HANSEN] claim the time in opposition?

Mr. HANSEN. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Utah [Mr. HANSEN] is recognized for 5 minutes.

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

Mr. Chairman, after looking at this, it appears to me the President has to consult with the governor of the affected State at least 60 days prior to issuing a proclamation unless the President finds delay would jeopardize the value of such monument being established. As Members know here, I will be doing a manager's amendment which I think, my good friend from

American Samoa, pretty well answers that. What it will say is when the President is ready to make his proclamation prior to doing that, he has 30 days in which to talk to the governor of that State.

So I think in a way this would pretty well resolve it without these things occurring that have occurred where the governor of the State is stonewalled in a hotel in Washington, DC, trying desperately to get in to the President of the United States, trying to find out what is going on. I was stonewalled as chairman of the committee, both Senators were stonewalled. But I do have to agree that at 2 in the morning our governor did get a call and then it was done at 10, no time to even react.

So I think the gentleman is on the right track, the gentleman from American Samoa, the gentleman from California. I support them, but I do not think they have gone quite far enough. With what they have said here, I can see where in their hearts they would see that maybe the Hansen amendment coming up would more than solve this. I would appreciate their support in this. I rise in opposition to this amendment. I would suggest it be rejected.

Mr. FALEOMAVAEGA. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I rise in support of this amendment. I think the distinction here with this amendment in addressing the question of consultation with the governor of the State in which a designation will be made and transmitting the proclamation to that governor is a matter of legitimate concern and interest.

But it is a far cry from this amendment to then be standing the act on its head and in effect sort of creating temporary monuments, as we may end up doing in this legislation, and then if the Congress does not act the monument goes away. That is to gut the Antiquities Act.

This is to try to address a problem that a number of Members believe is legitimate and of concern in terms of the communications between the Federal Government and local governments that are going to be impacted by these actions. I think this is a good amendment. The gentleman from American Samoa [Mr. FALEOMAVAEGA] has suggested this from the time of the hearings and during the legislative process. I believe that the amendment should be supported because I think this is a rational response, unlike the legislation which then goes to the undermining of the entire current law with respect to presidential ability to protect these public lands.

Mr. FALEOMAVAEGA. Mr. Chairman, I yield back the balance of my time.

Mr. HANSEN. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from Utah [Mr. HANSEN] has 3½ minutes remaining.

Mr. HANSEN. Mr. Chairman, I yield the balance of my time to the gentleman from Colorado [Mr. BOB SCHAFFER].

Mr. BOB SCHAFFER of Colorado. Mr. Chairman, I would urge colleagues to reject the Miller amendment that is before us at the moment. I ask this body to remember exactly what it is that this debate is all about.

This is not a discussion over safeguards against some prospective possibility of executive abuse where national monuments are concerned. This is a bill that is brought to us because of the demonstrated abuses that have already occurred, already occurred. What this amendment proposes to do is virtually nothing different than the President has already done in establishing the Escalante Grand Staircase National Monument.

Think of this, 1.7 million acres set aside in a State where the governor was not consulted, where the governor of that State of Utah heard by rumor that this might occur within his State. The President did not even exercise the courage of making the announcement from the State where the monument was to be designated. He made it one State over in Arizona. He consulted the governor of my State in Colorado, Roy Romer, who now is chairman of the Democratic National Committee, consulted him weeks before; consulted Robert Redford, an actor; but did not consult one member of the Utah delegation.

What this amendment suggests in front of us now is that the President will attempt to notify somebody. It does not say it has to be the governor of that State. It says that it may be some other individual, any other individual or organizations that he deems advisable. Well, who would that be?

Let me just tell my colleagues from past experience, it was not the governor of the State of Utah where this monument was in question. In fact, that governor flew all the way here to Washington, DC, camped out in a hotel, asked for meetings with the President of the United States and was denied that opportunity until 2 in the morning before that President set aside 1.7 million acres.

Let me suggest, this is not just an issue of great concern for those individuals here from Utah. It is of great concern to every Member of this Congress who has public lands within it or private land within it or State lands within it, because those are the kinds of lands we are talking about.

The Antiquities Act that we think of was designed quite frankly for small monuments. In fact, prior to this 1.7 million acre set-aside, that is what we saw, small areas of land with some unique feature.

But when this President decided to waltz into a State without notifying the congressional delegation, without notifying the Senators, without notifying one individual within that State of any elected capacity and set aside 1.7 million acres, we need to shut that authority off. We need to put that authority back in the hands of the people's House so that we can assure right here that our citizens and taxpayers, property rights holders and those who enjoy the use of public lands and who enjoy credible monuments have the opportunity to have input and a say-so and have full opportunity to deliberate the importance of those dramatic actions by this Congress.

Mrs. CUBIN. Mr. Chairman, I rise today in opposition to the Miller amendment that would allow the Antiquities Act to apply to all 50 states.

As you may know Mr. Chairman, Wyoming is fully exempt from the Antiquities Act—the President cannot designate a national monument in my State that is 50 acres, 5,000 acres, 50,000 acres or 5 million acres without the consent of Congress.

The legislation that established this important exemption was passed into law in 1950. The law is very simple, and very straight forward. It reads: "No further extension or establishment of national monuments in Wyoming may be undertaken except by express authorization of Congress."

The State of Wyoming took civil action in February of 1945 against the administration of President Franklin D. Roosevelt, after he had used the Antiquities Act to designate the Jackson Hole National Monument.

The State claimed national interference with the use and maintenance of State highways, together with the loss of revenue from game and fish licenses by the exercise of federal control.

Finally, an agreement was reached between the parties and Congress that incorporated much of the Jackson Hole National Monument into Grand Teton National Park. In addition, legislation was also enacted that bars any future Presidential designation of any national monument in my State.

The Miller amendment, if passed, would submit the people of Wyoming to the possibility of the same treatment that occurred in 1945—the designation of a national monument without as much as a single comment from the people who live in the affected state.

President Clinton recently used the Antiquities Act to establish the Grand Staircase-Escalante National Monument in Utah.

He stood not in Utah, but on the north rim of the Grand Canyon in Arizona, to announce the creation of that monument. No member of Congress, local official or the Governor of Utah was ever consulted, nor was the public.

In 1976 this Nation made an important public policy decision. Congress passed landmark legislation in the Federal Land Policy and Management Act (FLPMA) requiring great deliberation, careful process, and above all public input in determining how public lands should be used.

I am not willing to submit my constituents—the citizens of the State of Wyoming—to a

President, present or future, who is willing to skirt important environmental and public comment processes for purely political gain.

We must require, and our constituents expect, full and complete accountability of our elected officials—the President through the Antiquities Act must be accountable to the citizens he represents. If he is not, I believe that power should be taken away.

I am thankful that Wyoming had the foresight and courage to pass the law that exempts it from the Antiquities Act and from an outright abuse of power.

I ask that my colleagues oppose the Miller amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MILLER].

The amendment was rejected.

The CHAIRMAN. The Chair is advised that amendments 4 and 5 will not be offered.

It is now in order to consider the amendment made in order pursuant to House Resolution 256.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HANSEN

Mr. HANSEN. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. HANSEN:

Strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Monument Fairness Act of 1997".

SEC. 2. CONGRESSIONAL REVIEW OF NATIONAL MONUMENT STATUS AND CONSULTATION.

Section 2 of the Act of June 8, 1906, commonly referred to as the "Antiquities Act" (34 Stat. 225; 16 U.S.C. 431) is amended by adding the following at the end thereof: "A proclamation of the President under this section that results in the designation of a total acreage in excess of 50,000 acres in a single State in a single calendar year as a national monument may not be issued until 30 days after the President has transmitted the proposed proclamation to the Governor of the State in which such acreage is located and solicited such Governor's written comments, and any such proclamation shall cease to be effective on the date 2 years after issuance unless the Congress has approved such proclamation by joint resolution."

The CHAIRMAN. Pursuant to House Resolution 256, the gentleman from Utah [Mr. HANSEN] and a Member opposed, each will control 5 minutes.

The Chair recognizes the gentleman from Utah [Mr. HANSEN].

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

Since September 18, 1996, the Utah delegation, the Committee on Resources and many other Members of Congress have tried to figure out a way to both preserve the President's authority to designate national monuments in emergency situations but pre-

vent the type of abuses the Clinton administration pulled last September in Utah.

After much discussion in committee and with other Members, since then I have agreed on a compromise proposal that addresses these many concerns. My amendment allows the President to unilaterally designate any, any national monument up to 50,000 acres in size. Remember, this is the approximate size of the District of Columbia.

If the President wants to designate a national monument over 50,000 acres, he must submit the proposal to the Governor of the affected State 30 days prior to the proclamation. After the 30-day period, the monument is created. However, after 2 years, the monument designation will sunset unless the Congress has passed a joint resolution approving the President's action. Thus, if Congress does not agree with the monument over 50,000 acres in size, the land will revert back to its former status.

I commend my colleague from New York for his willingness to reach this agreement. This is a compromise. It restores the balance of power between the President and the Congress while still allowing the President to act in emergency situations as originally intended in 1906.

I urge all Members to support this compromise which restores Congress' role in managing our Federal lands. I ask, what could be more fair than this? Fifty thousand acres he gets, like that. That seems very simple to me. Over that, he can still do it.

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To me, that is a reasonable approach. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from California [Mr. MILLER] claim the time in opposition?

Mr. MILLER of California. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER] for 5 minutes.

Mr. MILLER of California. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in opposition to this. I commend my colleagues for trying to work out a compromise for his legislation, which he realizes has some problems or is flawed, but the fact is that this is just a perfect political solution: The President is able to declare, and then Congress will do what Congress has done, and that is sit on its hands and nothing would happen.

So it does not really put anything on us. It is the same problem that we had. We are right back where we started from. We are chasing our tail around a tree here. That is really what this amendment does.

I appreciate the fact that they have 2 years to go out and convince the public, but we have had many decades to

try to convince them about the red rock country of southern Utah and we still have not come to a conclusion by setting a certain amount aside for conservation purposes. That is the problem with this amendment.

Far worse than that, this amendment says that 30 days before we have to send the proclamation to the Governor. I understand the gentleman's problem with the Governor and other people not being informed, but I want the gentleman to understand my problem. My problem is I do not think the taxpayers should get ripped off in the process. And once we set this proclamation in writing and put it out there, obviously it is open season in terms of making claims and making changes, and I think most of those are spurious, quite frankly. That is my concern.

So we have those two problems. Those are two big problems with this amendment, which is a good political compromise, I guess. The Presidents can go off and designate monuments every 2 years, Congress can sit on its hands. The Presidents would be happy. They would get the political credit for declaring the monuments, and in 2 years they would not be there, they would monument-for-the-day, the monuments would be gone, and the public would be the losers.

I think this is wrong. I think this process does not do it. The gentleman is not there yet with this amendment. This amendment is a bad amendment and its being offered as a compromise, I think, is a problem. It is no compromise for me, and it is no compromise for the 13 Presidents that have used this power. This would take away the authority and the ability to act as stewards for these conservation areas.

Mr. HANSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I believe that argument we just heard is a strawman: The idea that taxpayers are going to be ripped off earlier. I think it was said there would be claims filed that would take the value that belongs to American people.

If we look at those issues, and water was mentioned. The fact is water is already taken in these areas. We will not have spurious claims on waters. As to minerals, those that are known are pretty much taken. Those that are not known, if someone randomly goes out and decides to file a claim, they will not have value. And when they come back to the process of proving value, they will not have any.

We do believe in America still in the rule of law and in supporting contracts and the obligations of the American people. In this particular case, in the case of Utah, I do not think there is any question but that the President abused his power. There is no question by people looking at this dispassionately at how he hid his actions.

What we are talking about in this amendment is restoring balance to the process, limiting the extremes to which a President can go, and this President has said he would go or has gone. This is not only about the people of Utah, though. It is not just about the people in the western United States, the public land States. It is not just about those kinds of things. This is about the abuse of Presidential power generally and this is a particularly good bill that will rein in that power and allow this House its proper role in the balance of the policy decisions about how we use our public lands.

Mr. MILLER of California. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, this is the Here Today Gone Tomorrow Monument Act. It would make two changes in the law regarding large presidentially proclaimed monuments. First, it would require the President to provide 30 days notice prior to a proclamation. And that is no surprise. As Secretary Babbitt has said, and I quote, "The notice period would provide both incentive and opportunity to stake mining claims and carry out other development activities which could irreparably impair the ability of the President to protect the area."

That is not just speculation. The opponents of the Grand Canyon and Arches proclamations, to mention just two specifically, said they wanted to mine those areas. Second, it would sunset a monument proclamation after 2 years if Congress did not enact legislation approving it. That means that a single Senator opposed to a monument could block it by putting a hold on the bill or a monument could be gone tomorrow simply because of delays and oversights.

We can be sure once the monument declaration expired, the people who wanted to stake mining claims would be out there in force. That is what the gentleman from Minnesota [Mr. VENTO] meant about protecting the taxpayers.

Put another way, if this substitute had been in effect in 1908, the chances are that much of the Grand Canyon today would be an abandoned mining site; chances are that some of our other national monuments and others would be covered by mill tailings.

The "Dear Colleague" of the gentleman from New York [Mr. BOEHLERT] of last week made this same point. He said then, and I quote, "A congressional approval process would enable any powerful committee chairman or a single Senator to single-handedly block monument declarations. And few monument declarations fail to attract at least one opponent. Just look back at the opposition that greeted the declaration concerning the Grand Canyon if you have any doubts."

These words are equally true of the substitute being offered today. That is

why this amendment should be defeated.

Mr. Chairman, I submit for the RECORD a letter from Secretary Babbitt to the Speaker regarding this legislation.

SECRETARY OF THE INTERIOR,
Washington, October 6, 1997.

HON. NEWT GINGRICH,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: We understand that the House soon will consider H.R. 1127, the proposed "National Monument Fairness Act of 1997," a bill strongly opposed by the Administration and which I have stated would be the subject of a veto recommendation.

We have serious concerns with a new amendment to the bill made in order last Wednesday. The amendment does not correct the flaws in H.R. 1127, as noted in the attached Statement of Administration Policy. If this amendment is adopted, I would still recommend to the President that he veto H.R. 1127, as the bill would continue to infringe upon the power vested in him by the Antiquities Act.

The Antiquities Act is one of the most successful environmental laws in American history. Between 1906 and 1997, fourteen Presidents have proclaimed 105 national monuments, including Grand Canyon, Zion, Joshua Tree, the Statue of Liberty, Jackson Hole, Death Valley and most recently Grand Staircase-Escalante National Monument. These designations have not been without controversy, but it is clear that, without the President having the authority to act quickly, many of America's grandest places would never have been protected and preserved for future generations.

The proposed amendment would require the President to provide 30 days notice prior to a designation. Requiring 30 days public notice in advance of every land withdrawal severely undermines the purpose of the Act, which in part is to permit the President to protect federal lands on an immediate and time-sensitive basis. The notice period would provide both incentive and opportunity to stake mining claims and to carry out other development activities which could irreparably impair the ability of the President to preserve and protect the area.

Equally as damaging to our ability to protect public lands, the amendment would make each covered Presidential proclamation effectively temporary. It would require that such proclamations be nullified if Congress does not act affirmatively to ratify them within two years. Congress currently has the authority and opportunity to act to overturn any monument designation at any time by passing legislation to do so. To make permanent monument status dependent on affirmative Congressional action within a specified time limit presents too great a risk that the complexities of the Congressional process and scheduling will undermine the protections for these special places that all Americans want and deserve.

I urge the House to defeat this attempt and any others that would undermine the President's authority under the Antiquities Act.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

BRUCE BABBITT.

Mr. MILLER of California. Mr. Chairman, I yield myself the balance of my time.

My two colleagues have pointed out exactly what is wrong with this. First of all, this leaves our public lands and the damage to public lands and the threat to public lands open to a policy by filibuster, by Senate holds, and by obstructionists. Those would be the people who win in the debate against protecting and creating the national monuments.

The second point, as the gentleman said, there is no mining here. Well, there is mining. In fact, in the Grand Canyon there was previously. But this is a generic law. This is not about these lands, this million 7, this is about lands in the future that may be declared monuments where there are serious issues over water rights, where there are mining claims, where there are all these issues.

If we give 30 days notice, we will have a gold rush out there for people who think they can come back and jack up the Federal Government for these things, because we deal with that in this committee and have for years and years and years by people who think they can then extract something from the Federal Government if they file a claim.

So, remember this, we are not writing a law about Utah. We are writing a law about the United States of America, and there are many assets that people would find valuable and would try to perfect and would try to hold up the Federal Government. So whether or not there is water in this particular area that would be in contention or not does not speak to this law. That is why the 30-day notice provision and the 2-year provision is simply bad public policy, because it leads into the policy of filibuster, the policy of hold rather than debate and action.

Mr. HANSEN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I have a hard time believing my good friends from the other side, knowing how articulate and how well versed they are in the law, have forgotten there is a FLPMA Act. This happened in 1906. There is a Federal Land Management Policy Act that covers everything my three friends have just talked about.

One of those is emergency withdrawals. I will not quote the section, I am sure they know where it is. Another is general land withdrawals, and another is land classifications. So the opposition is using scare tactics here. With this act or without this act all three of these cover the problem.

The gentleman from New York talked about the idea if this had been there in 1906. Please keep in mind that only two since 1943, only two declarations would be affected by this amendment: The one in Alaska and the one in Utah. All the rest are all right. So the vast, vast, vast majority of all the monuments would not be affected at all because we are giving the President

50,000 acres. Carte blanche. Take it anywhere he wants. In the middle of his district. Wherever he wants it, he can do it.

So I say if there has ever been a fairness act that is reasonable, that restores the power to Congress where it belongs, this is the act. Nothing to do with the monument in Utah, nothing to do with the one in Alaska or the little teeny ones, like most of them are, of maybe 300 acres. So, Mr. Chairman, I urge support of this amendment and support of the bill.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Utah [Mr. HANSEN].

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

Mr. MILLER of California. 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 House Resolution 256, further proceedings on the amendment offered by the gentleman from Utah [Mr. HANSEN] will be postponed.

The point of no quorum is considered withdrawn.

Mr. HANSEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOB SCHAFFER of Colorado) having assumed the chair, Mr. SNOWBARGER, 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. 1127) to amend the Antiquities Act to require an act of Congress and the concurrence of the Governor and State legislature for the establishment by the President of national monuments in excess of 5,000 acres, had come to no resolution thereon.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BOB SCHAFFER of Colorado). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

STATUS OF THE CNMI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii [Mrs. MINK] is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Speaker, I have introduced a bill today that will allow the peo-

ple of the CNMI to decide whether they will abide by all of the laws of the United States or whether they chose to seek independence.

Reports of abuses in the CNMI are not new. Reports surfaced as long as 13 years ago. In response, Congress directed the establishment of a joint program with the CNMI to respond to this widening range of abuses. After 3 years, these agencies investigating these abuses report the negative trends worsening. They report:

Chinese garment and construction workers sign shadow contracts with a government recruitment agency before leaving China for employment in the CNMI. These contracts restrict their civil rights and threaten to return them to China if workers make labor complaints while in the CNMI.

Wages for domestic maids average \$0.64 an hour for an average work week of 72 hours. The domestic service sector averages the highest percentage of labor complaints out of all sectors.

Many businesses in the CNMI are not subject to the Fair Labor Standards Act, resulting in their failing to pay the employees, going bankrupt and eventually going into another line of business under a different name.

The CNMI does not require visas for investors. A business entry permit allows foreign businessmen to enter the CNMI with \$50,000 to set up a business. There is no evidence that the CNMI verifies or authenticates the amount, nature, or source of the claimed investment.

Reports have found an appearance of a large number of underage dancers and other underage workers in the CNMI. Many of these persons are alleged to be engaged in prostitution. CNMI lacks the resources to determine the authenticity of birth certificates and other documents and therefore in many cases simply admits these persons on the basis of approved work permits. In addition, many of these nonresident alien victims fail to report their cases to authorities because of fear of retaliations or loss of employment.

The INS reports the CNMI has had limited success in improving immigration control, including adjudications, examinations, inspection, and investigations. CNMI immigration worksite enforcement is nonexistent.

The CNMI can ship duty-free goods to the United States under General Note 3(a)(iv) of the Harmonized Tariff Schedule, which provides duty-free entry to qualifying products of the CNMI and other U.S. insular possession. The duty-free and quota-free preferences coupled with the CNMI's local control of its immigration policy and its minimum wage rate, have created a loophole that enables foreign interests to establish apparel production facilities in the CNMI with unlimited access to the U.S. market, thereby giving the CNMI garment industry advantages that are not enjoyed in the US market.

The CNMI has flooded the islands with low-cost foreign labor, resulting in a huge population increase and high unemployment among native U.S. Citizens. As a result, many indigenous people are living at the poverty level or below.

These abuses are happening in our own backyard. Because of that, we cannot look the other way and allow them to continue when they are occurring in the U.S. jurisdiction.

The covenant agreement adopted by Congress and the CNMI gave local control of immigration and the minimum wage to the Commonwealth. In establishing the covenant, the residents of the CNMI expressed concern that Federal immigration laws would permit excessive immigration to the islands from neighboring countries thus overwhelming the local culture and community. Isn't it ironic that these policies have produced the opposite result. U.S. citizens are now a minority of the population. Temporary alien workers now comprise 60 percent of the total labor force and 90 percent of the private sector labor force.

In response to calls that the CNMI be subject to U.S. immigration and wage laws, the Governor and various local leaders spoke out stating they would prefer independence than to fall under our laws. My response to the Government and other local leaders is this: OK. Lets bring this issue to the citizens who live in the CNMI. Lets ask the people: Shall the CNMI be governed under U.S. immigration and wage laws or shall the CNMI seek independence.

The days of status quo have come and gone. We now must take responsibility for the abuses occurring and take measures to remedy them. If the CNMI does not agree, they are free to choose self-determination. However, if they are to remain as a part of the United States then they must adhere to all of our laws.

GOOD NEWS FOR THE AMERICAN PEOPLE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 60 minutes as the designee of the majority leader.

Mr. NEUMANN. I rise tonight to bring some good news to the American people.

I spent some time in my district on Thursday and Friday, and I had a chance to talk with lots of folks and it occurred to me as I was talking with the people back home that the concepts of the tax cut bill actually being signed into law and the amount of taxes that people are going to pay next year having actually gone down is something that the folks back home did not understand very well yet.

So I thought I would start this evening with a little bit of discussion of some good news for the American people, for people that are working and paying taxes into this Government. Taxes are going down and it is good news. It is the first time in 16 years it has happened. It has happened at the same time that we have actually balanced the budget for the first time since 1969.

□ 2030

I thought what I would do to start this evening is just talk through those tax cuts a little bit, because there is something in the tax cut package that affects virtually every American cit-

izen that is working and paying taxes today.

I thought I would start with the one that is going to affect the most families. In Wisconsin, the \$400 per child tax cut affects 550,000 Wisconsin families. In all of our families back home in Wisconsin that have children under the age of 17, next year, for 1998, they should figure out how much taxes they would have owed to the U.S. Government, or to Washington, and subtract \$400 off the bottom line for each one of those children.

Let me say that again, so it is crystal clear exactly what this \$400 per child tax cut means. If there are children in the home under the age of 17, the family would go through and figure out how much taxes they would have owed to the U.S. Government, to Washington, and they will then simply subtract \$400 per child off the bottom line.

For a family with three kids under the age of 17, for a family of five, like our family used to be, our kids are older now, but like our family used to be, if you have three kids under the age of 17, that family could subtract \$1,200 off the amount of taxes that they would have owed to the U.S. Government.

Let me put this another way. For that family of five with three kids at home, they should in January of next year go into their place of employment and reduce their withholding taxes, reduce the amount of money that their employer is sending to Washington each month, by \$100, because, you see, that \$1,200 for the 3 kids divided up over the 12 months is \$100 a month.

Again, this bill is signed into law; this is not political rhetoric or promises. I cannot count how many people in Wisconsin said to me, "I will believe it when I see it." It is done; it is signed into law. That family of five, in January of next year, should keep \$100 more a month in their own home instead of sending it out here to Washington, DC.

A lot of folks say, "What about education? There are other things that you need to be doing in Washington with that money that you are letting these families keep." Let me first say that I think that these families in Wisconsin, all 550,000 of them, can do a much better job spending their own money than they could if that money was sent out here to Washington for Washington to decide how to spend it.

But second, on the education front, I think it is very important to know what was in the tax cut provisions to help with education, because the amount of money that is to be provided for freshmen and sophomores in college is a phenomenal amount in terms of many of the people going especially to places like the technical college like MATC in Milwaukee, WI, or Gateway Tech in Kenosha, WI, between Kenosha and Racine, or Blackhawk Tech out in Jamesville, WI.

For a freshman or sophomore in college, they keep the first thousand dollars of their college cost. That is to say, the first thousand dollars they spend on college tuition, room, board, and books, the whole shooting match; the first thousand dollars is fully refundable; and the second thousand dollars is 50 percent refundable.

So let me translate that into English. If the listeners or if our colleagues have a freshman or sophomore in college, and the normal freshman or sophomore is paying more than \$2,000 a year in room, board, and tuition, you should figure out how much you owe the Federal Government in taxes and subtract \$1,500 off the bottom line, and that money is designed to help pay for the college education. So for freshmen and sophomores in college, the tax cut package provides a college tuition credit of \$1,500 a year.

For juniors and seniors, it is 20 percent of the first \$5,000. So for most juniors and seniors in college, they should keep a thousand dollars more of their own money to help pay that college tuition. This is a lot of money for a lot of families.

A family in Wisconsin with a freshman in college, two kids still at home, again, I am back to that family of five, there are so many of these families out there in Wisconsin and all across America, for a family of five with a freshman in college and two kids still at home, they keep \$1,500 extra because of the freshman in college, the college tuition credit, and they keep \$400 for each one of the two kids at home, or \$2,300 more of their own money.

And make no mistake about this. This is not like Washington reaching into the pockets of taxpayers, bringing the money out here to Washington, and then Washington making a decision about who should get this money back. It is very different than that. This is the families out there who get up every morning and go to work for a living, they work very hard, but instead of sending that money out here to Washington, they simply keep that money in their own home. That is how a tax cut should be.

So if you have got a freshman or sophomore in college and a couple of kids still at home, we are talking roughly \$200 a month more in the take-home paycheck than it would have been if this tax bill had not been signed.

Again, I want to emphasize, the tax bill is signed into law. The ink is dry. This is not political rhetoric or political promises. This bill has been signed into law, and it is good news for families all across America.

The tax cut package did not end there; the tax cut package went on. The tax cut package also reduced the capital gains tax from 28 percent down to 20 percent, and then it goes to 18 in the year 2000. So capital gains have

been cut. If you are in the lower-income bracket but you bought stocks or bonds or whatever and they have appreciated in value, in the lower-income bracket, the tax on capital gains has dropped from 15 percent down to 10 percent.

So for the folks who have made investments in order to prepare to take care of themselves in their own retirement and to take care of themselves as they prepare to retire, the capital gains, the amount of money that they will send to the Federal Government, has been decreased from 28 percent down to 20 percent.

It did not stop there either. I have some folks say, "Well, you haven't talked to me yet, Mark. There are others of us out here." I had a young couple, for example, where both spouses were working but one spouse had returned to college on at least a halftime basis. She did not go into exact details, but with both of them working, of course, they had a significant tax burden to the Federal Government. She said, "Well, Mark, my parents are no longer paying my bills. I am going back to college. This does not help me."

Well, in fact, in this case, where we have got a husband and wife working, there are provisions in the tax bill that would directly impact them, because the money that was going to pay for her college tuition would be reimbursed to them or subtracted off the bottom line of the taxes they were due.

But there is another area that this young couple is very eligible for under this provision. It is called the Roth IRA. The Roth IRA is different from the old-fashioned IRA. The old-fashioned IRA, you put \$2,000 in per person and write it off your taxes this year. Under the Roth IRA, you put \$2,000 in but you do not get to write it off on your taxes this year.

That may not sound like a good deal this year. But the difference is, when you take this money out in retirement, all of the interest, all of the accumulated value of this IRA, all of the money that is accumulated because of the interest or earnings on it, you get that money tax free.

And for that young couple that was there at this meeting on Friday that I was at back home in my district, that young couple can put money into the Roth IRA, let it accumulate, and then take out up to \$10,000 to help that couple buy their first home.

So you see, that young couple with one in college and the other one working, both working but one in college on a part-time basis, they benefit from the college tuition tax credit as well as from the Roth IRA that allows them an opportunity to save up and buy their first home.

The Roth IRA, of course, can be used by many people in their thirties and forties and fifties who are saving up to

take care of themselves in retirement as well. It is another major change in the tax code.

One other one that I want to bring to attention that is very important: For anyone out there who owns their own home, in the past they had this one-time exclusion at age 55, so that people had to wait until age 55 to sell their home and then they could sell it one time. Well, that is just plain gone; it is not there anymore. If you have lived in your home for 2 years, and you sell your home, and it has been your personal residence now for 2 years, there is no tax due to the Federal Government. Under this new tax code, if you sell your home and it has been your principal residence for 2 years or longer, there is no tax due to the Federal Government.

I get through telling a lot of folks about these tax cuts and how they impact so many people. I should talk on seniors, too. Seventy-four percent of the seniors in Wisconsin own their own home. Many of the seniors took the one-time exclusion at age 55 and then bought another house and are ready to sell it again. And of course the new house has appreciated in value 8 to 10 years later. So this tax cut as far as the home sale is certainly very significant to seniors.

For seniors, also in this package, Medicare has been restored. So they do not have to worry about Medicare going bankrupt, as it was back 2 years ago, 3 years ago. It has been restored for at least a decade for our senior citizens.

I get done telling our folks back home about these tax cuts, and especially the families, like one at college and two still at home, that see they get to keep \$2,300 more of their own money, and they go, "It is a lot of money. It is a lot of money, Mark. Does that mean that we are going to destroy the Nation? Does that mean we are going to pass this huge burden of debt on to our children, we are going to start deficit spending again? Does that mean we are going to wreck America to do this?" The answer to that question is "No."

I would like to now devote some of our time here this evening to a discussion about why the answer to that question is "No" and what has changed out here in Washington to get us to a point where that answer is "No."

Before I go in that direction, however, I see my good friend, the gentleman from California (Mr. Hunter), has joined us.

Mr. Speaker, I yield to the gentleman from California (Mr. Hunter).

Mr. HUNTER. Mr. Speaker, I appreciate the gentleman from Wisconsin (Mr. Neumann) yielding to me.

I intended to do a 5-minute special order a little later on on the U.S. Marine Corps and the commandant, Chuck Krulak, one of our great commandants.

But I am very interested in the expertise of the gentleman from Wisconsin (Mr. Neumann) in this area.

I think that particularly the homeowners' or home sellers' exclusion from taxation that the gentleman from Wisconsin (Mr. Neumann) talked about is a real release and a relief for literally hundreds of thousands of homeowners in this country, because over the years they have traded up as inflation increased, especially in areas like California and, I am sure, the home State of the gentleman from Wisconsin (Mr. Neumann) too; and they are now at the point where, if they sell that home, they have a very low basis and they are going to pay massive taxes.

And now this \$500 exclusion, up to \$500 exclusion, has come in the nick of time. They can use that money for their kids' education and, incidentally, for buying houses for their children. And most children today need some help from their parents to buy a house.

Mr. NEUMANN. Mr. Speaker, reclaiming my time, in Wisconsin that top-end number is not totally relevant in most cases because most of our homes are under that price.

And as a home builder, I worked with a lot of folks that were transferring from Wisconsin, and I am sure some of our people came to California, too. I have to sell our State and say how good the business climate is there under our Governor Tommy Thompson.

But we have a lot of people transferring in from a higher-priced home area, such as California, to a lower-priced area, such as Wisconsin. And, of course, those folks are the ones that sold their homes in California for lots more money and came to Wisconsin and bought a less expensive home, and in the past, they would have owed a substantial amount of money to the Federal Government in capital gains tax. That is gone. They would no longer owe that money.

Is this not what America is about? It is not just about the money, it is about the idea of people having the freedom to take that job promotion to provide a better life for themselves and their family. It is about the opportunity to live the American dream in our Nation again and the tax policies freeing up people to do what they see as opportunities to provide this better life for themselves and their family. That is what this is about.

Mr. HUNTER. If the gentleman from Wisconsin (Mr. Neumann) would continue to yield, I think he is absolutely right. I thank him for yielding.

Mr. NEUMANN. I turn our attention now to the question that I get asked quite regularly after I get done talking about the tax cuts, and they are very concerned that we are not destroying this Nation to do it.

I start tonight by talking about how we got into the situation we are in today where we have a \$5.3 trillion debt

staring us in the face. This chart I brought with me shows the growth of the debt and how from 1960 to 1980 it did not really grow very much, but from 1980 forward, it has grown a lot. The chart ends in 1995. And we can see how fast the debt climbed in particular from the late seventies and the early eighties on through the year 1995. It has led us to a point where we are \$5.3 trillion in debt.

By the way, a lot of people look at this and say, well, if I am a Democrat, I go, 1980, that is Ronald Reagan; it must be Reagan's fault. If I am a Republican, I go, the Democrats controlled Congress during all those years and they spent out of control, so it is the Democrats' fault.

The facts of the matter are that it is an American problem. It is time we put our partisanship aside and figure out how to solve the problem for the good of the future of this great Nation that we live in. It is a very real problem, and I think it is clear from looking at this picture that this problem cannot be allowed to continue.

This picture is the reason I left the private sector, a very good job in a very good business, providing job opportunities for people as a home-builder. I left the profession and ran for office because I knew this would bring us down as a Nation if we did not do something about it.

I brought a board along that shows the number, because a lot of folks have never seen how big this number is. We are currently \$5.3 trillion in debt as a Nation. This next line shows, if we divide that debt up amongst all the people so everybody pays just their share of the debt, \$5.3 trillion divided by the people in the country is \$20,000 for every man, woman, and child in America.

Let me say that another way. This Government, the people that have been here in Washington since 1980, saw fit to spend \$20,000 more than they collected in taxes for virtually every single American man, woman, and child in the whole country.

For a family of five, like mine, this Nation has borrowed on our behalf \$100,000. We are in debt \$20,000 for every man, woman, and child in America and \$100,000 for a family of five like mine. And the real problem with that is, this is a real debt; interest is being paid on it.

A family of five, like mine, this year will pay \$580 a month, every month, to do nothing but pay the interest on that Federal debt. As a matter of fact, one dollar out of every six that the Federal Government spends, i.e., one dollar out of every six that they collect out of your pocket in taxes, one dollar out of every six does nothing but pay the interest on this Federal debt.

It is not just income taxes where they are paying that \$580 a month. If you do something as simple as walk

into the store and buy a loaf of bread, the store owner makes a small profit on that loaf of bread; and, of course, when the store owner makes a small profit, part of that profit is taxed, and it gets sent out here to Washington to pay interest on that Federal debt. This is a very, very serious problem that must be addressed in this Nation.

How did we get here? Well, each and every year since 1969, this Government has overdrawn its checkbook. It is not a lot different from your checkbook or any other family in America when they will do their bills and figure out their checkbooks each month. The Government takes in a certain amount of money and writes out checks. When they write out checks for more money than they have in their checkbook, what they do is borrow the money. And, of course, that adds to the debt each and every year.

Since 1969, we have not had one single year where the Federal Government did not spend more money than it had in its checkbook. That is a pretty staggering statement. Since 1969, we have not had one single year where Washington did not spend more money than it had in its checkbook.

If that were our home or any home of any of the families across America, the banks would certainly have foreclosed and stopped the checking account before now.

□ 2045

But in Washington, they have just kept borrowing and borrowing and borrowing, and that is what has led us to the \$5.3 trillion debt.

I think it is very significant to talk about what happened during the 1980s and the 1990s that led us to this position, and before 1995 what happened to get us into this mess. Well, time and time again, Washington laid into place a plan to balance the Federal budget, and how many times did the American people hear that phrase, balance the Federal budget.

The Gramm-Rudman-Hollings bill of 1995, and I have the 1997 one up here, this blue line shows what they promised the American people. They promised they would get to a balanced budget by 1993. The red line shows what they actually did. When they promised the people they were going to have a balanced budget and did this, the American people became critical of Washington, and it is very understandable, that criticism that was leveled against Washington, because they promised one thing and did something different entirely, and that is why.

That is what led up to the change in Congress in 1994. That is what brought the American people to change control of the House of Representatives and change control of the Senate. I mean in all fairness, what they did is turn the House of Representatives from Democrat control into Republican control,

and they changed the Senate into Republican control, and in all fairness, they left a Democrat President in this mix. So what the American people saw fit to do was say, we have rejected this idea, we have rejected this group of people that have promised us repeatedly to get to a balanced budget but did something different every time.

So we got to 1993 and we were looking at this picture where, in fact, they had not met their promise and the budget was not balanced. So Washington made a decision about what to do. It is very different than 1997. In 1993, when they looked at this picture and saw that they wanted to balance the budget, they raised taxes. They concluded that they could not control Washington spending, so the only alternative, if they were serious about getting to a balanced budget, was to raise taxes.

So they raised the Social Security taxes on senior citizens. They raised the gasoline tax by 4.3 cents a gallon, but they did not spend the money for extra roads or infrastructure or to provide a better mechanism to get product from one place of production to the marketplace; they raised it by 4.3 cents a gallon and did not spend the money on building roads. On top of that, they tacked on another 2.5 percent that would have expired, and that money is not actually getting spent to build roads either.

Social Security taxes went up, marginal tax rates went up. I think we are getting a pretty clear picture here. We have broken promises because Washington could not curtail its spending, and we have raised taxes as the logical solution, they concluded back in 1993, as the right way to get to a balanced budget.

The American people in 1994 said, wrong, that is not what we want. We do not want these broken promises and we do not want tax increases; we want Washington to control its spending appetite. And they elected a new group to Congress. In 1995 we laid out a plan and we promised the American people again that we were going to balance the budget, and the American people were skeptical, to say the least. But our plan is this blue line. This is the deficit stream that we promised to the American people.

We are now in the third year of this 7-year plan to balance the Federal budget, and I think the American people should be asking, how are they doing? They are 3 years in. Do they warrant our consideration to allow them to stay, or should we throw them out and get a new group in there too?

We are in the third year to balance the Federal budget. We are not only on track to balancing the Federal budget, but we are so far ahead of schedule from what we promised that we will probably have our first balanced budget in fiscal year 1998, 4 years ahead of what was promised.

This picture down here, on track, ahead of schedule, fulfilling the promises made to the American people, is very different than this picture up here. I would add that in the face of this picture, in the face of Washington finally curtailing the growth of Washington spending so that we can actually stay on track and get to a balanced budget sooner, not later, sooner than promised, we have also laid this tax cut package that I was explaining earlier in the hour on the table. So we are not only reducing taxes, we are reaching a balanced budget ahead of schedule.

So the answer to the constituents' question when they ask me, are we wrecking America by cutting taxes, the answer is definitively no. If Washington just curtails the growth of spending, we reach a point where we can both balance the budget and reduce taxes at the same time, and when we say reduce taxes, it is very simple. That means let the people keep more of their own money instead of giving it out here to Washington. That means we understand that the people can do a better job spending their money than the people out here in Washington.

I have another way to show this same thing and it is a similar statement here, but it is another way to look at it, to understand how it is that we have been able to both balance the budget and cut taxes at the same time. This red line shows how fast spending was growing before 1995, before the American people put a new group in control of the House of Representatives. In 1995, this red line started going up a little slower. The spending growth of Washington started going up at a slower rate. It is still going up, and to all our constituents that are concerned that Medicare, Medicaid or some of those important programs are going away, well no, spending is as a matter of fact still going up faster than some of us would like to see.

At the same time, the blue line kept going up as fast or faster. So when spending started going up at a slower rate and revenue started going up at a faster rate, it is easy to see that we are going to start running a surplus in the near term. Again, the good news is we will have the first tax cut in 16 years, we have the first balanced budget since 1969, and Medicare has been restored for our senior citizens.

There is another important chart to take a look at here, because it really emphasizes how different things are. I had a lot of my constituents say, well, you know, Mark, you guys are actually lucky. The economy is doing so good that you all are going to look good no matter what you do out there.

While there are a couple of things to think about in response to that. First, the economy has done good between 1969 and today and it has never led to a balanced budget. Every time the

economy has performed well in the past, Washington saw the extra revenues coming in and acted very quickly to spend the extra revenues on every program they could think of.

This Congress has acted very differently. In the face of a very strong economy, we curtailed the growth in spending. This chart shows how fast spending was going up before we got here, 5.2 percent annual growth rate. This shows how fast it is going up under the new House of Representatives, under Republican control, and it is important to note that at the same time the economy has been very strong, the growth of Washington spending has been curtailed.

This chart is important for another reason. A lot of folks say, well, Mark, when you are curtailing or cutting Washington spending and they call it cuts, it is important to note that Washington spending is still going up. Again, I emphasize, too fast for some of our likings, myself included. But Washington spending is still going up, but it is going up at a much slower rate than it was before.

When Washington spending growth is curtailed, that means Washington spends less money. If Washington spends less money, that means they borrow less money, they overdraw their checkbook by less. When they borrow less money out of the private sector, that leaves more money available in the private sector, and from here it gets pretty easy. More money available in the private sector means the interest rates will stay down.

With the interest rates down, of course people buy more houses and cars and they have a better chance of living the American dream. And when they buy more houses and cars, I get excited when I talk about this part, when they buy more houses and cars, of course that means that there will be job opportunities for our kids, because somebody has to build those houses and cars, and that means that my kids can have the hope and dream of living the American dream right here in our Nation. They will not have to go to a Pacific Rim country, China, or someplace else to live the American dream.

When we see this sort of thing happening, Washington borrows less money, more money available in the private sector means lower interest rates, people again have the chance of living the American dream. When they buy those houses and cars, that is job opportunities, and that is what is going to keep our kids right here home in America where they belong.

This chart, I cannot emphasize the significance and importance of understanding that we have two things going on out here at the same time that has allowed us to get to our first balanced budget since 1969 and lower taxes at the same time. The strong economy, coupled with curtailing the growth of

Washington spending, has led us to this point, and it is a very nice spot to be at.

The next question I typically hear at my town hall meetings is, who gets credit for all of this stuff? The first answer to that question is very straightforward. I learned in Washington that there is absolutely no end to what we can accomplish if we are willing to give the credit for doing it to someone else.

So my first answer to our constituents is I do not care who gets the credit. This is so good for America, it does not matter who gets the credit. It is the right thing for our country. A balanced budget, lower taxes, Medicare restored, those are the right things, so it does not matter who gets credit.

I also brought documentation here as to what was going on when we came here in 1995 and what would have happened if we had come and played golf, tennis, basketball and did not do our jobs. On this chart we can see where the deficit was heading when we got here in 1995. This red line shows what the deficit would be as we move toward the year 2002. Had we done nothing, this is what would have happened. The yellow line shows what would have happened after our first 12 months.

In the first 12 months we made progress, and again, I think it is important to remember those first 12 months. That was the 100 days, that was the Contract With America where we did all kinds of things in the first day, and those 100 days were many, many hours out here, lots of disagreement from side to side as to what should be done. But what it did do is it brought this projected deficit line down to this yellow line.

Well, we boldly laid the green line into place and we boldly promised the American people that even though we were looking at this picture, we were going to make this happen. I am happy to report that when we got done with it, we are now 3 years into the plan, and we not only achieved our target, the green line, but we are far ahead of schedule from what was promised.

Again, when we understand all of these pieces of pie put together, curtailing the growth of Washington spending, more money available in the private sector which keeps the interest rates down, people buy more houses and cars, that is more job opportunities so they leave the welfare rolls, when we see all of these pieces fitting together, it is pretty clear how we can be here talking about the first balanced budget since 1969, in addition to the first tax cut, and Medicare being restored.

I have one more thing that I think is important to talk about, because I have talked about the past and the present. I talked about how it was before 1995 with broken promises and tax increases, and how it is now in the third year of a 7-year plan to balance

the budget where we are on track and ahead of schedule, and we are also providing the first tax cut in 16 years and Medicare reformed. I think the logical question is, what next? Where do we go from here and what kind of problems do we still have facing America?

Well, first, even after we get to a balanced budget, we still have a \$5.3 trillion debt staring us in the face. I can see in the gallery above me here this evening some young people. If we do not do anything about that \$5.3 trillion debt, it would be like the parents that are sitting up there simply passing this debt on to their children. So the first thing we need to think about after we get to a balanced budget is get on a payment plan so we repay that \$5.3 trillion debt.

We have drafted legislation in our office that is called the National Debt Repayment Act, that effectively puts us on a home mortgage repayment plan. It is not a lot different than the people who used to build homes with us and when they got the home done, went to the bank, borrowed the money and put it on a 30-year repayment plan. That is effectively what we have done.

It goes like this: After the budget is balanced, we cap the growth of Washington spending at a rate at least 1 percent below the rate of revenue growth. I have a picture here that shows what happens. If the red line, the spending line is going up at a slower rate than the blue line; again, if the revenue line, the blue line, is going up faster than the red line, the spending line, that creates a surplus, it creates a little gap between those two lines, it creates a surplus.

Here is what our bill does. It says, recognizing that simply by controlling Washington spending growth, we can create this surplus, we are going to take two-thirds of the surplus and make a house payment. We are going to make that payment on the \$5.3 trillion debt. So we are going to start making mortgage payments on this debt that has been run up over the last 15 to 20 years.

If this plan is followed, two-thirds of the money, two-thirds of this surplus will literally repay the entire Federal debt by the year 2026.

It does something else that is very important as well. When we are repaying the debt, we are putting the money back into the Social Security Trust Fund that has been taken out over the last 15 years. It is important to understand that Social Security today is taking more money out of paychecks of people than what it is giving back out to our senior citizens in benefits. That extra money that is coming in is supposed to be set aside in a savings account so that when the baby boom generation gets to retirement, there is enough money there that they can go to the savings account, get the money and make good on the Social Security

promises. It should come as no surprise so anyone that has followed Washington that the money that has come in for Social Security, that is supposed to be in the savings account, is not there. It has been spent on all kinds of Washington programs, and the Social Security Trust Fund is now all part of the \$5.3 trillion debt.

The National Debt Repayment Act repays the entire Federal debt. So when we are repaying the Federal debt, we are putting the money back into the Social Security Trust Fund. So the National Debt Repayment Act restores the Social Security Trust Fund for our senior citizens.

The other third of the surplus, two-thirds is going to make these payments on the national debt, the other one-third is being used to reduce taxes each year for our working families in America. So the good news is we look to the future with the National Debt Repayment Act, our seniors can rest assured that their Social Security will be safe because the National Debt Repayment Act puts the money back in that has been taken out of the Social Security Trust Fund.

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Our children can be assured that the entire Federal debt would be repaid. Think of this legacy. We could pass this Nation on to our children absolutely debt-free. For people in the work force today, they can count on additional tax cuts.

Lord only knows I have heard enough different ideas of which taxes to cut next. My personal preference is that we eliminate the marriage tax penalty, and maybe have some across-the-board tax cuts beyond that. But the good news is, think of the wonderful fight we are about to have: which taxes should we reduce, and how far down should we take those taxes, and how different that fight is from 1993 when the debate was, which taxes shall we raise and how high we should raise them. This is a good debate to have.

To all the folks upset about any portion of the tax cut plan because it should have been a different way, I would simply remind us how different this fight is from 1993, where how high we should raise taxes and which one was the debate, as opposed to 1997, where we are having this debate about which taxes to cut.

So the National Debt Repayment Act provides surpluses as we go forward. Use two-thirds of those surpluses to make a mortgage type payment on the Federal debt. The other one-third goes to tax cuts. If enacted, it guarantees our children a debt-free Nation, a legacy of a debt-free country. Our senior citizens' Social Security would be restored, and the people in the work force today can look forward to additional tax cuts as we move forward. Not a bad plan for 3 years into this new Congress.

We have gone away from the broken promises of the past and the raising taxes to the first balanced budget since 1969 and the first tax cut in 16 years, and we are now moving forward to the next step, which is repaying the Federal debt. We can look forward to passing this Nation on to our children debt-free.

I yield to the gentleman from Indiana [Mr. SOUDER].

Mr. SOUDER. Mr. Speaker, I want to congratulate my friend, the gentleman from Wisconsin, for his leadership on the budget and tax issues. Because underneath what he is saying, and I have heard him, as I have watched back in my office, allude to this several times, that a lot of this is basically a matter of trust. That is, who do we trust most with our incomes? Do we trust the people in Washington, or do we trust the families, the parents, the individuals around the country to make the decisions for their kids' future education, for their kids' health, for their family decisions on whether they are going to take a vacation with their family or whether they are going to get a certain kind of winter coat or whether they are going to bank it. Rather than have the people in Washington make these decisions, we need the people back home in Indiana and in Wisconsin and in other States to do that. That is in fact what we are doing.

If we do not get control of this deficit that has been mounting up, particularly as it relates to things like the Social Security trust fund, which, if we repay that in the debt repayment plan, well, if we do not do that, not only will we not have short-term balanced budgets, we will not have the income in our families to make those decisions, but we will absolutely bankrupt this country as the baby-boomers, your and my generation, hit the retirement system, which we have paid into all of our lives, but all of a sudden there will not be any money there.

So sometimes what we have to do is plan for the future, in addition to the present. The gentleman is going one step beyond where the current bill goes and saying, hey, look, we have to think out where we are headed, or our kids will be saddled with a double whammy; that is, no reserve, Federal reserve, to pay for our retirement, and having to pay huge taxes and interest rates, because the debt has accumulated.

Mr. NEUMANN. Reclaiming my time, Mr. Speaker, is it not exciting to be standing here having this conversation? We came in together in 1995. Does the gentleman remember what it was like when we first sat in a hotel not far from here as we were going through our original process, and we were committed to getting to a balanced budget? The best hope was 2002.

We talked about, could not our class be the one that would bring it up; instead of 2002, why do we not do it by

2000, or maybe even sooner? And it was just beyond imagination in this city that we could possibly get a balanced budget before the year 2002. And to do tax cuts and the balanced budget at the same time, it was almost like unheard of.

And the idea of actually curtailing and controlling the growth of Washington spending, bringing that growth rate down by 40 percent in 2 years, it is phenomenal what has happened out here in 2½ or 3 short years. It is just exciting to be able to stand here and talk about good things. When I was elected to office I never thought I would go home and say something good has happened in Washington, because so many bad things had happened out here as we watched the broken promises, the tax increases and more government regulation, and it just seemed like it was going to be more and more and more Washington and less and less control of our lives and our families back home in Wisconsin. That is what brought me into this in the first place.

It is really exciting to be out here and have the opportunity to talk about these families, the family with two kids at home and one off at college that keeps \$2,300 of their own money, instead of sending it out here. That is just exciting to be able to talk about.

Mr. SOUDER. If the gentleman will continue to yield, Mr. Speaker, I have some points I hope to talk about later tonight, where I am concerned as we get near the end of the appropriations process that the Federal Government is taking too much control.

What the gentleman has pointed out and what we have to keep in perspective is the difference between where we were in 1993 and 1994 and what we are debating about today.

I have a grave concern about the guesstimating in the census, and trying to gain power through that and through bringing in illegal immigrants into our voting system without background checks. I have grave concerns about national testing. I have grave concerns about the desire to allow family planning money to be used for abortions throughout this world. Those are grave concerns.

But we made an earth-shaking change in the election of 1994, when the gentleman and I came in. That is, what we were so upset about in 1993 and 1994 is it seemed that in every category of American life the Federal Government was in an aggressive, expansive mode; that we had this tremendous pressure on the health care system, the greatest health care system in the world. We had the Labor Department going after small businesses and mid-sized businesses and large businesses, saying they were going to turn OSHA into an enforcement agency, when what we were hearing at the grass roots is that they were not concerned about the health and safety of individuals, but

rather, in harassment of job-producing industries.

We saw in every category gun owners being restricted and being gone after by the Federal Government. We saw a collapse in a lot of the moral leadership of our country and, in particular, the type of laws that were protecting unborn children and others. We saw a major tax increase, the largest tax increase in the United States history. We saw proposal after proposal that would have expanded the Federal Government's role in every single appropriations bill in every single category of this country.

Now, after the 1994 election, the whole debate has been turned. We are still arguing over different points, important points. But the big questions, was the deficit going to continue to spiral upward or was it going to head down, were we going to give more money to individuals or take more money from individuals, and we now are moving towards a balanced budget this year; an amazing, amazingly low deficit this past weekend, and maybe \$23 billion for the fiscal year. We are looking at—

Mr. NEUMANN. Just a second on that point, Mr. Speaker. It will not be long and CBO will be in our court, and they will actually admit that the budget is going to be balanced next year, in fiscal year 1998, for the first time in 30 years. They are slowly coming around to the numbers that the gentleman and I have been working on and putting out regularly over the last 3 months that do demonstrate we are going to hit this balanced budget 4 years ahead of schedule.

Mr. SOUDER. An extraordinary achievement for our children and our families, because our interest rates are staying low, our unemployment rate is staying low. We are not only able to absorb all of the immigrants who are coming into this country, but we have in parts of my district at least 2 percent under what was considered full employment. We are at 2 percent in some of the counties of my district on an unemployment rate.

The consequences of this control of the deficit are huge in terms of interest rates and keeping the employment rates up and the unemployment rate down. But the tax cuts are important, because it will give the maximum flexibility to the individuals. Those of us who are concerned about the growth of the power of government, the best thing we can do is give \$500 per child to each family for each child, because what that will do is let parents make the decisions they need to make for their children.

By giving the capital gains changes, people can invest in their homes, and senior citizens can sell off their homes for their retirement income. By having education IRAs, by having family farms be able to be preserved in the

families and small businesses be able to be preserved in the families, those are huge steps toward social stability in this country, and toward the moral fabric and restrengthening in this country.

We are going to argue about these other issues, important issues, but we have to keep in mind that in the big picture we have made tremendous strides in changing the entire national debate to how do we give more power to families and individuals, how do we give more power to States, how do we reduce the size of the spending and the deficit in Washington.

Mr. NEUMANN. I know the gentleman made the point on the tax cuts. A lot of times back home people do not understand how possibly could we cut a family's taxes by \$2,300, that family of 5 that I keep talking about, a freshman in college and two kids still at home; how could Washington possibly cut their taxes by \$2,300 in a year and not bankrupt the system.

What we forget in general is that Washington is collecting, through all the parts of society, Washington collects \$6,500 in taxes for every man, woman, and child in the United States of America. On average, if we take the total amount Washington collects and divide it by the people in the country, Washington is collecting on average \$6,500 per person for every man, woman and child in the whole country. So when we put the \$2,300 tax cut in that perspective, it becomes pretty clear how we have managed to do this and at the same time balance the budget.

Mr. SOUDER. If the gentleman will continue to yield, my understanding of the gentleman's math, there is a family with two children, they would be paying roughly \$24,000 a year in taxes, roughly \$26,000 a year, and that is an extraordinary figure. It is not that the government is actually starving. They have been starving out families. What we want to do is get more of those dollars back to those families, empower the families to make those decisions, and less out of Washington.

If I can add one other thing, those tax cuts deserve a ton of credit for the deficit reduction, because what it did by giving more dollars, and the stock market knowing that more dollars were going to be in individual hands, knowing that family businesses and capital gains and inheritance tax changes were coming, it kept the confidence of the consumers up, rather than having the confidence go down. Usually we have these cycles. It was to a large degree the combination of controlling our spending, but even more importantly, the tax cuts that have revived and kept this tremendous economic growth engine going.

So a lot of the reason that we have this deficit decline that we have is not just because of us controlling spending, but in fact, it is because tax cuts gave

the markets the confidence, gave the investors the confidence and the individuals the confidence to continue to employ people, to continue to build up inventories, to buy products. That has kept the economy going in a remarkable way.

Mr. NEUMANN. I just want to reemphasize, and the gentleman from Arizona has joined us, and I know the gentleman from California [Mr. HUNTER] would like time, but I want to reemphasize that working model of curtailing the growth of Washington spending that is so important in understanding what has happened out here.

Washington spending, before we got here, a 5.2 percent growth rate. After we got here, 3.2, a 40 percent slower growth in Washington spending. When Washington spending is less, that means Washington borrows less money out of the private sector.

This was a theory in 1995: if Washington borrowed less money there would be more money available that would keep the interest rates down, and with the interest rates down people would buy more houses and cars. Of course, that meant people had to build them. That is what has led to the full employment, is those job opportunities that come as people make decisions, the interest rates are down, they have the opportunity to achieve the American dream.

It is this curtailing of Washington spending, coupled with the strong economy, and they feed on each other, that has allowed this to happen. It was a theory in 1995. It is now a proven commodity. It works and it is being shown in the economy that we are in today.

I want to turn our attention to education. I see the gentleman from Arizona has joined me, and I am happy to yield to the gentleman from Arizona [Mr. SHADEGG].

Mr. SHADEGG. Mr. Speaker, I thank the gentleman for yielding.

I compliment both my friend, the gentleman from Wisconsin [Mr. NEUMANN] and the gentleman from Indiana [Mr. SOUDER] for bringing out and emphasizing for all of our listeners the importance of curtailing spending. That is indeed critically important, I think, for the future of this Nation, not just for the economic reasons, not just because the government spending is out of control, but also because I think we are discovering that government does not have all the answers.

When we give government too much in the way of resources, it just grows and grows and grows, and not all of what it does is good. As a matter of fact, as government gets bigger freedom gets smaller.

I did want to segue into the education issue. As I listen to you do the math computation, I think, indeed, if certain proposals before this Congress prevail, we could be the last Members of this Congress that can do basic mathematic calculations.

Last week this issue came up. We are in the midst of a fight over an issue called national testing. My colleague came to the floor last week and pointed out that in the midst of that debate, there is a great deal of misunderstanding. Many of my colleagues and friends back home in Arizona say to me, why is it Republicans are against national testing? Why is it you do not want to do the President's national testing idea?

I point out to them that there are grave dangers in the President's proposal, because if we do national testing as the President proposes with the Department of Education setting the tests, we are in serious jeopardy of dumbing down America and America's math skills.

For example, I want to point out an article that appeared in last week's Wall Street Journal by Lynne Cheney, in which she illustrates this point.

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She cites a gentleman by the name of Steven Leinwand who sits on the committee overseeing President Clinton's proposed national mathematics exam. In this column she writes that Mr. Leinwand believes that it is downright dangerous, downright dangerous, to teach students mathematical skills like 6 times 7 is 42.

Mr. NEUMANN. Mr. Speaker, reclaiming my time, I am a former math teacher, and I think it is downright dangerous to listen to that kind of advice from those kinds of experts.

Mr. SHADEGG. Well, it would be downright dangerous not to teach them 6 times 7 is 42. But Mr. Leinwand goes on, according to this article by Lynn Cheney, and says we should not teach students basic computational skills, addition, subtraction, multiplication, and division, because it will anoint the few who master those skills and cast out the many who do not.

This is a national expert who would be in charge of writing this test saying we should not teach children those skills. I was so shocked at his essay saying those things that I asked my staff to go get a copy of the essay, and it is right here. In fact, Mr. Leinwand says, "We should be beyond teaching children basic mathematics skills. That is, in fact, a bad idea."

Indeed, he is not alone on this effort. There is a National Association of Mathematics teachers who says specifically we should not teach children certain knowledge and skills such as whole number computation. And what is their reason? Because it will make them feel bad.

What does that have to do with national testing? Why would we not want national testing? The short and clear answer is, if we let people like Mr. Leinwand write a national test which tests kids on thinking or some other theory but does not find out if they can

add or subtract or multiply or divide, we are going to create a national disaster across this country.

Mr. Speaker, I know that time is short.

Mr. NEUMANN. Mr. Speaker, reclaiming my time briefly, I think the real question here is, who is going to control what we expect our children to know when they graduate from school? Is it going to be the people in Washington, this national test developer, or is it going to be the people in our communities? And I want to reflect on an experience in my background.

I was a math teacher, and in Milton, WI, I sometimes had people tell me that my students did not know what they were supposed to know when they graduated from high school. I found that personally offensive, because in my classroom we worked very hard to make sure they had these basic skills the gentleman is talking about.

So what we did in Milton, WI, is what I think we should be doing all across America. We developed a survey, and we sent it out to the people in Milton, WI, the parents, the teachers, the community. We sent the survey out to them and said: What do you expect our math students to know when they graduate from high school?

We got the results back and developed a curriculum and a test to make sure that our students knew what our parents and our teachers and our community wanted our kids to know. We found out that initially we were having 70 percent of our students fail the test. By 2 years later, we were performing in the 90 percent bracket, where our students were now virtually all graduating with the skills that the community expected.

Mr. Speaker, this is how it should be done. It should be done with the active involvement of the parents and the teachers and the community, not by some group in Washington deciding what is appropriate and what is not appropriate, because if we turn that authority over to them, we take the parents and the teachers and the community even further out of the education picture.

Mr. SHADEGG. Mr. Speaker, if the gentleman will continue to yield, I think the gentleman is exactly right. This is the whole question about who is going to write the test, who is going to decide what our children learn. Like the gentleman from Wisconsin, I trust the parents and the teachers and the administrators and, for that matter, the students in my own school a lot more than I trust bureaucrats in Washington.

Let me conclude on that point. This is an issue that is going to be resolved in Washington very soon. The Senate has staked out a position on the Labor-HHS bill which says, well, we will do national testing, but we will assure that it is a good test, not one that has

whole math in it, not one that refuses to test children on their computational skills; we will delegate the decision on writing the test to an organization called the National Assessment Governing Board.

Lynn Cheney wrote a subsequent article pointing out that that assumes that this National Assessment Governing Board will be immune from the pressures to test whole math or to test some other radical theory. The problem is not just who in Washington writes it; the problem is that it should not be written in Washington.

The test to test our children's skills ought to be written at least in our neighborhoods, in our schools by our school districts, by our school boards, and by our State departments of education, and not by national organizations who are so remote from those parents and those children.

I thank the gentleman for yielding the time.

Mr. NEUMANN. Mr. Speaker, I am happy to yield to the gentleman from Indiana [Mr. SOUDER].

Mr. SOUDER. Mr. Speaker, as a member of the Committee on Education and the Workforce, I first want to thank Chairman GOODLING for standing firm on this national testing as we come to the final weeks of battle. But I wanted to reiterate a couple of points about the danger of these national tests.

We heard about the math. It is unbelievable that somebody could oppose teaching 6 times 7, and particularly unbelievable that it could be a national leader. What is so amazing about math is that that would be a category you would think this would not happen.

Later, when Lynn Cheney wrote about history standards and some of the other national standards, we had a college art association conference warn faculty members not to teach women artists such as Mary Cassatt because she frequently painted the women and children and thus reinforced patriarchal thought.

We had a 1992 Smithsonian exhibit called "Etiquette of the Underclass" that advocated a view of the United States so class ridden that those born at the bottom could never hope to move up. One of the materials accompanying the Smithsonian exhibition said, "Upward mobility is one of our most cherished myths."

Mr. Speaker, we know that they have this problem with history standards, which is why it was thrown out. We have problems with art. We have problems with economics being national standards, because they politicize it. Now we have problems with math.

Mr. Speaker, I want to throw out one other thing. Bill Safire in a column this weekend said that, "The American tradition has been to entrust such decisions to local school boards run, not always well but usually democratically,

by involved parents and teachers in that community, with review by State authorities and with the Feds intervening only when States fail to protect a student's constitutional rights."

Last Thursday morning, a lady whose son attends Casa Roble High School in Sacramento, CA, gave me a test that was given her son in a technology class on August 29, 1997, supposedly after we got by this. This was not a national test. If this was a national test, we would be in deep trouble. This was a local test. However, it is a local test that spread to five States. But because it is a local test, we can fight it at the local level.

But this is why we fear national tests. It was trying to look at the students' values and things like: I donate to charities. I envy the way movie stars are recognized wherever they go. Things that make us wonder whether they are being too intrusive.

But, Mr. Speaker, I want to read some questions that strike fear in my heart.

Question Number 2: I will regularly take my children to church services.

Question Number 11: I have a close relationship with either my mother or my father.

Question 12: I have taught a Sunday School class or otherwise been active in my church.

Question 24: I believe in a God who answers prayers.

Question 34: I believe that tithing, giving one-tenth of one's earnings to the church, is one's duty to God.

Question 41: I pray to God about my problems.

Question 43: I like to spend holidays with my family.

Question 53: It is important that grace be said before meals.

Question 59: I care what my parents think about the things that I do.

Question 72: I read the Bible or other religious writings regularly.

Question 78: I love my parents.

Question 82: I believe that God created man in his own image.

Question 91: If I ask God for forgiveness, my sins are forgiven.

Question 95: I respect my father and mother.

What business do schools have intruding in the religious life of children and asking intruding questions about how students feel about their mother and father? It may have been well-intentioned, but this is scary. What if this stuff gets in the national tests? At least at the local level we can fight it.

Mr. Speaker, how dare this President propose taking over our children's lives through a national test when we have seen the pattern here? We have seen it in economics, we have seen it in math, we have seen it in history. At least at the local level, we have a fighting chance to change it. If these people nationalize this stuff, it is going to be a scary country to live in, because it is clear where they are headed and this type of stuff scares me to death.

Mr. NEUMANN. Mr. Speaker, reclaiming my time, is this not what this battle is about?

In 1993, they raised taxes so they could maintain all sorts of new Washington programs like Goals 2000, like national testing, like all kinds of things. They raised taxes so they could continue the growth of Washington spending, making Washington and the people here bigger and more powerful and more intrusive in our lives. Is that not what it was all about?

Now as we curtail the growth of Washington spending, as we slow this thing down, we are fighting to keep this sort of situation from developing, where again Washington steps in and takes the responsibility of parents and teachers and communities and Washington decides what is appropriate to be on this sort of national test and what is appropriate to ask our young people.

That is wrong. That is a responsibility of the parents and the teachers and the communities. That should not be Washington's responsibility. We see this fight in almost every time we turn a corner in this city. Whether it be education or anything else, it is every topic. They want more and more control of the lives of the people instead of letting the people have more and more control of their own lives.

We see that in the tax cut/tax increase debate as to, who is going to control the money that the people earn, Washington or the people? In education, who is going to control what our kids learn, Washington or the parents and the teachers and the school district?

Mr. SOUDER. Mr. Speaker, if the gentleman will yield, he is absolutely correct. The people of Wisconsin have an independent tradition and the people of Indiana have an independent tradition. And the Founding Fathers knew, although Indiana and Wisconsin were not in existence at the time, that we have inherited that belief that power corrupts and absolute power corrupts absolutely. We have a healthy skepticism of a concentration of power.

Our Founding Fathers knew that we needed a balance. We needed individuals with rights. We needed a Court, we needed a Congress, a President. We needed strong States. A lot of people believed that going to a Constitution as opposed to Articles of Confederation was consolidating too much power.

Back then, they did not think about departments of education and national tests. That was far from it. They were doing minimal Federal Government. Our Founding Fathers had it right. They were fearful that power concentrated, as it was in Europe, would lead to the type of tracking in the education systems, would lead to the type of monarchy dependency, that we would look to our capital city for all the solutions rather than inside our souls and inside our own families and look to government to fix the problems of the poor rather than sacrificing our

own time and money to reach out to those who are hurting.

Mr. Speaker, that is indeed what is happening in America. We need to stand up. And this budget deal and the tax cuts were an important first step. Now we have to follow through on some of the details, because we have the big picture right. We need to make sure that they do not back-door us as we go through the actual appropriations bills.

Mr. NEUMANN. Mr. Speaker, I thought I would conclude my hour this evening by wrapping up what we have been talking about. The discussion has been about more Washington and more Washington control of our lives versus less Washington and less Washington control of our lives, and the integrity of this Government in general.

We started with the past. We started with before 1995. We started with the broken promises of the Gramm-Rudman-Hollings bill, how they promised to get to a balanced budget but never got around to doing it; how in 1993 the way they decided to get to a balanced budget was to raise taxes on the people, and the people in 1994 said: Enough of that stuff; We do not want any more broken promises; We do not want any more tax increases. They elected a new group of people to the House of Representatives.

They elected Republicans to control the House and Republicans to control the Senate and left the Democrat President, in all fairness, to complete this picture.

But from 1995 to 1997, things have been very, very different. We, too, laid out a plan to balance the Federal budget, and we are in the third year of that 7-year plan. We are not only on track but we are going to have the first balanced budget in fiscal year 1998, the first time in 30 years we are going to actually have a balanced Federal budget; Washington is not going to spend more money than it takes in.

Mr. Speaker, how has this happened? It has been done not through tax increases like back in 1993 but at the same time we lower taxes. It has been done by curtailing the appetite of Washington spending.

It has been a battle; there is no question about it. Washington spending is still going up, but at a much slower rate than what it was going up before. It was going up almost twice as fast as inflation before 1995. By slowing that growth of Washington spending, we are at a point where we have both a balanced budget and lower taxes; first time since 1969 for the balanced budget, first time in 16 years that we have had a tax cut, and Medicare has been restored.

At the same time, we have to look forward to the future and ask ourselves what is coming next. The next in the picture is, we are going to put us on a plan to repay the entire Federal debt.

As we repay that \$5.3 trillion debt, that puts us in a position as a Nation where we can give to our children the legacy of a debt-free country.

At the same time we are repaying that debt, we are putting that money back into the Social Security Trust Fund that has been taken out over the last 15 to 20 years, so Social Security is once again solvent and secure for our senior citizens. This plan entails keeping one-third of our surpluses and dedicating it to additional tax cuts as we go forward.

Mr. Speaker, it is a very, very changed discussion in Washington, from past broken promises and higher taxes, to the present of promises kept on track and ahead of schedule in balancing the budget, lower taxes and a restored Medicare, and a future that includes paying off the Federal debt with additional tax cuts, restoring the Social Security Trust Fund, and, most important of all, as we repay that Federal debt, we can give this Nation to our children absolutely debt free.

What better legacy, what better hopes and dreams could we have in this Nation than that plan for our future?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. REDMOND). The Chair would remind all Members to refrain from references to occupants of the gallery.

SLIPPERY SLOPE OF DEFENSE BUDGET CUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HUNTER] is recognized for 5 minutes.

Mr. HUNTER. Mr. Speaker, a couple of weeks ago I submitted an article for the prestigious military magazine on military affairs, "Proceedings." In that article, I outlined the slippery slope that we are presently on with respect to our deteriorating national defense and where I think we should be going, what I think we should be doing, my opinion, and what future actions should be taken.

Mr. Speaker, my staff mentioned to me tonight when they read the article, and I had mentioned service leaders who had not spoken up over the past several years, "Do you think people will think you are referring to Chuck Krulak, the Commandant of the Marine Corps?" And I said, "Absolutely not."

Mr. Speaker, I am down here on the floor tonight to make sure that folks understand that that is not the case, because Chuck Krulak is one of the finest Marine Corps Commandants and one of the finest Marine warriors of this century.

□ 2130

I think of Chuck in the great tradition and legend of guys like Chesty

Puller and Gimlet I. Butler, great Marines, and Chuck's own father, Brute Krulak, who is one of the great Marine warriors of all time.

I talked, Mr. Speaker, about the deteriorating infrastructure of national security and the fact that just a few years ago, when we won Desert Storm, we had 18 Army divisions. We are now down to 10. We had 24 fighter air wings. We are now down to 13. We had 546 naval ships. We are now down to 346. And as this decline continues, very few Americans understand what is going on.

I am reminded also that it was General Krulak who spoke up and put down in writing the fact that the Marines are about 93 million M-16 bullets short of what they need to fight and win two regional conflicts; that is, two regional wars and have enough money to continue to keep their training rotations going and keep the troops coming in.

If you look at those two regional wars, we have actually fought both of the wars that we think we might have to have. We fought the war in the Middle East, in Iraq, and we fought the war in Korea. We only have 10 Army divisions today, but when we fought the war in the Middle East, we used some 8 Army divisions. That only leaves 2. And yet when we fought the war in Korea, when the North Koreans, on June 25, 1950 invaded the southern part of the peninsula, we used 7 Army divisions in that war along with a large contingency of Marines. So we used 8 in the Middle East, 7 in the Korean peninsula. That is 15 Army divisions. And yet today we only have 10 Army divisions.

Similarly, we have slashed our air power, almost slashed it in half, from 24 fighter air wings to only 13.

So, Mr. Speaker, we are continuing with this low level defense budget to go down the slippery slope. That means that when we have a war which surprises us, where the enemy comes at us with better preparation than we expected, which usually is the case, with higher technology than we expected, which is usually the case, and with surprise which, yes, is usually the case, as was the Tet offensive in Vietnam, as was Pearl Harbor, as was the invasion of Kuwait, we are going to be in trouble and we are probably going to have more young Americans come home in body bags because of our rush to cut government spending.

We are cutting the one area where you have to remain strong. That is national security.

Once again, Mr. Speaker, let me applaud my good friend, Chuck Krulak, and all the great service he has given this country. And to everybody who has spoken up similarly, even though they have taken some hits for it, let us try to make the case again to the American people in this new year and bring that defense budget up.

EDUCATION REFORMS

The SPEAKER pro tempore (Mr. REDMOND). Under the Speaker's announced policy of January 7, 1997, the gentleman from North Carolina [Mr. ETHERIDGE] is recognized for 60 minutes as the designee of the minority leader.

Mr. ETHERIDGE. Mr. Speaker, I want to thank my friend, the gentleman from New Jersey [Mr. PALLONE], for joining me this evening. I have a few opening remarks and then I will ask him, if he would like, to join me. I want to thank him for being here this evening and for helping to organize this special opportunity to talk about a very important issue involved in the Democratic effort to reform, to improve and to strengthen public schools in this country.

We have held this series of after hours speeches to engage the American people in a dialogue about the policy choices that are being made that will have a profound impact on the way our children are educated in every community all across this great country. We simply must put the maximum effort we can into improving of our public schools for our children. By that, I mean all the children of this country, not just a select few that we can give vouchers or something else and give a lot of lip service, but I am talking about every child, no matter where they live in this country.

We have a lot of work to do. Some of these things certainly are local responsibilities, no question about that. But we at the Federal level cannot walk away from our responsibility to help every child in this country.

Mr. Speaker, before I became a Member of the people's House, I spent 8 years as the superintendent of public schools in the State of North Carolina. I am proud of the record that we have established in our State in improving education. I had the privilege during those years to spend a good deal of my time in the classrooms, on the front line in the struggle of our schools in the battle against ignorance.

I am here this evening to talk about those North Carolina values that I think have made a difference in our State and certainly can make a difference across this country.

In all the time that I spent in those classrooms, and I still go in them now at least once a week since I have been elected to Congress, no student has ever asked me who paid for the textbooks, who built the building, who paid the power bill, who paid the electrical bill or who bought the school buses they rode to school on. The child does not care who provides them the opportunity to learn. A child only knows what that opportunity is, whether or not they have been provided one and, in many cases, unfortunately an opportunity denied. And once you deny an opportunity for an education, you deny

a child an opportunity to have a level playing field to compete and develop their God-given ability.

I think sometimes those of us in public office get too carried away by whose responsibility it is and forget that it is all of our responsibility. It is not just the responsibility of the Federal Government or the State government or local government or parents and children. All of us share a responsibility. That is why public schools in this country are asking parents to be engaged, asking the business communities to be engaged, because all of us share a responsibility for our children.

One issue that we must make a top priority is the issue of school facilities and school construction and, yes, the repairing of those buildings in many cases. All across this country we have crumbling schools, some in our inner cities as well as in rural areas of this country. And we have major overcrowding in schools where areas are growing and growing very rapidly. And in some cases they are adjacent to urban centers where those areas are poor and do not have the resources to match it. I know because my district contains areas, directs spending and faces all of these problems.

My State just passed last November the largest bond issue in the history of our State, \$1.9 billion for school construction, by the largest majority of any bond issue in the history of our State. That tells me people care about children. They care about them having quality facilities, and people want action on this important issue. We have to get beyond the dialogue and the rhetoric of whose responsibility it is and just say it is our responsibility, it is our country, and these are our children. We have to deal with all of them.

There are some communities that cannot do it without help, without some leveraging. I think that is an issue that we have to grapple with, and we have to grapple with it at the Federal level. There was a time when it was not our responsibility at the Federal level to determine whether or not people had electric power. But in the 1930's we decided we ought to do that and we put a policy in place that every citizen of this country would have electric power and we put in the REA. We also made the same decision as related to telephones and, shock of all things, we decided that water and sewer was important. It was not a national priority before that.

And I happen to believe if there is anything important to this country beyond the defense of our borders, it is education for the young children of this country, making sure that they have the minds to be able to compete in the 21st century. And, yes, education is all of our responsibilities so that children can develop their God-given ability.

The President made a very sound school construction proposal during

the budget talks but, unfortunately, the Republican leadership refused to allow it to be included in the final budget package. That was very disappointing. It was a very disappointing decision by the Republican leadership because the American people need some help to repair their local schools, and this Congress should do more to provide that help. Sure, we have balanced the budget. I am proud of that. And now that we have balanced the budget, we should not shirk our responsibilities to help our children.

While Washington often bickers over what role the Federal Government should and should not take on these issues, our focus should really be on the needs of our local communities and making sure that our children have the best opportunity.

You can walk into a school in any community in America and immediately know where education ranks in that community. As a matter of fact, you do not have to walk into a school. You can drive into a community and find out where the nicest buildings are and you will know what the priority is in that community. We have to change attitudes and support public schools and public education.

Many poor communities do not have the resources to build the quality facilities that they need. We should help them. We must help them. Many growing communities cannot keep up with the pace of expansion that they have to meet the needs of all the children in the school system. We should help them.

I speak to many chambers of commerce, as I know other Members of this Congress do, to business leaders, community leaders and other groups. Sometimes someone will say to me that the quality of buildings really does not make a difference. I have a ready answer for those folks. I say, when you go out and recruit new business and bring jobs to your community, why do you not take them down to the side of town where you have the old run-down warehouses or old run-down buildings and say the quality of the building really does not make any difference? Why do you not put your business in that old building? It is the quality of the people you put in it that makes the difference.

And yes, it is important, the quality of people you put in it, but the quality of that facility says a lot about what you care about. It also says to your employees that you care about their environment. It also says to children that you care about education when you improve the quality of the facility.

The town fathers always wanted to show off the shiny new facilities that attracted those new buildings. That is why today we are seeing communities all across America and parents and others raise the issue of school facilities and the quality of education, because that is what business interests

are asking about. It is their pride and joy. And the quality of the opportunities for our children will be the thing that will make a difference in the 21st century.

I say our schools should be our pride and joy also, because it is important that children see the quality and that we do care about their schools and that we do have the quality of facility they need, because it does have a significant impact. I know. I have seen it. I have been there, as the gentleman has.

It makes all the difference in the world. It has an impact on their attitudes, and it certainly translates into a better learning environment and we see the difference. It also has an impact on discipline, and we see a drop in the number of problems that children have. If you have a nice facility, it is amazing what happens to your attendance rate. It goes up. Children want to be in a nice environment. That should be our top priority. There are a lot of other things we can be doing.

I am working on legislation that will be drafted to help rebuild our schools in our run-down areas and build new schools in areas that are growing. This bill will help direct resources to areas where they are needed most, where school populations are projected to explode in the next several years, and we know what is happening.

We have the largest enrollment in our public schools today that we have ever had in our history. It is projected to increase dramatically over the next 10 years. We have areas of the country that are growing by 10, 15, 20 and some as much as 35 and 40 percent. Those areas can absolutely not meet the needs that they have.

I am very pleased to have my colleague from New Jersey join me this evening, and other colleagues will be joining us later. I know, to the gentleman from New Jersey, this is an issue of interest to him. I see we have another colleague joining us to talk about this issue of not only facility that is important but the quality of the academic offering and how important it is to have accountability.

□ 2145

And, hopefully, before we finish, we will have time to talk about the proposal the President has made for us to deal with this issue, of how to have accountability in our schools and assure the American public that the schools in North Carolina, in every corner of our State, and in New Jersey and in Texas, as people are mobile and move about, that their children have a quality education.

I yield to my colleague from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman from North Carolina for initiating this special order tonight. I know he is probably the most knowledgeable person in the

House of Representatives on education issues, primarily because he has lived through it and he knows what he is talking about. He is dealing with these situations firsthand, which is what we really need when we are dealing with education and other issues here in the House of Representatives.

A couple of things the gentleman mentioned here this evening I want to sort of reiterate or go into a little more. First of all, I did listen to some of our Republican colleagues a little earlier when they were talking about the budget and taking credit for achieving or at least trying to achieve a balanced budget.

It is certainly good we did pass the balanced budget proposal, and I do believe that it will achieve a balanced budget, but I would mention that the Democrats fought very hard not only to achieve a balanced budget but also to make sure that there was funding in that budget bill for education priorities. And we made a point, as did the President, that we were not going to go along with the bill unless the Republicans changed their policies and provided a significant amount of funding for education priorities.

A lot of the money that was targeted by the Democrats in that bill went to higher education, because, as the gentleman knows, the cost of higher education has skyrocketed in recent years, in the last decade, or even the last 20 years. And what we were trying to do was to provide programs, tax credits, ways to provide additional funding to students through their parents or through their own families so that they would have access to quality higher education.

I think we succeeded. I am not saying we totally succeeded, because costs are still going up, but we have at least provided some tax credits and some deductions and some scholarship and some expansion that makes more money available for those who do not have it; primarily middle-class students. But what we need to turn our attention to now, and what the gentleman from North Carolina described, is primarily before a person goes to college, secondary schools, grammar school, kindergarten, even preschool. That is where the Democrats now are prioritizing what we think this Congress should do.

I know the gentleman in particular has cochaired the Democratic Task Force on Education, which has come up with a number of basic principles that I think really set the standard for what kind of legislation and what priorities we should have in this Congress on education issues. The gentleman mentioned a couple of those, but I wanted to zero in on two.

One is, of course, the main purpose of our debate this evening, and that is the need to basically provide for the education infrastructure. We know that

schools are overcrowded. We know that a lot of them need repair. We know a lot of local school districts need to build new schools because there is so much of an increase in enrollment.

The gentleman also mentioned the fact that the Federal role here should be primarily to support public education and not take dollars away from public education through a voucher system that primarily supports private education.

One of the things that I think needs to be stressed, and I know the gentleman mentioned it but I am going to stress it again, is that throughout this debate that will be occurring in the next few weeks, actually beginning this week with the D.C. appropriations bill, what needs to be stressed is not so much that many of us, including myself, are opposed to vouchers, but that we feel that vouchers take money away from public schools.

In other words, if we had all the money in the world, we had money growing on trees, so to speak, around here, and we were able to say, OK, let us try a little experiment where we send a few thousand kids in the District of Columbia or in the State of New Jersey or North Carolina to try on an experimental basis a voucher system, I might say, OK, why not. That is a small experiment. A few thousand kids here or there. We will try it and see what the result is. But the problem here is that our public schools are strapped for funds. We know when we talk about the infrastructure problems how strapped for funds they are.

So for us to talk in the context of that and say we are going to take resources away from these public schools, where it could be spent on good programs in these public schools, whether it is infrastructure or it is academic excellence or it is training teachers, whatever it happens to be, and we are going to take those dollars and we are going to spend them on voucher systems for private or parochial schools, I do not think that is fair. I think that is counter to the interests of the public school education that the overwhelming majority, I think it is better than 90 percent of the students are educated in public schools.

So we need to stress to our constituents, and I explain this all the time, that the voucher system is not without cost and impact on the public schools, and that is the problem that I have with it.

Mr. ETHERIDGE. I thank the gentleman, because he is absolutely right. We are not talking about putting additional dollars into the system. If we go down that road, then all those who are currently out there who are not in the public schools, who are either in private schools or parochial schools or wherever they may be, they are going to be standing in line for their dollars once we cross that threshold.

What we would be talking about doing is in every public school in America, in the inner city, in the suburbs, and in rural America, we will be taking dollars out of those schools and reducing that opportunity for every single child. And the child that gets hurt the most is the child who is most vulnerable, in most cases, but all of them suffer.

The last time I checked, as our three children went through the public schools, and we still have one in it, the PTA, in almost every school that I am aware of, certainly in our State and I assume it is true in the gentleman's, they do not have enough money. Otherwise, why would they be having candy sales and hot dog sales and book sales and all these other things they do to raise money? They are raising money to supplement the resources in the schools that are not now available.

So if we are to go in and take additional dollars out, we will do one of two things, should it happen: We will increase the sales by the PTA in other areas or we will deprive them of more opportunities than they are now being deprived. And I think that would be a shame and a disgrace at a time when education in America, in my opinion, is at a premium.

I agree with the gentleman. I think he is absolutely right, and I would yield back.

Mr. PALLONE. I will not go on too long, because I know my colleague from Texas would like to speak as well, but what I see the Republican leadership trying to do is to sort of give the impression that the public school system has failed and we need to look for alternatives now.

And that is not what I am getting from my constituents. They believe that the public school system is generally doing OK. It needs improvement, but they do not want to sacrifice it at the expense of or in order to fund a voucher program that primarily sends resources to private schools. They have a sense of community. They like their public school. They want to see it improved. So let us not just throw it to the wind and say, look, it cannot be repaired.

The bottom line is that if we spend some money and spend some Federal dollars the way the Democrats and the way the gentleman's task force has proposed on emphasizing academic excellence, better training of teachers, and there are a whole slew of things, we have not even talked tonight about the safe and well-equipped schools as well, if we spend money on those things and we improve the public schools, then I think that is money well spent. And that is where our constituents are saying they would like to see the dollars spent.

I wanted to briefly say, and I know we have talked about this, but again when we talk about the magnitude of

the problem in terms of school overcrowding and the needs because of dilapidated schools, it is really overwhelming. Just some general statistics here. The General Accounting Office has said that approximately one-third of all schools serving 14,000,000 students are in need of substantial repair or outright replacement. School enrollment, 1996-97 school year. Elementary and secondary school enrollment was a record 51.7 million. That has been broken by this year's high enrollment of 52.2 million.

So the number of kids entering the system is increasing rapidly and the demand for more schools is there. And it is not even repairing the infrastructure, but it is also the high-technology needs. As we move into the high-technology era, the computers, the ability to access the Internet. Very few schools have the ability, have the needed infrastructure to access the Internet. They do not have the money to buy the computers.

All we are really saying, I think, is that if the Federal Government was able to spend a small amount of money and leverage, most of the time, in terms of infrastructure need, the gentleman mentioned it before, local school districts bond for infrastructure needs. But what the President has talked about and, unfortunately, as the gentleman mentioned, was not included in this budget, was the fact that we should use Federal dollars to leverage and pay the interest costs on a lot bonding, it allows more school construction and repairs to take place, and it allows the local school districts to make those kinds of investments at less of a cost over the long term.

So that is what we are talking about. We are not talking about anything that is going to violate the basic concept that funding and control is still local with regard to our education system. Because that is what America has always been about: Local education. But there is no reason, just like we do with sewage infrastructure or roads or everything else, why not have some Federal dollars to help the local municipality pay some of these costs.

Mr. ETHERIDGE. It is easy. If we do not want to do something, we can find a thousand reasons. If we want to do it, it is not hard to find a reason.

Last time I checked, I have not heard anyone get up on this floor and say we should not send water and sewer money to our municipalities to clean them up because we might take control of it. They will find another way if they do not want to spend the dollars. But the truth is, if we want to do it, we can find a way to do it.

The gentleman talked about the schools. And the truth is what we really are about in the whole litany of things is reforming, repairing, and renewing. The three R's. We have to reform and certainly go on about doing things.

I really get frustrated, and I was out there 2 years ago when this Congress talked about doing away with the Department of Education and education was under assault, and both of the gentleman here were fighting to make sure we saved it, and we did. But my colleagues cannot imagine what that did for the morale of teachers and principals and people on the frontlines educating children.

They just sort of tuned it out and kept working. They work hard every day. They are some of the hardest working people in our society today. And I think what we need to do is raise up the tremendous job they do and give them an uplift rather than beating them down.

I know my good friend, the gentleman from Texas [Mr. GREEN], his wife is a teacher, and she is an outstanding one, and I yield to the gentleman because I know he has something he would like to contribute to this dialog.

Mr. GREEN. I want to thank my colleagues, Mr. Speaker, for allowing for this special order tonight, particularly on education.

While I was in my office returning some phone calls and listening to my colleagues from the Republican side for the first hour, the fear they have is Federal control of our schools. Well, I think the three of us would agree we do not want Federal control of our schools. We have fought against that. In fact, in 1994 we reauthorized elementary, secondary education funding, and it was a Democratic Congress and a Democratic President who signed that.

We actually freed a lot of the schools from the paperwork and the requirements that we built up, both Republican and Democratic Presidential administrations. Goals 2000 was a great program, and is still a great program for schools to benefit and States to adopt without Federal controls. Just Federal assistance without the Federal Government saying this is what they have to do. They can do it for literacy, they can pay for lots of different programs with it, but this is our effort to help local schools and States to provide for educational opportunities.

I know the gentleman talked about vouchers, and again this week we will talk about experimenting with the District of Columbia. And Lord knows the District of Columbia needs help for their public school system, but I really do not know if we need to use them as an experiment, because those children need an education. We do not need to lose a generation of children by experimenting with some program that may work in the District of Columbia so then we can export it to the States.

I know the gentleman also talked about national standards. And, again, as long as they are voluntary, I think most folks agree with that.

Like the gentleman, I have two children that went through public schools

and are now a junior and senior in college, by the way in public institutions in Texas, because we also have some low-tuition rates in our public colleges in Texas. And, sure, they could have gotten a better education, but they also got an adequate education. It is an urban school district, literally a microcosm of our country, probably 70 percent minority students today. And when they were in school it was probably 65 percent minority students.

But they went to public schools and they got an education. Of course, my wife teaches in those schools so she also made sure they had that motivation, not just in school but at home.

One of the concerns I have, and in serving a lot of years in the legislature, was the facilities situation we have. We talked about that in special orders a number of times, our deteriorating schools facilities around the country, whether it be in New York, or Washington, DC, or Houston, TX, or a lot of our districts. Providing opportunity for quality education is one of the most important things we do in Congress.

□ 2200

I always believed that the key to the future of our country was a quality education. Now, we all know we want to make sure we have a strong military. We want to have a strong economic base. But it does not take too far to go. We can go just across the river in Virginia and talk to the folks in the Pentagon, and they will tell us that to have a strong military, we have to have an educated force there, people who can think, people who can respond to different circumstances.

And that is what public education is supposed to do. Granted, does it do it 100 percent of the time? No. That is why we are here. That is why we have teachers every day and legislators across the country and school board members and superintendents trying to make it work.

As the gentleman mentioned, my wife is an algebra teacher. I have to admit, I took algebra and barely struggled through, even college calculus. And if somebody gave me the quadratic formula tonight, I could not solve it without the best tutor I ever had in college, who is my wife.

But that also taught me a way of thinking. So whether it was managing a business or practicing law or serving here in an elected office, we have a way that we can make decisions. And that is what we are trying to teach children.

Sure, we want them to add, subtract, multiply, and divide. We want them to know the history of our great country. We want them to know English. We want them to know lots of things. We want them to know science, although some of us, I have to admit, are not science oriented. That is why I am not on the Committee on Appropriations.

But we also want them to have a way to think and be able to change with the

times. So that is why I think public education, the investment we put into it, lots of things, is helping those local districts and the States where most of the funding is raised.

Just as we help our children to read, we must also give them schools that are safe places to learn. Today, our Nation's schools are increasingly run down, overcrowded, and technologically ill-equipped. Too many of our school buildings and classrooms are deteriorating, again, not just in Washington, D.C., that we hear about, as a Nation we hear about all the time, but all across our country, whether it be in an urban area like I represent or rural area.

According to a GAO report, one-third of our schools need major repair or outright replacement. Sixty percent need work on major building features, such as a sagging roof or cracked foundation. Forty-six percent lack even the basic electrical wiring to support computers and modems and modern communications technology that we want our children to be able to respond to not only this decade but the next century, and we cannot do it with the facilities we have today.

These are problems, again, not just in my own district in Houston but also across our country. A number of studies have shown that many school systems, particularly those in urban and high-poverty areas, are plagued by decaying buildings that threaten the health and safety and the learning opportunities of our children. Good school facilities are an important precondition for school learning.

Now, we know that if you have a great teacher, a great teacher can teach you under a tree. But that teacher cannot teach you under that tree if it is snowing or raining outside. So we have to have a facility that is adequate not only for those good days that that teacher may be there, but also for the whole school year.

Numerous studies have linked student achievement and behavior to good physical building conditions. Not only are our schools in a state of disrepair, but we also need to see the accommodating growths in enrollment. And I heard my colleagues talking about that earlier.

In Houston, our school enrollment is skyrocketing. The Texas school population increased by 7.9 percent in 1 year. In the Houston Independent School District, we experienced an increase of 3,700 students just from last year.

We have a solution to that, or at least a down payment, or a start. The Senate Labor-HHS-Education appropriations includes \$100 million for provision for school facility infrastructure, and it is a good starting point.

In fact, I think it is ironic when my colleague, the gentleman from New Jersey [Mr. PALLONE], asked me today

about doing a special order on education, I am always willing to do it, one of my school superintendents from Aldine School District, Sonny Donaldson, whom I work with on a number of occasions, just happened to send me a letter talking about how important that \$100 million provision is for school facility infrastructure in the Senate appropriations bill. Our House bill did not include that \$100 million.

I have to admit, \$100 million, we can spend that in the State of Texas alone. But it is a help from the Federal Government to leverage, as the gentleman from New Jersey [Mr. PALLONE] talked about, to show that we will provide a dollar for maybe what a local district may provide \$10 or \$100, but to provide that assistance, that we recognize that that child is also our responsibility on the floor of the House. We cannot just put it off on school board members, we cannot put it off on State legislators or school superintendents; we have to take the responsibility on ourselves.

As we help our communities build and maintain their schools, we must ensure that every school and classroom is connected to the information superhighway. And the President has proposed a 5-year, \$2 billion fund that will support grass-roots efforts and again put the fingertips of every child by the year 2000 on modern computers, high-quality educational software, trained teachers in connection with the superhighway.

Again, I appreciate the opportunity to join my colleagues tonight.

Mr. ETHERIDGE. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. PALLONE], because I think he has something he wants to add to that.

Mr. PALLONE. Mr. Speaker, I was listening to what the gentleman from Texas [Mr. GREEN] said, in particular with regard to the effects of overcrowded classrooms or decaying schools. There is no question that it affects the quality of education provided to students.

It is much more difficult, and I know my colleague from North Carolina [Mr. ETHERIDGE] mentioned, as well, it is much more difficult to learn in an environment where the building is crumbling around you or the situation where there are too many students in the classroom.

Of course it is true, as my colleague said, that some teachers can teach in the worst situation in the world and some students can learn in the worst situation. But, unfortunately, those are often exceptions, and the reality is, we have to see how the average student is impacted.

The one thing that the gentleman from Texas [Mr. GREEN] mentioned, though, that I particularly want to draw attention to is, it is really ironic that this week, I think it is either Wednesday or Thursday of this week on this floor, we are going to be considering this Republican amendment that

would adopt a voucher system in the District of Columbia.

I do not know if it was the last time, but certainly in early September, when the gentleman from North Carolina [Mr. ETHERIDGE] and I, and I think the gentleman from Texas [Mr. GREEN], we were all here and we were talking about how the schools in the District of Columbia were closed, I believe, for at least 3 weeks, in some cases maybe even more, because the Federal judge in the District of Columbia had ruled that the conditions in the schools were so bad, that the infrastructure conditions were so bad that she, I think it was a woman judge, insisted that the schools be closed until the money was spent to repair the schools.

Now, we have been talking about infrastructure and we have been talking about vouchers all night. But here we have a situation where probably the infrastructure problem in the District of Columbia is one of the worst in the Nation, to the point where they could not even open the schools.

I am sure the judge was motivated by the fact that it was going to be a bad learning experience for these kids and it was going to be hard for them to learn, given these buildings and the shape they were in. And here, where there is such a great need for money to repair schools, we are proposing a voucher system, which I do not know how many, I think there are a few thousand kids that are going to be impacted by it. Why not spend that money on the infrastructure needs when the court has actually had to step in and close the schools for that reason?

Again, it points at directly how the need is there and yet we are wasting the resources. In fact, in some cases, I understand these kids might not even be in the District, they might actually be going to Virginia or Maryland or some other places for their education.

I am not here to defend the District of Columbia and its school system. I am sure there are bad conditions and there are problems, and they have been documented. But it does not make any sense to me to say, okay, forget about that; Let it continue to deteriorate, and we will just set up this voucher system.

Mr. ETHERIDGE. Mr. Speaker, reclaiming my time, if we take that another step and we look at industry, and one of the first things I remember in the D.C. situation that my colleague mentioned was, they went in to put the roofs on the buildings because the buildings were leaking.

It is one thing to have poor lighting. It is another thing to have trash cans in the building catching the water when it rains. And that leads to a multitude of problems of safety and additional deterioration and on and on. There is no question that the quality of the environment makes a difference. There are enough studies.

The gentleman from Texas [Mr. GREEN] mentioned growth. Let me just share a few of the States, if I may, that are growing so rapidly. Over the next 10 years, it is projected, this is just high school enrollment, because it goes back to the point he made about those youngsters showing up at elementary school. I have often said, some people want to know why communities are growing so and schools are growing. I said, well, you know, people move into communities, and when they move there, they tend to want to bring the children with them if they have children. That is normally what happens. And when they bring them there, normally they want to go to school.

And in growing communities, we understand that. And for some communities, they can pretty well determine how large their first-grade class will be by the number of live births that happened 5 or 6 years earlier. The problem most schools have are in those fast-growing communities where you have in-migration; people move in and bring the children.

As an example, in California, over the next 10 years, it is projected that there will be a 35-percent increase in the high school enrollment in the State of California, a State right now that is a large State, a State that most of us think of as being a State that is fairly affluent.

But when we have that kind of growth continue in a State that is right now already struggling to meet the needs, we wind up with major overcrowding. And overcrowding leads to all those problems that we talk about of discipline, lack of academic achievement.

There is no question of the studies, and there will be more studies that will continue to come out, beyond having quality teachers in the classroom and a good curriculum, the next best thing we can do for children to provide for them learning opportunities where they excel is smaller class sizes.

We can talk to any teacher in this country, in urban or rural systems, in elementary grades or high school, and what they will say is, "Let me have a small class." It gets back to the point the gentleman from Texas [Mr. GREEN] made earlier about the teacher teaching under the tree. If we have got a small enough class, you can teach most anywhere. The problem we have is, as those classes grow, we really do need space in the larger classes so that children have places to move around, or students, for that matter, who happen to be in high school.

But let me give my colleagues a couple of other States. For the gentleman from Texas [Mr. GREEN], your State is one that is proposed to grow very rapidly over the next 10 years. High school enrollment will increase by 19 percent. They can take their high school enrollment right now and figure out how

many more schools they are going to need across the State and classrooms.

My home State, which happens to be the ninth or tenth largest State in terms of public schools, depending how you measure it, but I think we are about ninth, is going to grow 27 percent at the high school level in the next 10 years. We are building buildings as fast as we can. We will not keep up.

And the list goes. Nevada, 24; Georgia, the tenth or eleventh largest State, depending on how you look at it in terms of numbers, they are always right close to North Carolina, they will grow by 20 percent in population at the high school level. So we are seeing a tremendous need. Virginia, 20 percent.

All across this country, we are going to see the most rapid, the largest growth at the high school level over the next 10 years we have seen at any period since the end of World War II. It is what some are calling the baby boom echo. We had the baby boomers. Now the baby boomers are echoing, and we are having children, and it is growing very, very rapidly.

These numbers in no way reflect the tremendous need that my colleagues have talked about that is out there for repairs, for renovations, for making sure that buildings are wired to take care of the access to the Internet and computers to deal with all the information that is now bombarding society and certainly children and teachers and students have to deal with.

It does not say anything about all the other needs outside those school buildings just in the learning environment, because if we are going to have a large number of students together, we have got all those auxiliary needs at the high school level, for the athletic program, for the extracurricular activities that are absolutely needed. When we get that many young people together, we had better have something for them to do beyond academics. We all know that that is awfully important.

Mr. Speaker, I yield to the gentleman from Texas [Mr. GREEN].

Mr. GREEN. When we talk about, again, buildings, thank goodness we are going to have those kids in high school, because the other problem we talk about a lot of times is the drop-out.

We do not want to see those children start in the elementary grades and go on to middle school and then drop out before they get to high school. We want to see them complete high school, because that is just another step on the road to their success, but also on the road to our country's success, because our country, as great as it is, is not any good at all if we have an uneducated work force or uneducated people that are defending our Nation.

And we can defend our country not just by carrying a gun or manning a missile; we defend our country every

day by being as aggressive in our business. That is what our school system is all about.

□ 2215

That is why the United States is the greatest country in the world for lots of reasons. One, the free enterprise system; but also, because we educate everyone. We are a diverse country and we want everyone to be educated. We want to give them the opportunity, and granted, some people are harder to educate.

In fact, I had some high school teachers who said I was probably one of those harder to educate students. But I am glad that they persevered because they were preparing me to serve in Congress. And that is why we need to encourage and do better today for those teachers that are out there today doing that, just like the gentleman said. They are hard-working. They not only work their 7 hours a day, but they spend hours and hours in the evening grading those tests, grading those papers that they cannot do during the day.

Also, conferences. I cannot remember, when I was in school, a teacher calling my parents. One, I did not want them to. But today, because most of the schools have it built into the responsibilities, teachers have to contact those parents, not just sending a note home but calling those parents to make sure they bring them in as part of the education system, because we just cannot educate children with teachers and students; it is all of us involved in it, parents, the community, and that is where we see the success in the school districts.

Let me say that the problem in some facilities, some districts have success with their local taxpayers who approve the bond elections. We had some great successes in the districts I am honored to represent. We have a school, Cheneby High School, a small school district on the outskirts of Houston that has a new high school, Cheneby High School that has state-of-the-art computers. There is a hookup in every classroom. We do not have that in most of our districts, because some districts, the voters voted against bonds, so they are having to do creative financing to do it. Galena Park High School in a neighboring district is building a new high school, doing the same thing, because their voters approved it. But we need to help on a national basis because it is a national concern, because we need to make sure that those young people are prepared to take our places here on the floor.

Mr. ETHERIDGE. Mr. Speaker, as the gentleman says, it is part of our national security, and I think it is just as important or certainly measures in importance with defending our borders, because if our young people cannot compete in the economic environment

we find ourselves in in the world economy, we are going to be in trouble in the 21st century.

I yield to my friend from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I just wanted to follow up on some of the things that my colleague from Texas said about the way that we are talking about proceeding with this school construction Federal funding. I know the gentleman from North Carolina mentioned basically the legislative proposal.

There have been various proposals, but essentially what we are talking about is to provide these intra subsidies, if you will, for new construction and renovation. When we were talking about the President's budget, the program that was actually negated, if you will, by the Republicans, that was a \$5 billion Federal jump start that had a goal of increasing school construction by 25 percent over the next 4 years. But what the gentleman from Texas mentioned, and I think is so important, is that generally, my understanding, it is certainly true in New Jersey, I think in almost every State, is that in order to finance school construction through bonding, one usually has to go to a local referendum to do that.

Part of the reason why local school districts have turned down the bond proposals is because of the exorbitant costs. They cannot necessarily get a good package or get financing at a low interest rate because of maybe the nature of the district, or I do not know how much State funding they get, or whatever.

So we are not forcing anybody to do anything here. What we are saying is if there is a district that needs some help in terms of their putting together a package and doing the financing, the Federal Government is out there to help to provide an intra subsidy, and the idea would be then that the local school district and the voters would still have to approve the bond issue, but it would be more attractive to them because it would be at a lower interest rate and they would have some subsidy, if you will, coming from the Federal Government.

So it is more likely that this is going to help those districts that are having problems getting the financing, because it will make it more attractive to the voters and make it easier to pass these bond issues, is my understanding. But again, it is strictly voluntary. Nobody is stepping in from the Federal Government telling them what to do. If one is willing to spend the money, and the school districts are still going to have to spend the majority of the money on this, it just makes it a lot easier for them to do that.

To me, that is exactly what the role of the Federal Government should be doing, trying to help the school districts that want to help themselves.

They have the need, they are having difficulty obtaining the financing, and we step in and we make it a lot easier to do so. But that can go very far in my understanding, just from my own experience in New Jersey, that kind of subsidy can go very far towards achieving the goal of having a lot more renovation, a lot of new schools constructed, just that little bit of Federal help, so to speak.

Mr. ETHERIDGE. Mr. Speaker, I think the gentleman is absolutely correct. What the gentleman was talking about is, the gentleman said we are setting a national priority and he is saying that is important.

I know in my home State in North Carolina we passed a bond issue this year, \$1.9 billion, and it may seem like a lot of money, and it is a large sum of money in our State, but we were looking at school facility needs 2 years ago in excess of \$5 billion. So the State was going to assist the locals; they had to pass their own referendums on a match, on a sliding scale, for assistance.

Well, now we are growing so fast that a lot of those communities are going to still see themselves with tremendous needs over the next several years. But that is really what the gentleman is talking about, those that show the initiative locally, that draw from a pool, and this money would be used to draw down, to make the interest rates lower. So in effect one is able to have a larger bond issue for less money, is really what the bottom line is.

Mr. PALLONE. Mr. Speaker, if the gentleman will yield again, this proposal, the one that the Republicans knocked down, was very flexible in how the money could be used. I know the gentleman from Texas talked about computers or technology infrastructure, whatever. I just have a list here. It can be used just for basic building purposes, but it also can be used for health and safety problems, with plumbing, heating and lighting; it can be used to improve energy efficiency; it can be used for all kinds of educational technologies, such as communications, closets, electrical systems, power outlets, all of that goes to the computers; and also for after school learning centers, community projects that are linked to the schools.

I know the gentleman from North Carolina has mentioned in the past in different special orders how increasingly schools are learning centers for all kinds of activities, not only during the school day but after school, for extracurricular programs, sports, adult education. So this is a very flexible proposal that can be used for all of those different things.

Mr. ETHERIDGE. Mr. Speaker, the gentleman is absolutely correct. We have schools across this country, and I know in my State, before-school programs for children, before school opens

they actually open the school and provide a morning day care, provide breakfast for them, and it is on a sliding scale and the schools actually make money on it. For those who cannot afford to pay and those that can, they put together different programs to work.

I yield to the gentleman from Texas.

Mr. GREEN. Mr. Speaker, let me talk about some innovative things that schools have done. For example, in some of the districts I am familiar with, we have always heard of night school students, but they are using their buildings, because why build new buildings if they are not utilizing them? So they are using them for night students. Those students who may be more motivated by going out and working during the day and coming in and getting their high school diploma during the night in an abbreviated program, schools are doing that. So even in those opportunities, we are seeing overcrowding on the high school level.

So there are other activities, and the gentleman mentioned other activities. We have great ROTC programs, great band programs; obviously athletics, if one is coming from Texas or North Carolina, I guess. But every way we can reach that child to keep them in school, to encourage them to be in school, again, no matter what we do, any of the extracurricular programs and use it as a motivator.

I just happened to like to play football when I was in high school and that was a motivator. In fact, those coaches could motivate me much better than any English teacher could. But that worked. The same way with ROTC now is so successful, and it is a growing program in our districts, at least in Texas and I think nationwide.

So that is why the infrastructure funding is so important. What my colleague from New Jersey mentioned, we have title I funding that is available for computers. We can go buy the computers now. But to wire the school, we cannot use title I funding. That is why an infrastructure, to bring that school up to grade level for wiring for the public schools for the computers, but also for the health and safety of those children, so not only does the roof not fall in, but the fire safety is there, and I know that is the D.C. problem. The judge said those schools are just not safe for those children. Frankly, if I had a child in the D.C. schools, I would be glad that the judge said that and said, OK, we need to fix them before we put those children in those schools.

Mr. Speaker, I include the following letter from the Aldine Independent School District, Houston, TX, for the RECORD:

ALDINE INDEPENDENT
SCHOOL DISTRICT,
Houston, TX, September 30, 1997.

HON. GENE GREEN,
Rayburn Bldg.,
Washington, DC.

DEAR CONGRESSMAN GREEN: Enrollment is rising in the nation's public schools and federal incentives are needed to fund critical construction to meet growth. The \$100 million provision for school facility infrastructure in the Senate's appropriations bill is a starting point. The House bill, however, does not include school infrastructure funding.

I urge you to contact House conferees who will meet to resolve differences between the House and Senate bills and ask them to accept the \$100 million for school infrastructure included in the Senate version. For your convenience, I have included a list of the House conferees from the subcommittee.

For urban school districts such as Aldine, which has experienced 2-3 percent annual growth over the last three years, federal funding is vital. Your assistance in retaining the \$100 million appropriations for the Rebuild America's Schools initiative is greatly appreciated by our children, taxpayers, and educators.

Sincerely,

M.B. DONALDSON,
Superintendent of Schools.

Mr. ETHERIDGE. Let me thank the gentleman. He is absolutely correct.

We have talked about after hours, and I just wanted to make a point of that, because I have been in a number of schools where they actually have an after hours program for a number of students who have difficulty at home. They drop out of school. They decide they want to come back to the public schools, they do not want to go to the community college and get a GED. They want to get their high school diploma.

And I know it is happening in North Carolina, where they actually can come to school at night, have a full-time job during the day because they have to earn a living. They may have already gotten married early, but they want to get their degree, and this happens.

The public schools are changing. We can put together another special order very shortly, hopefully before this week is out, and actually talk about some of these things, but more importantly talk about the strengths of our public schools, the academic things that are happening. Our schools certainly have a lot of challenges today, but they are meeting those challenges in a way they have never met them, because as both of my friends have said this evening, they are working harder, our teachers are working hard, they are committed, and we have some of the best qualified people in those classrooms we have ever had and the leadership, the principalship.

I think we need to talk about it. I know we are seeing student achievement go up, as we talk about the National Assessment of Education Progress, which I happen to believe is a better measure than the SAT that we

use on an intermittent basis, because NAEP tends to do it by sampling, and that is where we can absolutely sample and they come back with a statistical number and it is accurate. We have seen some dramatic growth in our State and really across the country since 1990 in math and reading, and those are two of the core areas, and we have to see that continue and escalate across this country for all children.

That is one of the things I hope we will be able to talk about and have some data on over the next several days, and that gets back to the issue the President proposed and that others are saying we ought not to do.

Well, that is silly. That is absolutely silly. It is voluntary. We are now giving it to 43 States in this country. Forty-three States are taking the NAEP right now, and they are doing it on a voluntary basis. When I was a superintendent and we met all 50 chiefs, we absolutely said there will not be a national curriculum; we will not support it, we will not have any part of it, but we will participate and want to participate in a voluntary testing program.

Why? Because the people who live in North Carolina today very well may live in Texas next week or New Jersey the year after that, and they have a right to know that their children, as they move from place to place, that it is measured and they are getting the kind of education they want.

I think that is why we are seeing the American public on almost everything we read say they are willing to make sure that their children have a good education, and they want that assessment and they want it on a voluntary basis.

I hope we can talk about that and erase that myth that our schools are not doing better than we are doing, because they really are, because we are doing it with children, as my friend from Texas said, that are coming to school with a lot of baggage these days. They are coming to school when they have not had a chance to sleep the night before; many come when the first meal they have had since they left lunch the day before is the breakfast they get when they show up in the morning.

Mr. PALLONE. Mr. Speaker, if the gentleman would yield, I think we are running out of time, but I just wanted to, if I could, follow up on what the gentleman from North Carolina said.

The gentleman from Texas mentioned earlier about Goals 2000, and we know that the Republicans have many times opposed Goals 2000 and asked that it not be funded. But in my home State of New Jersey we have received funding from Goals 2000. And one of the things that we have done with that funding, and it has been very successful, is not only do testing statewide, but also use the results of that testing to develop core curriculum.

One of the goals of the Democratic education task force that the gentleman cochairs is to emphasize academic excellence in the basics. I think that across the country people understand that we need to have excellence in the basics.

□ 2230

Obviously, curricula will vary from one school district to the next, or one State to the next. That is the way it should be. That is the American way. But the basics, students need to learn how to read and write. They need basic science courses. These are the kinds of things they need if they are going to be successful.

There is absolutely no reason why the Federal Government cannot provide money to the States to help develop core curriculum, in some cases do testing, to do what the States think needs to be done on a voluntary basis to improve basic skills. I do not think anybody is against that. If they are, I do not care, because I think they are wrong. We need basic skills.

Mr. ETHERIDGE. The gentleman is absolutely correct. I was there when we got the Goals 2000 money. Of all the money the Federal Government sent to our State, that was the most flexible money; very few strings attached, other than fill out about a 2-page form and send to it to the Department of Education on what you were going to do with the money, how you were going to use it, what results you were going to get. That is the money that has been used in North Carolina, and I would assume in the other 49 States and territories, to allow for the reform, the change that is now taking place all across this country.

I thank the gentleman, and I hope we can get back and spend a whole evening on this whole issue of academic reform and accountability in these areas, and talk about assessment, because I feel very strongly about it and I think the American people do. I thank the gentleman for joining me.

WHY NOT HAVE NATIONAL TESTS FOR MATH AND SCIENCE?

The SPEAKER pro tempore [Mr. REDMOND]. Under the Speaker's announced policy of January 7, 1997, the gentleman from Arizona [Mr. SHADEGG] is recognized for half of the remaining time until midnight, approximately 45 minutes.

Mr. SHADEGG. Mr. Speaker, I appreciate this opportunity to discuss a topic that has also been discussed earlier tonight, and that is the question of education.

I cannot help but comment on my colleagues who were just here on the floor before me. In just a few moments of listening to them I heard one of them, a gentleman who was previously in the educational establishment, ei-

ther a principal or a superintendent of a school district, say that he supports good education and therefore, supports a voluntary national testing program.

It is, indeed, that subject that I want to talk about tonight, because it is a topic that is very close to me. I have back home in Arizona right now a 13-year-old daughter who is a freshman at Thunderbird High School in the Phoenix area, excuse me, a sophomore, and struggling to get through her education this year, and to try to get into the best school in terms of college that she can possibly get into. I have an 11-year-old son who is in grade school.

Their education is vitally important to me, because I understand that in this global economy we are in, precisely how well they do in pursuing their education goals will determine in many ways to a great extent how well they do throughout the rest of their lives. There simply is no issue which is, at core, more important to me, and more important in a Nation where we are founded on the notion of universal public schools.

I listened to my colleagues from the other side of the aisle talk about public schools and the importance of public schools, yet I have to tell the Members, there are a couple of things that I resent. I want to talk about those tonight. I resent it when my colleagues on the other side of the aisle allege that they are the only ones who care about education and the only ones who care about public education. I think it is wrong to cast those kinds of aspersions and make those kinds of value judgments, because some of us view this issue differently than they do.

I was educated in public schools all the way through, never attended a day of private school in my entire life. Not from kindergarten through law school did I attend anything but public schools. My children are in public schools now. I believe very much in a quality public education.

But just because I believe in that does not mean I have to accept their view of the world, or even the professional educators' view of the world or, as I like to call them, the educrats' view of the world or the Federal Department of Education's view of the world. Instead, I bring to this debate my own rational thought, my own experience about education, my own views about the importance of public education, but mostly about quality education; about challenging my daughter Courtney to do her best every day in school; and about challenging my son Stephen to do his best every day in school.

I listened to the other side and they touched upon this issue of testing, national testing. That is a major topic that I want to talk about tonight. I want to talk about how some of us can believe and believe very strongly that as good and as apple pie and as mother-

hood and as all-American as national testing sounds, that we can look at our children and see how they are doing in Minnesota versus Arizona, as good as those things sound, in point of fact I believe and I believe deeply that national testing, if we mean by that federally dictated testing, tests written at the Federal Department of Education in Washington, D.C., thousands of miles from my home in Moon Valley, Arizona, if we mean by that a national testing written by a committee set up by this President, or for that matter any other President, if we mean one single uniform Federal test applied to every student in America, and we will judge every student in America by how they do on that test, I submit, it is not only bad, and a bad idea, it could be disastrous.

That does not mean that I do not support education. What it means is that when I look at the idea of one Federal test, I recognize that we are placing all of our eggs in one basket. If that test is written badly, if that test is written, as I fear the test might be written, to test the current fads in education, the newest whole math or new math or the newest whole language or whole English, or some other popular fad within the education establishment, not only will the test not measure real performance by my children, by my daughter Courtney or my son Stephen, but instead, it will do massive damage, and damage to every boy and every girl in public and private school in America, at a time when in this global economy we cannot tolerate that.

Why do I say that? How could just doing a national test, how could just having a national test, how could a national test which was voluntary, and my colleague pointed out that he could not understand, how could a national test that was voluntary be dangerous? How could it be a problem?

I listened to him, and I think many people who view this issue from that standpoint are honest and genuine and sincere, and I can even understand their point. Instead, I get many of my colleagues back home, many of my friends back home, who say, well, explain to me what your concern is about national testing. Why is that such a bad idea? Why should we not have a single test to test the skills of our children across America, so we can look at how they do?

Let me make a point here. I just had a friend move from Arizona to New Jersey this last year. His two boys, a little bit older than my children, are now in high school in New Jersey. He thinks they are being challenged more rigorously in New Jersey than they were in Arizona. So why should we not be able to test that?

A few years ago I had a good friend who moved from Tucson, Arizona, to Maryland, not far from here, Potomac,

Maryland. He felt his children were being challenged better at their new school than at their old school. So what can be wrong with national testing, particularly if it is voluntary?

Let me explain that, for people who are listening and watching, and for my colleagues who care about this debate. The problem with national testing begins with the issue of what do tests do. Tests set a benchmark. They set, in and of themselves, an educational standard. They say, we are going to test these subjects and these matters, and if you want your students to do well, they had better know these subjects and these answers. They had better know what is going to be tested and how to answer those questions.

What I am saying here is that my children's teachers, and indeed, I think my teachers and all teachers across America, to a certain degree in a very positive sense, teach to the test; that is, they understand what the students whose lives and whose education they have been entrusted with are going to be tested on, and so they want to be sure that they have that knowledge. If math is going to be tested, they will stress math.

But then the question comes, what about math? What within math does the test test, because I need to make sure as a teacher that my students know those skills that will be tested?

So I believe that one fact we have to begin to entertain a discussion of this topic of a national test is if we agree as a Nation to have a single Federal test, written in Washington, D.C. by the Federal Department of Education or by some consultant hired by the Department of Education, we need to understand that every conscientious teacher in America in public schools, in private schools, wherever, my children's teachers in the Washington Elementary School District in Phoenix, Arizona, will want to know what is in that test and will want to know what skills my children need to learn to do well on that test.

And they should do that. My teachers must have taught me the skills that were going to be tested, because I was able to make it through my education through grade school and high school into college and on into law school. So someone taught me what was going to be tested on the test.

So we should begin the debate by understanding that this voluntary testing program that my colleagues seem to think is such a great idea in fact is in itself setting a national standard.

Now, you say, well, what is wrong with that? What is the problem with setting a national standard? In a minute I am going to talk about some of the substantive problems in setting a national standard, but first I want to deal with the issue of voluntary.

How can it be a problem if this is voluntary? Congressman, how can it be a

problem if we have national test, but you can choose or you cannot choose to have your students in your school or your school district school take that test? The answer is simple and straightforward.

In education in America there are very, very few, a relatively small number of textbook writers. If we as a Nation establish a national test, that tests, for example, math and science, even if we leave out a national test on social studies or some other more controversial topics, then there will be math and science texts written all across America to teach what is on that national test. It is the marketplace. It is reality.

So when the parents and the teachers in my school district, the Washington School District in Phoenix, Arizona, want to select a text, most of the texts they will have to choose from, most of the textbooks that they could give to my student, my child, or my son or my daughter in school in Phoenix, Arizona, will be texts, textbooks that are written to that national test.

So voluntariness at that moment goes pretty much out the window, because we will have a national test, and we will understand that everyone in America is going to be judged on that, and the textbook writers will understand if kids need to learn to pass that test, they need to have a textbook that gives them those subject matters and teaches them the skills to pass that test.

So the notion of, well, it is just voluntary, they can opt not to do it, turns out to be a ruse, a charade, not real, because every teacher in America first will want to teach to the test, because he or she will care about their students' performance. Teachers are genuine, caring, loving people who want their students to do best. So they will teach to that national test. But for a school that wants to opt out, they will feel have a limited choice, because virtually all of the textbooks will be written to that national test.

Why is there then a problem with a national test? Here I want to turn to some experts who have greater experience and knowledge than I do. I have to tell you that when I entered this debate I was not sure that national tests were a bad idea. I had not thought through the idea of teachers teaching to the test. I had not thought through the idea of textbooks being written by the handful of textbook companies in America to that test.

So I did not instantaneously say, this is a bad idea. As a matter of fact, I was much like most Americans who say, gee, what is wrong with a national test? As a matter of fact, I read a syndicated columnist today about how he had gotten into the cab in a major city, here in town, and the cab driver engaged him in a discussion of this issue of national tests. I think America is

engaged in that debate. I think they are uncertain about this issue. That is why I wanted to talk about it tonight.

Let me turn to the experts. One of the experts in field, someone I respect a lot, is a woman by the name of Lynn Cheney. Lynn Cheney is a senior fellow at the American Enterprise Institute, and her work in this area I think is very important for all Americans to read and understand, because this is an important issue to every American. What could be more important than our children's education?

What debate is greater than this question about national tests? The President on the floor of this very House from that dais right there told America in his State of the Union this year that he was going to impose national, that is, federally-written, Washington, D.C. tests in math and science, and he called America to rally to that cause.

I am standing here tonight saying, we ought not to rally to that cause. Let me make it clear why. Ms. Cheney in a recent article which appeared in the Wall Street Journal on September 29 addressed this issue. Her column is headed, "A Falling Grade for Clinton's National Standards." Remember, national tests will set national standards.

She begins her column by pointing out that, "A consultant who sits on the President's committee overseeing the proposed national mathematics exam had written an essay, and in this essay, he explained his views of education." It turns out this consultant is not alone. His views are shared by apparently hundreds of mathematics teachers across America, because the test that he advocates he is also helping write for an association of math teachers across America. He is also a consultant to the education department of the State of Connecticut. His name is Stephen Leinwand. I do not know that that matters.

But what he wrote in the essay, according to Ms. Cheney, was that it is downright dangerous to teach students things like 6×7 is 42.

□ 2245

"Put down the 2 and carry the 4." It is dangerous, he wrote in this essay, to teach children basic mathematical computational skills. Indeed, he goes on to articulate in this article that he does not think we should teach children any calculation skills that involve whole number computation. We have to say, why? Are we missing something here?

The answer is straightforward. He writes if we teach children that 6×7 is 42, we will be, and I quote, "anointing the few", who master this skill, who learn that 6×7 is 42, and learn the rest of the multiplication tables or the division tables. He says we will be anointing the few who master these skills, and I quote, "casting out the many."

The bottom line in his view of the world is that we should not teach addition, subtraction, multiplication and division to the students in America, and since we should not teach it, he believes fervently and he advocates we should not test it. We should not teach and we should not test basic mathematical skills to our children in schools in America today because we will be sorting people out. That is, we will be anointing the few and rewarding those who get the answer right, and we will be casting out the many who fail.

Well, I happen to disagree with his numbers right there because I think children in America, the vast majority, do learn the multiplication tables and addition, subtraction, and division, and so we are not anointing the few and casting out many, but we are learning to teach children that there are skills that they will need in their life.

Mr. Leinwand goes on in his essay and explains why the committee on which he sits, a committee which is helping to write the proposed national test, recommends a national math exam that would avoid directly assessing certain knowledge and skills such as whole number computation, and that is a quote.

So, he is anxious to test America and to have a national math test. He is on the President's committee to write this math test, but the test should not test basic knowledge and skills such as whole number computation, that is addition, subtraction, multiplication and division, because we will make children, to put it simply, feel bad. Mr. Leinwand thinks that is a bad idea.

The school that Mr. Leinwand comes from is a whole math school or a new math school. There are other articles that talk about it. Lynne Cheney wrote in the *Weekly Standard* of August 4 in which she talks about the entire school in America of math teachers who believe that we must throw out computational skills and teach whole math and what is also called in different lingo, "fuzzy math" or "new math."

Some may believe that new math is the greatest thing in the world and may want their child taught that, but what I want to point out in discussing this issue is that the potential disaster here is a national one if we set a national test that all children must learn and pass.

If the education establishment in Washington, DC, captures this idea, if the President succeeds in convincing Americans that, by gosh, if we care about our kids we must have a national test, and we write one test and it is fatally flawed because it tests not addition, multiplication, subtraction or division but tests only the newest fad in math, fuzzy math or new math, we will be forever condemning at least a generation of America's children to not learning the basic skills they need.

Mr. Leinwand defends his stand saying, Listen, it is more important that kids be able to think their way through problems. I agree. I think kids ought to be able to think through problems. And he defends his position by saying everybody in America uses a calculator and they ought to be able to bring a calculator to school, do the calculations themselves.

Mr. Speaker, that is a great idea, but I have had the experience of picking up a calculator and using it and looking at the answer and saying wait a minute, that answer is wrong. Sometimes the electronic devices that we rely upon go bad. Somebody spills their glass of water or something on the calculator and the answer we get is wrong. If students were never taught in school addition, subtraction, multiplication and division, then how are they going to have a gut feeling for what is right or wrong?

That concern was expressed by a fellow Arizonian. Marianne Moody Jennings is a woman whom I admire in Arizona. I have never had the pleasure of meeting her, but she became interested in this issue as well. She wrote a column called "MTV Math Does Not Add Up." She is, herself, a professor at Arizona State University. She is the director of the Lincoln Center for Applied Ethics at Arizona State University. Here is her experience with this issue.

She has young children like I do. She said one evening she came home and her blood began to boil because she witnessed her daughter, who I am sure she was a grade school student, I do not know, was at home doing her math home work and she was using a calculator to compute 10 percent of 470.

Think of it. Do we need a generation of Americans, do we need to decide in this Nation that basic math skills are so unimportant that for a task as 10 percent of 470 they need a calculator? And if we do, who at some point in the history of this world will know whether the calculators are right or wrong?

Ms. Jennings became supremely upset about this and began to teach her daughter that she should learn those math skills herself and that the calculation of 10 percent of 470 should be one that she could do in her head in a nanosecond.

Mr. SOUDER. Mr. Speaker, if the gentleman would yield, one of the things that we begin to see in supermarkets are the calculators on the carts. As a practical matter, as somebody who has a business degree as opposed to a law degree, one of the great tactics is to change the size of the box so the new larger style actually has a bigger box but sometimes less in it.

If shoppers cannot do basic math on their feet, they are ripe to be taken advantage of in every supermarket aisle, in every toy department, in every department store. And I say this as somebody who has been and my family have

always been retailers, but if people cannot do basic math, they are not going to be able to figure out what is the best buy.

Mr. SHADEGG. Mr. Speaker, reclaiming my time, that is exactly right. Our children in America need these basic skills and they are vitally important. If we say to them, as this national math association proposes to say, and they already by the way have on their tests, those written by I think the National Association of Math Teachers, they have already decreased rather dramatically the amount that current tests used in schools across America test basic skills. But if we adopt a national test, an examination that does not test any or tests almost no basic skills, does not ask eighth graders if they can, without a calculator, add, subtract, divide, multiply basic calculations, we are condemning them to precisely what the gentleman points out. We are condemning an entire Nation to be taken advantage of.

More importantly, we are putting ourselves at a huge disadvantage. But I want to make the point that this is not a debate about Bill Clinton and his test proposal. It is not a debate about Steven Leinwand. It is not a debate about whether we like or do not like the Federal Department of Education. It is not a debate about whether we like or do not like new math or whole English. That is not the issue.

The issue here is a more fundamental one and it is nothing less than, to use a government term, Federalism. But Federalism is nothing more than the expression of belief in individuals to address and solve their own problems.

What really is applied here is the proposition that the parents and the teachers and the administrators at the school down the street from my house, at Lookout Mountain Elementary where my son Stephen goes, or Thunderbird High where my daughter Courtney goes, that those parents and those teachers and those students and those administrators can do a better job of figuring out education at that school. And certainly the Arizona Department of Education, which gets somewhat involved in these issues, can do a better job of listening to the people of the Arizona and they can make those decisions for themselves.

But I mention the word "Federalism." I am not just against national standards because I do not like the Department of Education and I do like the people at my children's schools. I am not just against it because I do not trust Bill Clinton and I do trust the principal at Courtney's school and Stephen's schools. I am against it for a bigger reason and that is the whole notion of Federalism.

It was a part of the genius of this Nation. It was if we had a Nation that was one Nation but made up of 50 different States as we have now come to be, and

if we said that basic national policies, national defense, foreign trade, and trade between the States could be regulated by Congress and the Federal Government, but if we left the other decisions, for example decisions about the education of our children, to those 50 different States and to the little communities and localities within those States, the school board association in my neighborhood, then if one of those schools had a great idea, they could pursue that idea and maybe do a great job and it would be picked up in some other State. Or if one a bad idea, and I suggest Mr. Leinwand's idea in my view is a bad idea, and if the State of Connecticut wants to pay him to teach and write a test that does not test the eighth graders in Connecticut basic math skills, so be it. Maybe in 10 years, the Connecticut schools and the schoolchildren will be way ahead of the Arizona schools and schoolchildren on math. Maybe Mr. Leinwand is right; I suggest he is wrong.

But think of it this way. If he is right, Arizona can choose to follow him. If he is wrong, and only Connecticut pursues his radical ideas, then only the children this Connecticut suffer. But if we embrace Bill Clinton's idea, and let us assume it was well-intended, let us assume that my colleagues who were here for the last hour who implored us to adopt a national standard because they think that will help kids, if we follow their lead and if Mr. Leinwand or his colleagues write a national math test which pursues whole math or new math or new new math, the catastrophe to education is not confined to Connecticut; it will spread across America because that national test will set a national standard.

The national test and the national standard will be picked up by the textbooks across America and it will not matter if States voluntarily participate or if the people in Arizona choose not to participate voluntarily, opt out, because the only textbooks they will be able to get will be textbooks that teach that national standard. And that one-size-fits-all national standard which does not teach math computational skills as Mr. Leinwand wants it not to teach it and not to test it, and remember he is not only on the President's committee, but he is also on this National Association of Math Teachers committee which as an association has disavowed teaching basic math skills, we will have a disaster.

The literature here is pretty clear. California has already pursued whole math and it has turned out to be, in the view of many teachers and parents in California, a disaster. And they have now tried to seize it back, and in many schools, school district by school district they are throwing out the new new math or the whole math and putting back in the basic math.

As a matter of fact in one school district they have forbidden calculators in

grades one through three because they want kids to learn the basic skills. But if we pursue a national standard. If the President wins this debate which will occur between the House and the Senate in the conference committee in the next few weeks, we do not have a problem in just Connecticut or just California, we will have a nationwide disaster.

I want to point this out, because this issue is going to go to a conference committee. The Senate has adopted one position on this issue, the House has another position, and the President a third.

The President's position is we should have a national standard written by the Federal Department of Education, a national test written by the Federal Department of Education and if there is a new fad in the Federal Department of Education by the bureaucrats and the "educrats" in there, that is fine. Put that fad in the test and we can change that later. It will be hard to change a single Federal standard.

The Senate has taken a middle ground. The Senate's position is let us go ahead and have a national test, but let us pick an independent body to write that national test, that one-size-fits-all national test.

□ 2300

Mr. SOUDER. It is important to note for the record that the independent body is picked two-thirds by the President of the United States.

Mr. SHADEGG. That is scary in and of itself. One of the proposals by the Senate was to give this test writing responsibility to an organization called the National Assessment Governing Board. The idea behind the Senate proposal is we will take it out of the Federal Department of Education, where trends in pop math or popular teaching and writing in the education field is most fervent, and we will put it in a more objective group that is not quite as subject to these trends or fads in education. And the problem with that, Ms. Cheney writes about it in this second article entitled "Yes to High Standards, No to National Tests," a position paper written by Lynne Cheney, senior fellow, American Enterprise Institute, she says the problem with the Senate position is one of naivete; is it assumes that the Federal Department of Education is the only one subject to these national fads in education and that if we just take it away from them and give it to this new organization, the National Assessment Governing Board, that they will protect these national one-size-fits-all tests from fads and trends.

Mr. SOUDER. Mr. Speaker, if the gentleman will continue to yield, the gentleman is being very kind. Mrs. Cheney was being very kind as well. The fact is it was a sham compromise to try to get themselves out of a pickle

because the nominees, the overwhelming majority of those nominees would be picked by the President, recommended by the Department of Education, so in fact it is the same body. It looks different but if it walks like a duck, talks like a duck and swims like a duck, it is a duck.

Mr. SHADEGG. Is the gentleman suggesting that this might have been just a political charade so it was not publicly vested in the Federal Department of Education, but the reality is that it would be the exact same?

Mr. SOUDER. I was certainly suggesting that the only difference was that there might be a third minority on the one and the other would be all Clinton appointees.

Mr. SHADEGG. For a moment, Mr. Speaker, it seems to me the House position is the right position. The House position, the idea of a one-size-fits-all national test is a bad one, and it is not bad because of who writes it. It is bad because of the implications of a single test. Letting parents, teachers, school advocates in my home State write our test I think is the right way to go.

There are already many quote unquote national tests. The Iowa Basic Skills Test was given to my school all the time I was growing up. I think they are still given there now. I would be interested in hearing from the gentleman what is given in Indiana. But it is not as though we cannot compare performance from school to school or State to State.

And indeed, if we want a non-Federal, that is a nongovernment written test that people could voluntarily choose to give to their children, that might have some value. But the problem in this debate and the concern I have is that we are going to surrender, in the spirit of doing good for our children, we are going to surrender the notion that that means we need a single national test.

I heard my colleagues on the other side of the aisle tonight say, you cannot care about kids, you cannot support public education, you cannot believe in the process if you do not support national tests. They are wrong. I think every American in their gut that thinks about it knows that they are wrong. We cannot turn education in America over to the latest fad, as embodied either in the Department of Education or in a sham independent group.

That is why I was compelled to come to the floor tonight and talk about this issue, so that the people back home in my district who are just kind of casually thinking about the idea of national standards would think it through one more step and recognize that a national test sets a national standard, and if that national standard is written in Washington, DC, many thousands of miles from my home in Phoenix, AZ, and at least 1,000 miles from your home in Indiana, I think

they will recognize they would rather have input at the local level.

Mr. SOUDER. Mr. Speaker, if the gentleman will continue to yield, I would like to reinforce the gentleman's remarks. I may be even more scared than you because Indiana is only 600 miles away from Washington; therefore, we are even more vulnerable than the people in Arizona.

One of the things that is unusual about this Congress is that we are actually having a discussion about the role of federalism and the role of States and the Federal Government. It has been something that we have been pushing. We are at a critical point here on national testing. As an American history buff, I have gone back and forth and wondered at the time of the founding of our country, would I have been more of an anti-Federalist or a Federalist? Where would I have been on the Articles of Confederation? Would I be like Fisher Ames from New England, who was very skeptical of the Constitution and worried that it was giving up States' rights, or Patrick Henry, another hero of mine, "Give me liberty or give me death," when he heard about the Articles of Confederation moving into the Constitution? He said, "I smell a rat." He was worried that the Constitution was going to be abused the way it is being abused today.

I, on the other hand, as a business major and a business person, I want to reiterate one other thing that the gentleman from Arizona said. I attended public elementary school, junior high and high school. My wife did the same. All three of my children have done the same. We Republicans care deeply about public education. That is why we are so concerned about these national tests. As we get into this debate, and as a business major and a businessman, I have deep concerns about the quality of education graduates.

A book that had a big impact on me was "Cultural Literacy" by Hirsch, and in that book he suggests that we are in danger in America of a vulcanization, the root word that comes over what we are seeing in Bosnia and Croatia right now, that is, overlapping groups of people who cannot communicate with each other. We are in danger of that in America.

We need some commonality of language, some commonality of history. We need high school graduates who can read and write and do basic math. We need people who have the skills with which to come into industry. We are already near the point where private industry has as many teachers as the public schools, because they are so upset about the quality of education. It is not hard to understand what is driving the desire for standards among businessmen and among many people in this country. We need to have standards.

The question is, whose standards? Even though I, as somebody who has

certain tendencies, the gentleman from Arizona and I, who are good friends, often will debate what is the proper role of the Federal Government and State governments. And at times I tend to be a little more proactive in the area of the Federal Government than the gentleman from Arizona. We have had some interesting evenings debating this. But nobody who understands the founding of our Republic and who understands the evolution of our Republic believes that education was intended to be a Federal role.

One of the things that we need to understand up here is to understand why our Founding Fathers were concerned about certain matters falling into the hands of the Federal Government. We have heard the appalling cases that the gentleman from Arizona brought out in math. You would think that math would be relatively noncontroversial. We already saw what happened with history standards.

Mr. SHADEGG. Reclaiming my time, Mr. Speaker, for just one moment, we really did get into this debate because there was an earlier debate where the advocates of national tests said, we will just do national tests. They never pointed out there are subjective areas where what you teach can vary rather dramatically. If you teach American history, you can have one view of it or another, and they can be radically different.

So the President and others responded and said, we will not do subject areas like social studies or history. We will do the black and white, there is a right answer, there is a wrong answer, like math and science. And on the floor of the House here, in his State of the Union, the President proposed only to test math and science.

I think the gentleman from Indiana is about to point out some of the outrageous things that are going on in the other areas. I just want to point out, even when you go to so-called objective subject areas like math and science, you discover that there are these radical trends which say two plus two is not four or you should not teach kids 6 times 7 is 42. And even what we think of as objective in the crazy world of the education bureaucracy has become itself subjective.

Mr. SOUDER. Mr. Speaker, what the gentleman has pointed out is absolutely correct. You have devastated our hardest argument to make, which is that math even is politicized in this day and age, and can be ineffective if consolidated with power in the hands of the wrong people.

I want to hasten to point out, for those who say, but if the Federal Government makes a mistake, they can change it, this national testing is moving forward. Inside the Department of Education, as they prepared the tests without any authorization from Congress, without any appropriations from

Congress, in fact with over two-thirds of this House of Representatives going on record against national testing, it still is moving forward. If they passed a bad test and we wanted to try to amend that test, even in most cases, if we could get two-thirds in the House to override, the Senate would block us and certainly the President would veto it and we would have a filibuster in the Senate.

In other words, once it is bad, it will probably not get corrected.

Now, the problem here is that there is a history, so to speak, with this. Lynne Cheney, who we have quoted a number of times tonight, actually was in the humanities art department of the Federal Government and now admits that she made the mistake of granting the first funds for the history exams. She says, "I was wrong." She watched the bias that crept into the history. She has written also how every category in our universities, and do we want to spread this to our high schools, has become politicized.

College Art Association conference warning faculty members not to teach women artists such as Mary Cassatt, who has beautiful oil paintings over in our national art museums, because they frequently painted women and children and thus reinforced patriarchal thought. At the University of Wisconsin, a professor from the University of Wisconsin writing in the Harvard Educational Review, the most prestigious university in our country, at least arguably, urges her fellow professors to be open about their intention to appropriate public resources, classrooms, school supplies, teacher-professor salaries, academic requirements and degrees to further, quote, progressive agendas. Curriculum and instruction 607, in which students learn how to conduct political demonstrations and then conduct these political demonstrations in the library, mall and administrative offices of the university; for these efforts, students receive three hours credit.

In a recent issue of College English, a publication of the National Council of Teachers of English, a professor from California advises university teachers to vary the political strategy they use in the classroom to suit the institution. For example, he says, in his middle class university he tries to show how the United States offers freedom of choice and a chance to get ahead and then challenges their belief in that. Then he shows them in his English class the odds against their attaining room at the top, the way their education has channeled them towards a mid-level professional and social slot and conditioned them into authoritarian conformity in English class.

Then we have the Smithsonian museum in the United States which has been under attack for how they present the American West. They have been

under attack for how they tried to rewrite the Japanese American section of World War II and had to have Congress intervene. They said, in an exhibition called *Etiquette of the Underclass*, they wrote, "Upward mobility," announced materials accompanying the exhibition, "is one of our most cherished myths."

Now, what we are seeing is the National Council of English, we are seeing the Harvard Education Review, the College Art Association, we are seeing the Smithsonian institution, all politicizing major statements in the United States.

My concern spreads past this. I read earlier this evening, and I wanted to go through this again, at Casa Roble High School into Sacramento, California, this was a values appraisal scale in a career study in a technology class. This was given to a student. It was given to me last Thursday. It is not something that was done 10 years ago. It was done August 29, 1997. It was not something that is far out. It has been done now, we found it in five States. It appears to be possibly the National Education Association that is circulating this. It is incredibly intrusive.

On the one hand these questions can be innocuous and you can see how they might be valuable to a guidance counselor. On the other hand, think of the dangers of an all-powerful Federal Government getting this kind of information on our children.

Mr. SHADEGG. I just want to clarify, you are going to read to us from a survey given to students at a public school, not a religious or private or sectarian school, and administered by the school asking these questions of public school students; is that right?

Mr. SOUDER. Mr. Speaker, in a technology class. The reason I want to point this out is this is what we do not want to have happen in a Federal test. If it happens in a Federal test, we will never get it changed. Question number one starts off, "I have a regular physical checkup by my doctor every year."

Mr. SHADEGG. These questions are put to the student who answers this?

Mr. SOUDER. Yes, and you can have a 10 for definitely true, 7 for mostly true, 5 for undecided, mostly false is a 3, definitely false is a zero.

Mr. SHADEGG. They would be revealing this information, answering these questions about themselves to be handed over to the school and for the school to use for whatever purpose they chose?

Mr. SOUDER. For technology class, and it is a career study. It is to help channel kids as to what they should do. Think of this explosive information. Is this what we want public authorities knowing about our families? And if you do not think this is one of the most intrusive things you have ever heard, then perhaps you are on a different planet than I am.

Number two, "I will regularly take my children to church services." So they are asking these children in high school to anticipate whether they are going to take their children to church services. "I have a close relationship with either my mother or my father." You will see patterns to a number of questions I am reading. Half of them are family intrusive and half of them are religious intrusive. "I have taught Sunday school class or otherwise taken an active part in my church," if that is any business of the school.

□ 2315

Number 24, I believe in a God who answers prayers. I believe that tithing, giving one-tenth of one's earnings to the church, is one's duty to God. Number 41, I pray to God about my problems. Number 43, I like to spend holidays with my family. Number 53, it is important that grace be said before meals. Number 59, I care what my parents think about the things I do. Number 63, I believe there is life after death. Number 72, I read the bible and other religious writings regularly. Number 78, I love my parents. Number 82, I believe that God created man in his own image. Number 91, if I ask God for forgiveness, my sins are forgiven. Number 95, I respect my father and mother.

EDUCATION

The SPEAKER pro tempore (Mr. REDMOND). Under a previous order of the House, the gentleman from Indiana [Mr. SOUDER] is recognized for 5 minutes.

Mr. SOUDER. Mr. Speaker, I want to finish this point, because in my kids' own high school in Indiana, a survey was passed out in class through the high school yearbook that led me to get upset in my first term, and we passed some legislation here, but it concerned questions asked about anal sex, among other things, and it was one of the most offensive surveys I have ever read, even worse than this, even though this is probing even deeper into religious beliefs. But in Indiana the school board responded. They changed the rules of the school and they took back the test.

The parent of the child who was in this class is taking it up with her school board and it can have an impact. When something happens in our local schools, we can try to do something about it and try to affect change. But when something happens in Washington, we are virtually powerless to change that. I say that as a United States Congressman. We are virtually powerless. It is very frustrating.

And if we let Washington take over the national testing, it is a frightening scenario ahead.

Mr. SHADEGG. If the gentleman will yield, I just want to conclude what we

talked about the last hour. I applaud the gentleman for going into those other areas and pointing out that it is not just the one example that I chose of math, which is what the President is proposing, math and science, but indeed in other areas it goes into far more subjective subjects, far more invasive and intrusive questions, but importantly, as the gentleman pointed out, those invasions, those abuses, those trends occur at the States level where we have a chance to deal with them.

I just want to conclude this hour, or the hour and now 5 minutes we picked up, by saying I hope that our colleagues listening realize that it is not that we do not care about the education of our children. I know the gentleman has young children both in high school, grade school and in college, I guess, and I have mentioned earlier in the hour I have young children. I care very much about their education. And as I said, I resent it when the other side says Republicans do not care about education or Republicans do not care about public education. I care deeply about public education. And as I said, I went all the way through public education myself and both my children are in public education.

I hope that those listening understand that we can deeply believe in education, we can deeply believe in public education, and we can be very concerned and very, very much opposed to national testing, a sound-good motherhood and apple pie idea, because of the dangerous consequences.

What the gentleman said is exactly right. If we have tests written in Fort Wayne, Indiana, or in Phoenix, Arizona, or wherever it might be, we can deal with the problems that might creep into those. But if they are written in Washington, D.C., in a mindless bureaucracy which is hard to penetrate and where, quite frankly, only the views of the most deeply imbedded, entrenched educational bureaucracy are heard, I think we will lose control of our kids' education.

I do want to point out that this is a critical issue; that it is in a conference report. There are members in the United States Senate mentioned in Lynne Cheney's article who are fighting against the Senate position on this issue, who agree with us that as good sounding as national testing is, it is, in fact, bad for education in America. And I would urge our colleagues to talk with their friends on the other side and try to get them to accede to the House position on this issue and let us study this issue further and make sure we do not write a national test.

I also want to point out that having read Lynne Cheney's column, which mentioned Steven Leinwand, I wanted to find his actual article. I have the actual article and it does in fact say it is time to acknowledge that continuing

to teach pencil and paper computational algorithms to our students is not only unnecessary but counter-productive and dangerous.

He goes on to say that learning long division and its computational cousins, meaning subtraction and multiplication, is an obsolete notion.

These are rather shocking notions that are written here. I also wanted to point out that several times in my remarks I talked about mathematics association with which Mr. Leinwand is associated and it is called the National Council of Teachers of Mathematics, and they have already written a national assessment which has reduced the math portion of the exam where we do computational skills by 20 percent already.

These are not us talking about crazy ideas that some individual extreme person has. These are trendy ideas that are catching on across America and could be dangerous if they in fact take hold and are embodied into a single national test.

Mr. SOUDER. Reclaiming my time, Mr. Speaker, I want to thank the gentleman from Arizona for bringing the attention of this country to the math standards.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCHIFF (at the request of Mr. ARMEY) for today through October 24, on account of medical reasons.

Mr. POMBO (at the request of Mr. ARMEY) for today, on account of personal reasons.

Mr. GREENWOOD (at the request of Mr. ARMEY) for today, on account of waiting in hospital with his family while his father has triple bypass surgery.

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. FALEOMAVAEGA) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.
Mrs. CLAYTON, for 5 minutes, today.
Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.
Mrs. MINK, for 5 minutes, today.

(The following Members (at the request of Mr. CANNON) to revise and extend their remarks and include extraneous material:)

Mr. GOSS, for 5 minutes each day, on October 7, 8, and 9.

Mr. BILBRAY, for 5 minutes, on October 8.

Mr. JONES, for 5 minutes, on October 7.

Mr. HULSHOF, for 5 minutes, on October 7.

Mr. SMITH of Michigan, for 5 minutes each day, on October 7, 8, and 9.

Mr. HUNTER, for 5 minutes, today.

Mr. SOUDER, 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. FALEOMAVAEGA) and to include extraneous matter:)

Mr. POSHARD.
Mr. VISCLOSKY.
Mr. SHERMAN.
Mr. KIND.
Mr. LEVIN.
Mrs. MALONEY of New York.
Mr. SCHUMER.
Mr. RAHALL.
Mr. KLECZKA.

(The following Members (at the request of Mr. CANNON) and to include extraneous matter:)

Mr. ROGAN
Mr. BEREUTER.
Mr. STUMP.
Mr. KING.

(The following Members (at the request of Mr. SHADEGG) and to include extraneous matter:)

Mr. CLYBURN.
Mr. BILIRAKIS.
Mr. BLUNT.
Mr. SABO.
Mr. GOODLING.
Mr. ETHERIDGE.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2378. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following date present to the President, for his approval, bills of the House of the following titles:

October 2, 1997:

H.R. 1948. An act to provide for the exchange of lands within Admiralty Island National Monument, and for other purposes.

H.R. 394. An act to provide for the release of the reversionary interest held by the United States in certain property located in the County of Iosco, Michigan.

ADJOURNMENT

Mr. SHADEGG. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, October 7, 1997, at 9 a.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

5359. A letter from the Acting Comptroller General, the General Accounting Office, transmitting an updated compilation of historical information and statistics regarding rescissions proposed by the executive branch and rescissions enacted by the Congress through the close of fiscal year 1996; (H. Doc. No. 105-143); to the Committee on Appropriations and ordered to be printed.

5360. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 027-1027; FRL-5891-2] received October 3, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5361. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Code of Federal Regulations; Authority Citations [Docket No. 97N-0365] received October 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5362. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Natural Rubber-Containing Medical Devices; User Labeling [Docket No. 96N-0119] received October 3, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5363. A letter from the Secretary, Securities and Exchange Commission, transmitting the Commission's final rule—Lost Securityholders [Release No. 34-39176; File No. S7-21-96] (RIN: 3235-AG99) received October 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5364. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Japan for defense articles and services (Transmittal No. 98-10), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

5365. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to the Czech Republic (Transmittal No. DTC-49-97), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5366. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to Israel (Transmittal No. DTC-74-97), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5367. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement for production

of major military equipment with the United Kingdom (Transmittal No. DTC-99-97), pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5368. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement for production of major military equipment with the United Kingdom (Transmittal No. DTC-100-97), pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5369. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to Canada (Transmittal No. DTC-105-97), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5370. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement for production of major military equipment with the Republic of Korea (Transmittal No. DTC-95-97), pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5371. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to Spain (Transmittal No. DTC-77-97), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5372. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement for production of major military equipment with Japan (Transmittal No. DTC-87-97), pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5373. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

5374. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting the report on the verifiability of the Comprehensive Nuclear Test Ban Treaty, pursuant to 22 U.S.C. 2577(a); to the Committee on International Relations.

5375. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12-127, "CFO Membership on the Health and Hospitals Public Benefit Corporation Board, Council Review of Board Promulgations, and Approval of Organizational and Operational Plan Amendment Act of 1997" received October 3, 1997, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform and Oversight.

5376. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled "Audit of the District of Columbia's Crime Victims Compensation Program for the Period October 1, 1993 through February 28, 1997," pursuant to D.C. Code section 47-117(d); to the Committee on Government Reform and Oversight.

5377. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the Commission's strategic plan for fiscal years 1997 through 2002, pursuant to Public Law 103-62; to the Committee on Government Reform and Oversight.

5378. A letter from the Chairman, Occupational Safety and Health Review Commis-

sion, transmitting the Commission's strategic plan for fiscal years 1997 through 2002, pursuant to Public Law 103-62; to the Committee on Government Reform and Oversight.

5379. A letter from the Acting Assistant Secretary for Policy, Management and Budget, Department of the Interior, transmitting the Department's final rule—Department of the Interior Acquisition Regulation; Regulatory Streamlining (RIN: 1090-AA65) received October 3, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5380. A letter from the Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Tuna Fisheries; Adjustments [I.D. 092697C] received October 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5381. A letter from the Assistant Secretary and Commissioner of Patents and Trademarks, Department of Commerce, transmitting the Department's final rule—Changes to Patent Practice and Procedure [Docket No. 960606163-7130-02] (RIN: 0651-AA80) received October 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

5382. A letter from the Acting Assistant Secretary (Civil Works), the Department of the Army, transmitting a report on the storm damage reduction and shoreline protection project for Rehoboth Beach and Dewey Beach, Delaware, pursuant to section 101(b)(6) of the Water Resources Development Act of 1996 (H. Doc. No. 105-144); to the Committee on Transportation and Infrastructure and ordered to be printed.

5383. A letter from the Acting Assistant Secretary (Civil Works), the Department of the Army, transmitting a report on the project for river bank erosion control and bluff stabilization at Norco Bluffs, Riverside County, California, pursuant to section 101(b)(4) of the Water Resources Development Act of 1996; (H. Doc. No. 105-145); to the Committee on Transportation and Infrastructure and ordered to be printed.

5384. A letter from the Acting Assistant Secretary (Civil Works), the Department of the Army, transmitting a report on the storm damage reduction project for Long Beach Island, Nassau County, New York, pursuant to section 101(a)(21) of the Water Resources Development Act of 1996; (H. Doc. No. 105-146); to the Committee on Transportation and Infrastructure and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEWIS of California: Committee of Conference. Conference report on H.R. 2158. A bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes (Rept. 105-297). Ordered to be printed.

Mr. Taylor of North Carolina: Committee on Appropriations. H.R. 2607. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1998, and for other pur-

poses (Rept. 105-298). Referred to the Committee of the Whole House on the State of the Union.

Ms. PRYCE of Ohio: Committee on Rules. House Resolution 258. Resolution providing for consideration of the bill (H.R. 629) to grant the consent of the Congress to the Texas Low-Level Radioactive Waste Disposal Compact (Rept. 105-299). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 708. A bill to require the Secretary of the Interior to conduct a study concerning grazing use of certain land within and adjacent to Grand Teton National Park, WY and to extend temporarily certain grazing privileges; with an amendment (Rept. 105-300). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1805. A bill to amend the Auburn Indian Restoration Act to establish restrictions related to gaming on and use of land held in trust for the United Auburn Indian Community of the Auburn Rancheria of California, and for other purposes (Rept. 105-301). Referred to the Committee of the Whole House on the State of the Union.

Mr. LIVINGSTON: Committee on Appropriations. Revised subdivision of budget totals for fiscal year 1998 (Rept. 105-302). Referred to the Committee of the Whole House on the State of the Union.

Mr. GILMAN: Committee on International Relations. H.R. 2232. A bill to provide for increased international broadcasting activities to China; with an amendment (Rept. 105-303). Referred to the Committee of the Whole House on the State of the Union.

Mr. GILMAN: Committee on International Relations. House Resolution 188. Resolution urging the executive branch to take action regarding the acquisition by Iran of C-802 cruise missiles (Rept. 105-304). Referred to the House Calendar.

Mr. GILMAN: Committee on International Relations. H.R. 2358. A bill to provide for improved monitoring of human rights violations in the People's Republic of China; with amendments (Rept. 105-305). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 2469. A bill to amend the Federal Food, Drug, and Cosmetic Act and other statutes to provide for improvements in the regulation of food ingredients, nutrient content claims, and health claims, and for other purposes; with amendments (Rept. 105-306). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 1710. A bill to amend the Federal Food, Drug, and Cosmetic Act to facilitate the development, clearance, and use of devices to maintain and improve the public health and quality of life of the citizens of the United States; with an amendment (Rept. 105-307). Referred to the Committee of the Whole House on the State of the Union.

Mr. GILMAN: Committee on International Relations. H.R. 2386. A bill to implement the provisions of the Taiwan Relations Act concerning the stability and security of Taiwan and United States cooperation with Taiwan on the development and acquisition of defensive military articles; with an amendment (Rept. 105-308 Pt. 1).

Mr. GILMAN: Committee on International Relations. H.R. 967. A bill to prohibit the use of United States funds to provide for the participation of certain Chinese officials in international conferences, programs, and activities and to provide that certain Chinese

officials shall be ineligible to receive visas and excluded from admission to the United States; with amendments (Rept. 105-309 Pt. 1). Ordered to be printed.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on International Relations discharged from further consideration. H.R. 3121 referred to the Committee of the Whole House on the State of the Union.

Pursuant to clause 5 of rule X the Committee on National Security discharged from further consideration. H.R. 2386 referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 967. Referral to the Committee on the Judiciary extended for a period ending not later than October 7, 1997.

H.R. 2386. Referral to the Committee on National Security extended for a period ending not later than October 6, 1997.

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. TAYLOR of North Carolina:

H.R. 2607. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1998, and for other purposes.

By Mr. BOB SCHAFFER (for himself, Mr. NEY, Mr. HOSTETTLER, Mr. ARMEY, Mr. BACHUS, Mr. BAKER, Mr. BALLENGER, Mr. BARR of Georgia, Mr. BARRETT of Nebraska, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BASS, Mr. BATEMAN, Mr. BEREU-TER, Mr. BILIRAKIS, Mr. BLILEY, Mr. BOEHNER, Mr. BONILLA, Mr. BONO, Mr. BRADY, Mr. BRYANT, Mr. BURR of North Carolina, Mr. BURTON of Indiana, Mr. CALLAHAN, Mr. CALVERT, Mr. CAMP, Mr. CAMPBELL, Mr. CANADY of Florida, Mr. CANNON, Mr. CHABOT, Mr. CHAMBLISS, Mrs. CHENOWETH, Mr. CHRISTENSEN, Mr. COBLE, Mr. COBURN, Mr. COLLINS, Mr. COMBEST, Mr. COOK, Mr. COOKSEY, Mr. COX of California, Mr. CRANE, Mr. CRAPO, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DAVIS of Virginia, Mr. DEAL of Georgia, Mr. DELAY, Mr. DICKEY, Mr. DOOLITTLE, Mr. DREIER, Mr. DUNCAN, Ms. DUNN of Washington, Mr. EHRLICH, Mr. ENSIGN, Mr. EVERETT, Mr. FAWELL, Mr. FOLEY, Mrs. FOWLER, Mr. FOX of Pennsylvania, Mr. GANSEKE, Mr. GEKAS, Mr. GIBBONS, Mr. GILCHREST, Mr. GILLMOR, Mr. GINGRICH, Mr. GOODLATTE, Mr. GOSS, Mr. GRAHAM, Mr. GREENWOOD, Mr. GUTKNECHT, Mr. HANSEN, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYWORTH, Mr. HEFLEY, Mr. HERGER, Mr. HILL, Mr. HILLEARY, Mr. HOEKSTRA, Mr. HULSHOF, Mr. HUTCHINSON, Mr.

HUNTER, Mr. HYDE, Mr. INGLIS of South Carolina, Mr. SAM JOHNSON, Mr. JONES, Mr. KASICH, Mr. KINGSTON, Mr. KLUG, Mr. KNOLLENBERG, Mr. KOLBE, Mr. LARGENT, Mr. LATHAM, Mr. LEWIS of Kentucky, Mr. LINDER, Mr. LIVINGSTON, Mr. MANZULLO, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCINNIS, Mr. MCINTOSH, Mr. MCKEON, Mr. MICA, Mr. MILLER of Florida, Mrs. MYRICK, Mr. NETHERCUTT, Mr. NEUMANN, Mrs. NORTHUP, Mr. NORWOOD, Mr. NUSSLE, Mr. PACKARD, Mr. PARKER, Mr. PAXON, Mr. PETERSON of Pennsylvania, Mr. PICKERING, Mr. PITTS, Mr. POMBO, Mr. PORTER, Ms. PRYCE of Ohio, Mr. RADANOVICH, Mr. RAMSTAD, Mr. REDMOND, Mr. RILEY, Mr. ROGAN, Mr. ROGERS, Mr. ROHRBACHER, Mr. ROYCE, Mr. SALMON, Mr. SCARBOROUGH, Mr. DAN SCHAEFER of Colorado, Mr. SENSENBRENNER, Mr. SESSIONS, Mr. SHADEGG, Mr. SKEEN, Mr. SMITH of Michigan, Mr. SMITH of Texas, Mrs. LINDA SMITH of Washington, Mr. SMITH of Oregon, Mr. SNOWBARGER, Mr. SOUDER, Mr. SPENCE, Mr. STEARNS, Mr. STUMP, Mr. SUNUNU, Mr. TALENT, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. THORNBERRY, Mr. THUNE, Mr. TIAHRT, Mr. UPTON, Mr. WALSH, Mr. WAMP, Mr. WATKINS, Mr. WATTS of Oklahoma, Mr. WELDON of Florida, Mr. WHITFIELD, Mr. WICKER, and Mr. YOUNG of Florida):

H.R. 2608. A bill to protect individuals from having money involuntarily collected and used for political activities by a corporation or labor organization; to the Committee on House Oversight.

By Mr. MILLER of Florida (for himself, Mr. CONDIT, Mr. POMBO, Mr. THOMAS, Mr. CANADY of Florida, Mr. BISHOP, and Mrs. THURMAN):

H.R. 2609. A bill to make a regulatory correction concerning methyl bromide to meet the obligations of the Montreal Protocol without placing the farmers of the United States at a competitive disadvantage versus foreign growers; to the Committee on Commerce, and in addition to the Committee on Agriculture, 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. HASTERT:

H.R. 2610. A bill to amend the National Narcotics Leadership Act of 1988 to extend the authorization for the Office of National Drug Control Policy until September 30, 1999, to expand the responsibilities and powers of the Director of the Office of National Drug Control Policy, and for other purposes; to the Committee on Government Reform and Oversight.

By Mrs. CHENOWETH (for herself and Mr. TRAFICANT):

H.R. 2611. A bill to amend title 11, United States Code, to declare that donations to a religious group or entity, made by a debtor from a sense of religious obligation, such as tithes, shall be considered to have been made in exchange for a reasonably equivalent value; to the Committee on the Judiciary.

By Mr. EHLERS (for himself, Mr. COBLE, and Mr. HOEKSTRA):

H.R. 2612. A bill to authorize the enforcement by State and local governments of certain Federal Communications Commission regulations regarding use of citizens band radio equipment; to the Committee on Commerce.

By Mr. ETHERIDGE:

H.R. 2613. A bill to amend the Internal Revenue Code of 1986 to permit the issuance of tax-exempt bonds by certain organizations providing rescue and emergency medical services; to the Committee on Ways and Means.

By Mr. GOODLING:

H.R. 2614. A bill to improve the reading and literacy skills of children and families by improving in-service instructional practices for teachers who teach reading, to stimulate the development of more high-quality family literacy programs, to support extended learning-time opportunities for children, to ensure that children can read well and independently not later than third grade, and for other purposes; to the Committee on Education and the Workforce.

By Mr. JONES:

H.R. 2615. A bill to prohibit the Secretary of the Interior from permitting oil and gas leasing, exploration, or development activity off the coast of North Carolina unless the Governor of the State notifies the Secretary that the State does not object to the activity; to the Committee on Resources.

By Mr. RIGGS:

H.R. 2616. A bill to amend titles VI and X of the Elementary and Secondary Education Act of 1965 to improve and expand charter schools; to the Committee on Education and the Workforce.

By Mr. BRYANT (for himself and Mr. WICKER):

H.J. Res. 95. Joint resolution granting the consent of Congress to the Chickasaw Trail Economic Development Compact; to the Committee on the Judiciary.

By Mr. SKEEN:

H. Con. Res. 167. Concurrent resolution to correct a technical error in the enrollment of H.R. 2160; which was considered and agreed to.

By Mr. BAESLER (for himself, Mr. BERRY, Mr. BOYD, Mr. CONDIT, Mr. CRAMER, Ms. DANNER, Mr. GOODE, Mr. HALL of Texas, Ms. HARMAN, Mr. JOHN, Mr. MCINTYRE, Mr. MINGE, Mr. PETERSON of Minnesota, Ms. SANCHEZ, Mr. SANDLIN, Mr. STENHOLM, Mr. TANNER, Mrs. TAUSCHER, and Mr. TAYLOR of Mississippi):

H. Res. 259. Resolution providing for consideration of the bill (H.R. 1366) amending the Federal Elections Campaign Act of 1971 to reform the financing of campaigns for election for Federal office, and for other purposes; to the Committee on Rules.

By Ms. WATERS (for herself, Mr. OBERSTAR, Mr. KLECZKA, Mr. GUTIERREZ, Mr. HINCHEY, Mr. NADLER, Mr. DICKEY, Mr. CLAY, Mr. LEWIS of Georgia, Mr. PAYNE, Mr. FLAKE, Mr. WYNN, Mr. TOWNS, Mr. CLYBURN, Mr. THOMPSON, Mrs. CLAYTON, Mrs. MEEK of Florida, Mr. MILLER of California, Mr. SAWYER, Mr. MOLLOHAN, Ms. DELAURO, Mr. WAXMAN, Mr. DAVIS of Florida, Mr. FRANK of Massachusetts, Mr. WISE, Mr. ORTIZ, Mr. GREEN, Mr. FROST, Mr. FAZIO of California, Mr. KAPTUR, Mr. GORDON, Ms. PELOSI, Mr. DIXON, Mr. BISHOP, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. DEFazio, Ms. VELÁZQUEZ, Mrs. MINK of Hawaii, Mr. KENNEDY of Rhode Island, Mr. MALONEY of Connecticut, Mr. WATT of North Carolina, Ms. FURSE, Ms. WOOLSEY, Mr. FORD, Mr. STRICKLAND, Mr. MENEZES, Mr. BOSWELL, Mr. REYES, Mr. BLAGOJEVICH, Mr. EVANS, Mr. POSHARD, Mr. GEJDENSON, Mr. ANDREWS, Mr. SCOTT, Ms. LOFGREN,

Mr. KENNEDY of Massachusetts, Mr. HASTINGS of Florida, Mr. CUMMINGS, Mr. JACKSON, Ms. JACKSON-LEE, Ms. HARMAN, Ms. MCKINNEY, Mr. FARR of California, Mr. EDWARDS, Mr. BALDACCI, Mr. DOYLE, Mr. HALL of Ohio, Mr. POMEROY, Mr. HOYER, Mr. HEFNER, Mr. CONDIT, Mr. BOYD, Ms. SLAUGHTER, Ms. DANNER, and Ms. HOOLEY of Oregon):

H. Res. 260. Resolution condemning the Nigerian dictatorship for its abuse of United States Ambassador Walter Carrington; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLEMENT:

H.R. 2617. A bill for the relief of Rosalba Colunga de Medina, Claudia Janet Alexandru Medina, and Jose Armando Medina, Jr.; to the Committee on the Judiciary.

By Ms. ROYBAL-ALLARD:

H.R. 2618. A bill for the relief of Sergio Lozano, Fauricio Lozano, and Ana Lozano; to the Committee on the Judiciary.

By Mr. YOUNG of Alaska:

H.R. 2619. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Fjording*; to the Committee on Transportation and Infrastructure.

H.R. 2620. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Pacific Monarch*; to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. WOLF, Mr. MICA, Ms. WOOLSEY, and Mr. HOLDEN.

H.R. 65: Ms. SANCHEZ.

H.R. 80: Mr. WELDON of Florida.

H.R. 123: Mr. EHLERS, Mr. HALL of Texas, Mr. HEFLEY, Mr. KINGSTON, Mr. McCRERY,

Mr. PARKER, Mr. SANFORD, Mr. HASTINGS of Washington, and Mr. WELDON of Pennsylvania.

H.R. 192: Mr. WELDON of Pennsylvania and Mr. EHRLICH.

H.R. 218: Mr. STEARNS, Mr. LEWIS of Kentucky, Mr. CALVERT, Mr. GORDON, Mr. POMBO, Mr. HILLEARY, and Mr. WELDON of Florida.

H.R. 300: Mr. GREENWOOD and Mr. KIND of Wisconsin.

H.R. 367: Mr. DICKEY and Mr. ENSIGN.

H.R. 383: Mrs. MORELLA.

H.R. 399: Mr. VISCLOSKEY.

H.R. 414: Mr. EHRLICH.

H.R. 418: Mr. TAYLOR of North Carolina.

H.R. 453: Mr. GUTIERREZ, Mr. DIXON, Mr. CLYBURN, Mr. DAVIS of Illinois, and Mr. STOKES.

H.R. 563: Mr. BARCIA of Michigan and Mrs. MYRICK.

H.R. 600: Mr. SHERMAN.

H.R. 696: Ms. FURSE.

H.R. 768: Mr. EWING.

H.R. 836: Mr. SMITH of New Jersey.

H.R. 991: Ms. PELOSI, Ms. MCCARTHY of Missouri, Mr. POMEROY, Mr. BOYD, Ms. DELAURO, Mr. DOYLE, and Mr. PRICE of North Carolina.

H.R. 1072: Mr. GUTIERREZ and Mr. DAVIS of Illinois.

H.R. 1114: Mr. THOMPSON, Mr. ENSIGN, Mr. EDWARDS, Mr. PAPPAS, Mr. STOKES, Mr. BARR of Georgia, and Mr. BALLENGER.

H.R. 1126: Mr. TRAFICANT.

H.R. 1147: Mr. CRAPO and Mr. BARCIA of Michigan.

H.R. 1227: Mr. MILLER of Florida.

H.R. 1231: Mr. BLILEY.

H.R. 1285: Mr. BURTON of Indiana.

H.R. 1290: Mr. HAYWORTH.

H.R. 1387: Mr. SALMON.

H.R. 1411: Mr. BLILEY, Mr. INGLIS of South Carolina, and Mr. MCHALE.

H.R. 1425: Mr. OLVER and Mr. MORAN of Virginia.

H.R. 1455: Mr. FATTAH.

H.R. 1521: Mr. HERGER and Mr. HOBSON.

H.R. 1531: Mr. WEYGAND.

H.R. 1534: Mr. DOYLE, Mr. TAYLOR of North Carolina, and Mr. THUNE.

H.R. 1577: Mr. WELDON of Florida.

H.R. 1636: Mr. MARTINEZ.

H.R. 1712: Mr. PICKERING, Mr. PORTER, Mr. BLUNT, and Mr. FOLEY.

H.R. 1754: Mr. PETERSON of Minnesota, Mr. COOKSEY, and Mr. SMITH of New Jersey.

H.R. 2021: Ms. DUNN of Washington.

H.R. 2023: Ms. PELOSI, Mr. UNDERWOOD, Ms. WOOLSEY, Ms. KILPATRICK, and Mrs. MALONEY of New York.

H.R. 2053: Ms. KILPATRICK and Mrs. MALONEY of New York.

H.R. 2110: Mr. LANTOS.

H.R. 2118: Mr. THOMPSON.

H.R. 2183: Mr. TAYLOR of Mississippi, Mr. STENHOLM, Mr. SISISKY, Mr. STRICKLAND, Mr. BAESLER, Mrs. SANCHEZ, Mr. CONDIT, Mr. PETERSON of Minnesota, Mr. ETHERIDGE, Ms. CHRISTIAN-GREEN, and Mr. WAXMAN.

H.R. 2211: Ms. WOOLSEY and Mr. TORRES.

H.R. 2321: Mr. BOEHNER, Ms. DUNN of Washington, Mr. GRAHAM, Mrs. LOWEY, Mr. PARKER, Mr. PASTOR, and Mr. STUPAK.

H.R. 2327: Mr. GRAHAM, Mr. WALSH, Mr. SKELTON, Mr. EHLERS, Mr. BLUMENAUER, Mr. NUSSLE, and Mr. SCHIFF.

H.R. 2351: Mr. DEFazio and Mr. BLAGOJEVICH.

H.R. 2380: Mr. MORAN of Kansas.

H.R. 2424: Mr. ENSIGN, Mr. LUTHER, Mr. BARRETT of Wisconsin, and Mr. PETRI.

H.R. 2436: Mr. OWENS and Mr. ACKERMAN.

H.R. 2437: Mr. OWENS and Mr. ACKERMAN.

H.R. 2462: Mr. SHAYS, Mr. SHADEGG, Mr. MILLER of Florida, Mr. SMITH of Michigan, and Mrs. MYRICK.

H.R. 2469: Mr. BLILEY and Mr. MCHALE.

H.R. 2493: Mr. CANNON and Mr. PICKETT.

H.R. 2523: Mr. THOMPSON and Mr. KENNEDY of Rhode Island.

H.R. 2535: Mr. GOODLATTE and Mr. THUNE.

H.R. 2551: Mr. MCHUGH and Mr. METCALF.

H.R. 2554: Mr. HINCHEY and Ms. KILPATRICK.

H.R. 2563: Mr. ISTOOK, Mrs. THURMAN, Mrs. EMERSON, and Mr. CRAMER.

H.R. 2565: Mr. BATEMAN and Mrs. MYRICK.

H.R. 2584: Ms. WOOLSEY, Mr. DAVIS of Illinois, and Mr. GREEN.

H.R. 2586: Mr. SPRATT.

H.R. 2592: Mr. PARKER.

H.R. 2599: Mr. HINCHEY and Ms. KILPATRICK.

H. Con. Res. 55: Mr. ISTOOK, Mr. DIXON, and Mr. SHAYS.

H. Con. Res. 107: Ms. DELAURO, Mrs. MINK of Hawaii, Mr. HAMILTON, Mr. GEKAS, and Mrs. MALONEY of New York.

H. Con. Res. 112: Mr. LEVIN, Mr. CAPPS, and Mr. GUTIERREZ.

H. Con. Res. 148: Mr. PAPPAS, Mr. POSHARD, Mr. MCGOVERN, Mr. KENNEDY of Massachusetts, Mr. MANTON, Mr. FILNER, Mr. CAPPS, Mr. BROWN of Ohio, Mr. PALLONE, and Mr. TORRES.

H. Res. 235: Mr. LUTHER, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. HINOJOSA, Mr. TOWNS, Mr. LANTOS, Mr. REDMOND, Mr. FALCOMAVEGA, and Mr. BROWN of Ohio.