HOUSE OF REPRESENTATIVES—*Tuesday, May 6, 1997*

The House met at 12:30 p.m.

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.

MORNING HOUR DEBATES

The SPEAKER. 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 not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Florida [Mr. BILIRAKIS] for 5 minutes.

HONORING OUR NATION'S TEACHERS

Mr. BILIRAKIS. Mr. Speaker, today marks National Teacher Day, and I rise to recognize the important contributions and the hard work of our Nation's educators.

Our teachers will inspire our children's path to their futures, whether it is through teaching history, mathematics, English, or science. They will provide children with the framework for independent thought and innovation.

We in Congress are fighting to improve our education system. In order to be successful, we must shift power away from Washington and back into the hands of parents, teachers, and local officials, those who know our children the best.

I recently visited the Sunset Hills Elementary School in Tarpon Springs, FL, in my congressional district. While I was there, I met with teachers, students, and administrators. This school was built in 1958 and has approximately 500 students. Sunset Hills is often characterized as being a true neighborhood school, something which fosters a special pride within the community it serves. The school has a motto, Mr. Speaker, which is indicative of the character of its teachers and students. The motto is, "Where the future meets every day."

During my visit, I met the promising young boys and girls who are tomorrow's leaders. As soon as I entered the school, I was struck by the pride and dedication of the students, teachers, and school administrators.

At this point, Mr. Speaker, I would like to take some time to talk about some of the special people I met while visiting there. I want to commend Mrs. Kathy Davis on her hard work and dedication to the students of Sunset Hills. To my left here is a photograph which I took with Mrs. Davis and her students. She teaches the first grade and has done so for 20 years. During her tenure, Mrs. Davis has shaped the minds of hundreds of young people. I applaud her commitment to guide our children during their formative years in school. Her efforts help lay the foundation for her students' future years. I would also like to thank her students for welcoming me into her classroom. What a fine group of first graders.

Behind me, as I said earlier, is a picture of Mrs. Davis and her students which the class sent to me shortly after my visit to the school.

During my visit, I also met Sally Wakefield, who teaches English and language arts to fourth graders. She has taught at Sunset Hills for 19 years and is a wonderful and inspiring educator. Not only does she encourage her students to better communicate their ideas, she also oversees the student council, a body elected by the students. It was a privilege to meet her and I commend her commitment to excellence.

While at Sunset Hills, I took the time to speak with school administrators who shared with me the importance of school breakfast and lunch programs. I want to especially thank Dolores Ford, Joe Hornberger, Susan Honey, Betty Muzio, Stella Makryllos, Kathy Protus, and Gray Miller for their time. While teachers provide the basic tools for learning, these individuals help the Sunset students focus on learning by ensuring that they have adequate and nutritious meals every day.

School meals, as we know, are an integral part of our children's educational experience. In addition these programs enhance a child's physical and mental development.

Finally, I want to commend William Brewer, the principal of Sunset Hills Elementary. He is responsible for overseeing the day-to-day operations of the school. Let me say how impressed I was by the school's organization. Mr. Brewer is responsible for this success. His leadership serves as an inspiration to all of those at Sunset Hills.

Mr. Speaker, the teachers and administrators at Sunset Hills Elementary are meeting the rewarding challenges of educating their students. As we search for ways to improve our Nation's education system, I want my colleagues, teachers, parents, students, administrators, and local officials to know that I am dedicated—I think all of us are—to improving our Nation's education programs. Why? Just look at the faces of the Sunset Hills Elementary first grade class. They are responsible for our Nation's future.

INTRODUCTION OF POLICE COORDINATION ACT OF 1997

The SPEAKER pro tempore (Mr. MILLER of Florida). Under the Speaker's announced policy of January 21, 1997, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized during morning hour debates for 5 minutes.

Ms. NORTON. Mr. Speaker, today I have introduced a bill that is of importance to every Member of this House if they have constituents who come to visit this city. It is called the District of Columbia Police Coordination Act of 1997.

What it does is very straightforward. It would make mandatory cooperative agreements between the Metropolitan Police Department and the Federal agencies so that they would have to come to terms with sending agency personnel to patrol areas around their own Federal buildings, donating or sharing equipment and supplies, sharing radio frequencies, and streamlining the process of arresting suspects. The U.S. attorney would be the coordinator.

This is so straightforward, why is it not happening already? We have got thousands of police, we have got 30 police forces in Washington, DC, and they all operate as private police forces. No coordination goes on. And so the hard-pressed District police, faced with violent crime, are duplicating efforts that could be going on downtown.

My bill seeks to introduce rationality and cost efficiency into a totally uncoordinated, very inefficient, and wasteful use of Federal police power.

We send many of our Federal law enforcement officers to the state-of-the-art facility at Brunswick, GA. Then we come back and capture them inside Federal buildings. One of the officers told me that in this day, when we are concerned about security, a Federal police officer in a Federal building, if he

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

sees a van, a suspicious looking van outside a Federal building, does not have the authority to go outside and ask that van to move along. We need to empower these police to do police work.

There is already good coordination between the Park Police, which has jurisdiction all over the whole city, but there are multiple police forces, such as the Government Printing Office police force, the Naval Observatory, the Federal Protection Service for the Federal buildings, the Library of Congress. The list goes on, and it is very long. Most of these officers are unable to make arrests except in the building or in the immediate environs of the building. Most do not even patrol the block around their Federal agency. Worse, on the few occasions in which they do intervene into unlawful activity, many call 911 to get a District police officer as if they were a regular citizen. Instead, they are people with arrest powers. I am talking about people who carry guns and cannot come outdoors to play with the thugs.

My bill says, hey, you get more money than the D.C. police, you get better pensions, you face a whole lot less crime. Come out here where the real crime is.

When the high crime rates went up in the District, there was a lot of blame to go around and a lot of it belonged to the District. Always, the District gets stinging criticism. Criticism of our own local police or death penalty rhetoric is not going to do anything to assist our police on the streets today, right now. Federal law enforcement officers should not be left underperforming when—by the way, they desperately want to perform because they lack the authority to render service commensurate with their police power and their arrest authority.

There is ample precedent for my bill. In 1992, this body passed my bill that freed the Capitol Police to go beyond the few blocks around the Capitol, and so they now patrol the high crime Capitol Hill area. This body understood immediately that we should not be training cops at the level we do and then failing to get the highest and best use of them. This is a period when we are losing policemen as if they were fighting wars. The high crime areas will always be patrolled by our own District police; but surely in the middle of town, thousands of police officers assigned to Federal agencies, who carry guns, who have police power, ought to be freed up to use that police power.

We are requiring greater efficiency from police these days. We are not responding simply to the call for more money. The call for greater efficiency is paying off. We see it in the large cities where crime rates have tumbled down. They can tumble down in this city, too. We are doing saturated arrests, and the crime rates have come down remarkably. How long can our police keep it up if we do not get help from police who are perfectly willing to, indeed, help?

I appreciate that many of those uniformed police came to stand with me this morning in a press conference. I ask the Congress and this House to pass my police coordination bill and help me get rid of crime in the District of Columbia.

TEACHER APPRECIATION DAY

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

Mr. PICKERING. Mr. Speaker, I rise today in recognition of National Teacher Appreciation Day to express my gratitude to teachers who have helped shape my life, and to my family, many of whom have taught, and continue to teach today. The theme of this year's National Teacher Appreciatiom Day is: One teacher can shape a child, one child can shape the world. I am thankful for this day so that we can praise those who shape not only our lives individually and our children and our communities but also shape our future.

My grandparents on my mother's side were both teachers; W.C. Thomas and Ivon Thomas. They came of age during the Depression. My grandfather became a principal at a small rural agricultural high school and then went on to teach at the junior college that serves my area. I had the benefit during the period in which I grew up of having adults come to me as a child and saying, "If it had not been for your grandfather, I would not have stayed in school, and I would not be what I am today."

It gave me a true appreciation and an understanding for the role of what teachers and those in the education community give to people. My mother was a teacher and was a director of a kindergarten program. I have three sisters. Today, one teaches fifth grade in Opelika, AL. My oldest sister has six children and home-schools. My other sister taught freshman composition at the University of Mississippi. My aunt, Karen Pickering, teaches fifth grade at Calhoun Elementary School.

□ 1200

I come to this day with appreciation for what teachers give, and I want to give specific praise to one teacher, one coach, who had a specific influence on my life and to whom I am not sure that I would be here as a Congressman today if he had not given me encouragement at a critical point in my life. His name is Lonnie Meaders. He began teaching and coaching in 1950, and he served the Jones County-city schools for almost 30 years. He was my junior high football coach. When I finished junior high, most people thought that I was too small and too slow to continue at the high school level. He encouraged me to continue playing when no one else did.

My 10th grade year, my first year in high school, I was the smallest on the team. I made up for the lack of size with an even greater lack of speed. In my 11th grade year, I began to play. In my 12th grade year, I had enough success on the field to earn a college football scholarship.

It was that experience of continuing to play when no one else thought that I could or should that gave me the confidence and gave me a foundation to believe that with hard work that I could succeed. It was Coach Lonnie Meaders who influenced not only my life, but countless others who went through the Laurel city schools. He was also the tennis coach, his 9th grade team went 18 years never losing a match. We are blessed to have those like Coach Meaders who teach us and encourage us at critical points in our lives.

I now have four children ages 7, 5, 3 and 1, and I want to thank Mrs. Harper, who teaches my oldest child today. She has brought a young, shy, 7-year-old out, and he is beginning to blossom as she encourages him on a daily basis.

My job in representing the teachers and the families of my district is to make sure that we give the resources, the freedom, and the flexibility to our teachers so that they can help shape the character of our children. Teachers can help establish the fundamentals upon which our children will prosper and, hopefully, one day succeed at whatever their dream may be.

For those who have taught me, to my family which has served the education community, I want to extend a special thank you to them all.

ENCOURAGING BROWNFIELD DEVELOPMENT

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

Mr. VISCLOSKY. Mr. Speaker, I rise today to urge my colleagues to join me in promoting an effective way to encourage the redevelopment of abandoned, idled or underutilized commercial and industrial sites known as brownfields. Nationwide, brownfields are often overlooked for redevelopment because of real or perceived contamination. As a result, developers frequently turn to undeveloped greenfield sites. This creates a vicious cycle of lost tax revenues and job opportunities for local residents, while the brownfields are not cleaned up.

There is wide bipartisan support for measures that would encourage the redevelopment of brownfields. Although the specifics have not yet been worked out, I am pleased that the recent budget agreement contains a brownfields initiative to assist cities in cleaning up contaminated sites as part of a broader economic redevelopment strategy.

Effective brownfield redevelopment must create jobs, clean the environment and generate economic activity in our urban areas. However, we must not start a race to the bottom where cleanup standards are sacrificed on the altar of brownfield renewal. We must ensure that brownfield redevelopment does not become a back door to let polluters off the hook. A final product that does not meet these reasonable standards falls short of a readily achievable goal.

In March, I introduced the Brownfield Cleanup and Redevelopment Act, H.R. 1206. This legislation would establish a process whereby States with EPA-certified voluntary cleanup programs would be authorized to make final decisions regarding the cleanup of low- and medium-priority brownfield sites. To date, roughly three dozen States have implemented or are in the process of implementing voluntary cleanup programs. While these programs have been popular, the benefits of State cleanup programs will be significantly enhanced in the context of a Federal system that, first, encourages Federal-State partnerships; second, provides legal finality to the cleanup process; and, third, removes Federal requirements for certain procedural permits for cleanups conducted under certified voluntary State programs.

My bill would expedite the clean up of eligible brownfield sites while protecting human health and the environment and creating jobs. H.R. 1206 is designed to encourage the cleanup of brownfields by providing certainty and finality to owners or prospective purchasers that the EPA will not require additional cleanup after an EPA-approved State voluntary cleanup has occurred.

My bill makes clear that if State voluntary cleanup programs meet certain criteria and are certified by the EPA, then approved cleanups conducted by certified State programs could proceed in lieu of Superfund. However, under H.R. 1206, the EPA administrator would certify State voluntary cleanup programs based on several criteria including, first, adequate opportunities for meaningful public participation in the development and implementation of cleanup plans at eligible facilities; second, the provision of adequate technical assistance, resources, oversight and enforcement authority; and, third, certification from the State that the cleanup of an eligible facility is complete. In addition, certified State programs could modify Federal permit requirements for eligible facilities to expedite their cleanups.

However, this bill is narrowly targeted to address only sites that are not Superfund sites that are not included on the national priorities list or subject to enforcement actions. Further, under H.R. 1206 the EPA explicitly retains its authority to gather information on any brownfield site. If it is discovered that the site is contaminated in such a way that it would not be considered a low- or medium-priority brownfield, it will no longer be eligible as a facility under the legislation, and EPA would retain full enforcement authority under Superfund.

I also want to briefly highlight another bill I have introduced. It is H.R. 1462 which would authorize $20 million over 3 years to establish a pilot revolving loan fund for State voluntary cleanup programs. Because of their experience in administering targeted loan assistance programs, States are in a good position to use Federal funds to support local cleanup and redevelopment projects. Under H.R. 1462 States would provide a 20-percent match and begin repaying loans within 5 years.

Mr. Speaker, I urge my colleagues to sponsor these bills which will build upon existing redevelopment efforts. By creating a distinct beginning and end to the voluntary cleanup process, businesses and jobs will be more attracted to unproductive brownfields as opposed to undeveloped farmland and other greenfield sites.

TRIBUTE TO MY TEACHER, FATHER JOHN PUTKA

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

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, today is National Teacher Appreciation Day, and we celebrate this all week long. I am reminded today especially of the teachers that have had such a profound influence in my life, and powerful influence at that, not the least of which was my father, a school teacher for his whole career, retired now; taught in a government-owned school system in which I did not live and did not have the chance to attend there, but he had the good sense to send me to another school where I had the opportunity to learn from this man here who I brought a picture of today.

Mr. Speaker, this picture is from January 7, and the man, this is me over here on the left, the man at the right here is Father John Putka who my colleagues will find at the University of Dayton presently. This was the day that I got sworn in, and this was a teacher who made the trip here to the U.S. Capitol to celebrate the occasion, and I have to tell my colleagues that there are many, many individuals throughout this country who have been inspired by Father John Putka.

Now he was my high school teacher at More High School in Cincinnati, OH. It is a Catholic school and one that is run by the Marianist Brothers, which Father Putka is a member of that holy order, and Father Putka was my senior Christian marriage teacher. Now he taught several different topics. His training is in political science, and in law, in philosophy and divinity, and he manages to bring all of those disciplines together in a way that has such a remarkable influence upon the lives of all of the students that have had an opportunity to sit in the chairs before him.

It is interesting about this picture itself, because when we were having it prepared and it was downstairs in one of the offices, one of the staff members who was preparing this did not want to part with it, and the reason was because she had the opportunity to learn from Father Putka too, as it turned out.

I have to tell my colleagues that it is unfortunate that there are not more students throughout the country that have a chance to learn in the kind of setting that I had an opportunity to learn in and that many students do throughout the country, but still not enough. I was able to attend this school because choice, school choice, was something that was available to me and to my family and to my brother and sister and others in my community. It was an opportunity for me to choose which kinds of education settings made the most sense for me. For me this was the setting that was most meaningful and most purposeful.

This was the setting under Father Putka where we learned quite a lot about character and character education. We learned quite a lot about our history as a great Nation, a nation where, as our Founders observed in our Declaration of Independence, is a nation where we are organized around certain God-given unalienable rights to life, liberty, and the pursuit of happiness and that our Founders appealed to the Almighty for the rectitude of their intentions, and in fact they pledged to each other their lives and their fortunes and their sacred honor with a firm reliance upon the protection of that same divine providence.

Now those are lessons that I would submit one does not learn everywhere. They are lessons that frighten some people when it comes right down to it because there are many people in government schools and in government settings and centralized bureaucracies who are afraid of the lessons that people like Father Putka teach their students. They are afraid that individuals might take his lessons seriously about

not being conformed to this world, about renewal of the mind, that we may recognize what is good, what is bad, what is perfect, what is imperfect, what is proper and improper. Those are lessons that more and more students need to learn and need to hear, especially here in America.

Father Putka keeps in touch with his students; I can assure my colleagues of that. He kept in touch with me when I was a State senator back in Colorado. For 9 years I would hear from him frequently on issues that we were dealing with in the State legislature, issues dealing with family, issues dealing with life and death, euthanasia, all kinds of topics of those sorts. I spoke with him often about the relevance of our Constitution and the decisions that we make every day. A constitutional scholar, he has reminded me every single day, recalling from those lessons at More High School in his classroom about how we organize ourselves as Americans and how we are, in fact, governed by that Constitution.

Teachers like Father Putka understand full well that the students that they teach are in fact messengers that we send off to a distant time, and what message will they carry? They will be future leaders perhaps, they will be business leaders and government leaders and perhaps even spiritual leaders or maybe teachers themselves. What message will they convey?

Mr. Speaker, I can tell my colleagues that the message I am here to convey is that we have to move away from a centralized bureaucratic structure of public schooling. The Republican Party is committed to the freedom to teach and the liberty to learn. We believe full well that every student in America ought to have the same choices I did to choose the educational setting of their choice, the same kind of choices that occurred to our President here in Washington, DC.

Mr. Speaker, congratulations to all the teachers throughout the country today on this commemoration of their profession.

□ 1300

REVITALIZE PELL GRANT PROGRAM

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

Mr. McGOVERN. Mr. Speaker, I rise this morning to express my strongest support for increased funding for the Pell Grant Program. In developing a national education strategy and in constructing an economic vision for the future, we must strive to ensure that every American who wants to go to college can, in fact, afford to go to college.

The tax system is one way of providing relief to families attempting to put a child through college, but tax credits and deductions alone will not make higher education more affordable for every working family.

As the Boston-based Education Resources Institute has reported, low-income students need grant aid to help cover tuition costs. Otherwise, an entire community could effectively be shut out of the American dream.

As I have met with the presidents of universities, community colleges, and vocational and technical schools throughout my congressional district in Massachusetts, I hear everyone saying the same thing: We need more grant aid and we need increased funding for Pell grants.

These educators understand that students are struggling to meet rising college costs. The average tuition in a 4-year public college in Massachusetts is over $4,000. The average private school costs nearly 4 times that amount. In 1980 through 1981, the average Pell grant award paid for 26 percent of the total annual cost of attending a 4-year public institution. Today the average award covers only 16 percent of that cost.

What happened? The problem with Pell grant funding comes not from institutions of higher learning, Mr. Speaker, but rather from a Congress that has neglected to keep financial aid awards consistent with the rising cost of living. In announcing the recent budget agreement, the White House noted that the President's mere $300 increase for Pell grant is the largest such increase in the past two decades.

This sad reality is an indictment of Congress' failure to truly commit itself to expanding educational opportunity for all of our young people. While congressional appropriations for Pell grants have increased modestly over the last 17 years, the real dollar amount for the grant when adjusted for inflation has actually decreased by 13 percent during this period.

The Pell Grant Program is the heart of Federal grant aid for families in need. It targets those students most likely not to attend college because of a lack of funds. These are the children of modest income working families and those of middle income families who are struggling to send several children to college at the same time.

Mr. Speaker, President Clinton has proposed raising the maximum Pell grant award from its present level of $2,700 to $3,000. But to be frank, this modest increase, while welcome, simply will not cut it. If education is truly at the top of our national agenda, our Federal investment must reflect this fact.

That is why Senator PAUL WELLSTONE and I have introduced legislation to increase the maximum Pell grant to $5,000, bringing the award to the level at which it was created, adjusted for inflation. This legislation is supported by respected groups like the American Jewish Committee, the National Urban League, the Education Trust, the National Association of La Raza, the National Association of Social Workers, the NAACP, and the U.S. Student Association.

The cost of increased funding for Pell grants is not prohibitive. Last year, the Pell Grant Program totaled $6.4 billion and benefited about 3.4 million students in this country. My bill requires about $7 billion more per year, less than three-tenths of 1 percent of the Federal budget. And we should remember that Pell grants pay a huge dividend in the form of a more productive, highly educated work force.

I am committed to balancing the budget, Mr. Speaker, and I believe every dollar that the Government spends must be viewed in this framework. But balancing the budget is all about making choices. And when it comes to investing in our children's education, I am absolutely convinced that America's future hangs in the balance.

On this issue then, we simply cannot pinch pennies. Every American child deserves the opportunity to become a productive member of our society. As we move into the 21st century, we must guarantee that no student who aspires to a college education is left behind simply because she or he cannot afford it. An ever adjusting Pell grant fund for inflation is one way to avert such a tragedy.

NATIONAL TEACHER APPRECIATION DAY

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

Mr. THUNE. Mr. Speaker, today I also want to pay tribute to the many teachers around this country. It is National Teacher Appreciation Day. My father was a teacher. In fact, I am probably one of the few people in this body that knows what it is like to live on a teacher's salary.

I did not have him for a class; although, my older brother Rich did. My brother Rich was a valedictorian of his class. My father's class was the only class in which he received a B. So maybe it is better that I did not have him as a teacher. But I want to pay tribute to the many people who have invested and poured their lives into preparing me for a better future, and I have been marred for life by the people who have invested and taken the time and energy and have been dedicated and committed to preparing and equipping me for the future that was ahead of me.

Today I stand here as a product of their investment. Today I am a little bit of Margie Peters, little bit of Mike McKernan, little bit of Coach Applebee. There are great lessons that have been learned, and there is no greater laboratory in which to learn those lessons, to impart knowledge and to instill values than in the classroom.

I would like to visit with Members just briefly today about one person in particular that had a profound impact on my life, and it was a basketball and track coach, a red-haired Irishman named Jerry Applebee. We do not get C–Span in the town in which I grew up, and so we have got his picture here. He probably will not see this. But I want to make reference to one game in particular that I recall as a senior in high school in which we had an opportunity to win the district basketball tournament. It would have been my last opportunity and his last opportunity to advance to the State tournament. And I had an opportunity toward the end of that game to make a shot that could have won that game and sent us on and advanced us in the playoffs. And as the play was called and the ball was inbounded and I received the ball and took the shot and missed it at the buzzer, with that perished our last opportunity at a State tournament and certainly his last opportunity as well.

I remember sitting in the locker room after that game was over and feeling dejected and responsible for the loss; and Coach Applebee, as was his custom, he came alongside, and the bus was getting ready to leave, and said, "John, the bus is ready to leave, it is time to go. And, by the way, track starts next week."

He learned and reinforced a lesson that has stuck with me for a very long time, and that is, it is not so much about winning or losing as it is about learning, and the lessons I learned along the way and the teaching and the coaching that I had the opportunity to sit under his guidance and leadership were some very important lessons that when you win, you win with grace, that when you lose, you lose with dignity, that you always play by the rules, and that you always play hard. That was his way.

I never asked whether or not Coach Applebee was a Democrat or a Republican. But it was interesting, because when I decided to seek my party's nomination for the U.S. Congress, he was one of the first people that came forward and helped. We had a little pie auction in my hometown of about 700 people, and he was the first one to step up and buy pies. In fact, I think he bought the first 4 or 5 pies and bid the price up on them because he wanted to make sure that nobody else thought that they were going to be able to get off easy.

That is one of the things I think that is characteristic of a lot of teachers around this country, and that is the personal time, the investment, the energy, the dedication, the commitment they make to building character into the next generation of Americans.

Today I want to thank those who had an impact on my life, a profound impact, as well as many others like them around this country who, day in and day out, go about their business and certainly it is not for the money because, particularly in our State, it is not a very lucrative profession, but they do it because they believe very strongly in helping to equip and helping to build a better future for our country.

So today we pay tribute, and I want to thank the many teachers around this country who are about the process of educating and preparing and building character into us and equipping us so that we might be the kind of people and achieve all the things we possibly can and strive for a better future as well for our kids and our grand kids.

GUAM'S QUEST FOR COMMONWEALTH CONTINUES

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

Mr. UNDERWOOD. Mr. Speaker, next year marks the 100th anniversary of the end of the Spanish-American War, with the territory of Guam being one of the spoils of that conflict. It has been 100 years since Guam has been a colony of the United States. And before that, Guam was a colony of Spain for over 200 years.

We are a people who can adapt and adjust to wars, typhoons and changes from outside forces. But we have been a colony of one Nation or another for far too long. We have taken steps to change our inability to make decisions for ourselves which govern our everyday lives. We have begun the journey for change in plebescite in 1982, and our journey for commonwealth status continues today.

The people of Guam, American citizens in the Western Pacific, will not remain colonized for another century. We have been loyal citizens under the American flag. We have developed economically to the point where we have a booming tourist industry, the envy of many Asian Pacific nations. We could develop even further if we did not have so much Federal constraints imposed upon us as an unincorporated territory.

To help us develop further, we are striving for an improved political relationship with the Federal Government through the Guam Commonwealth Act, H.R. 100. I introduced H.R. 100 on the first day of the 105th Congress. This important legislation embodies the aspirations of the people of Guam for more self-governance and signals to the American people that we are serious about changing from our current status under an organic act to a negotiated commonwealth status.

We embarked on this journey in 1982 when the people of Guam voted for commonwealth in a plebescite. A draft commonwealth proposal was presented to the U.S. Government, both the executive branch and the legislative branch. The Congress, through the House Subcommittee on Insular and International Affairs, held a hearing in 1989 in Hawaii. At that time, the administration raised a number of objections and the chairman of the subcommittee asked the Guam officials at the hearing to meet with the executive branch officials to resolve or narrow their differences on how best to structure a new relationship.

It has been 8 years since the executive branch has been meeting with the representatives of the Guam Commission on Self-Determination. Numerous meetings were held to discuss, debate and deliberate on a variety of issues embodied in the draft commonwealth proposal.

We have had to deal with an interagency task force of individuals who resisted changes to the status quo in traditional Federal territorial relations. We have worked with four Presidentially-appointed special representatives who led the Federal negotiations with Guam officials. It has been a taxing, debilitating experience filled with a few minor breakthroughs and a few major agreements on structuring a commonwealth, but we still have not reached final agreement.

After 8 years, we still do not have an official position from the administration; and this is true whether it was in the Bush administration or the current Clinton administration, whether they will support or oppose the Guam Commonwealth Act. I urge the administration to bring closure to this process so that Guam can assess its options on how best to proceed.

I personally asked the President last month to complete this long delayed process, but we are not going to wait for the answer. We are ready to move on to another playing field; namely, the U.S. Congress.

Last month, the Governor of Guam, bipartisan members of the Guam Commission on Self-Determination, and legislature, and I met with House and Senate committee members who have jurisdiction over insular issues. We were energized with the understanding of the issues and especially the renewed commitment by Chairman DON YOUNG to conduct a hearing on the Guam Commonwealth Act, perhaps this summer after the committee has concluded its consideration of Puerto Rico's political status legislation.

We thank Chairman YOUNG and the gentleman from California [Mr. MILLER], the ranking member, and Members of the other body for their commitment to work with me and other elected officials from Guam to move the Guam commonwealth process along.

As often is the case, congressional action on an issue is the driving force for change. By moving Guam commonwealth to the congressional level, it will force the administration to seriously decide whether to help Guam craft a new relationship or to oppose our quest for commonwealth. It is my hope that by the time we hold the hearings in Congress that the administration will conclude its review and consideration of Guam commonwealth.

The people of Guam are relying on the Congress, the branch of government which represents all of the people of this Union, to be fair to us and to be receptive to our quest for an improved relationship. One hundred years is too long.

THE INFLUENCE OF TEACHERS IN OUR LIVES

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

Mr. PAPPAS. Mr. Speaker, for many of us, what we are doing today and the person that we are today can be traced back, at least in part, to the influence that a particular teacher had on us. In so many ways, teachers, whether in grade school or high school, have encouraged us and inspired us as we grew.

The formidable years, those years in which we begin to think about what we want to be and the path of how to get there, are so many times guided by teachers. I know many people have chosen a profession or excelled in an area based on the influence of a teacher. That influence sometimes reaches well beyond guiding us through the four R's.

For anyone who has logged onto my web site or was at the Speaker's opening day reception, they know that I enjoy singing. Aside from recently joining with one of my colleagues, one of which was the gentleman from South Dakota [Mr. THUNE], in forming a congressional quartet, music has been a part of my life since childhood.

□ 1315

My lifelong love of music and singing has been inspired by my elementary school music teacher, Mr. Erin Sanders. Mr. Sanders led us in song each week while he played the accordion at the Pine Grove Manor School in Franklin Township, NJ, where I attended.

He also taught each of us that was interested in learning to play a musical instrument. I recall with fondness how he would enthusiastically direct at both practice and especially at concerts.

I remember one day I had traveled into New York City with my father and, among other things, I purchased a conductor's baton. When I returned to school, I lent the baton to Mr. Sanders to use for an upcoming concert. At the end of the school year, I wrapped it and I left it for Mr. Sanders in his office, and I can still remember the smile on his face when he thanked me for it. It was a small offering to him for all he had given to me.

All of us should take the time to reflect on our own school experiences and remember those teachers and programs that made a difference. Sometimes it was not just what we were encouraged to do but also what we were encouraged not to do. Whether it was just talking, being confident, challenging us, or developing a talent, I hope we remember how Mrs. So-and-so or Mr. So-and-so took the time to make us feel special. Each of us are gifted in one way or another. Maybe you are an artist, mathematician, writer, runner, or singer, but whatever it is, never forget who was there when you needed someone's prodding or encouragement.

So as we celebrate National Teacher's Week, I want to say a special thank you to Mr. Sanders for the difference he made in my life.

HONORING OUR NATION'S TEACHERS

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

Mrs. NORTHUP. Mr. Speaker, on this day when we honor our Nation's teachers, I would like to highlight the work of one accomplished educator in my district of Louisville, KY.

Jacqueline Austin spent 13 years as a classroom teacher before being named as principal of John F. Kennedy Elementary School. In her first year as principal, Mrs. Austin would arrive early at work and phone students to wake them up and ensure that they were coming to school. She says it was the only way she knew to improve the school's attendance rate, which was near the bottom of all of Jefferson County elementary schools.

Kennedy could be found at the bottom of a lot of other lists, not only in attendance but also in test scores and failure rates. In fact, more than 30 percent of John F. Kennedy's kindergartners and 23 percent of its first graders had failed a grade.

Located in one of the toughest housing projects in the city, Kennedy Elementary seemed to be a lost cause. But in the tradition of outstanding educators, Mrs. Austin set about finding ways to solve her school's problems. Her good friend, Ethel Minnis, wife of director of Career Workforce Education Bernard Minnis, made her aware of the Montessori style of education, which, as Jackie says, encourages students to be actively engaged in their own education.

Under the direction of Ms. Austin, Kennedy became the only public Montessori school in the Commonwealth of Kentucky. Now, 10 years after Jackie Austin was given this seemingly impossible task, John F. Kennedy Elementary is a model school. The student scores on the State tests have earned the school acclaim. It was recently named a Kentucky Pacesetter School for consistent academic achievement. Mrs. Austin herself was given the Milken Family Award for Excellence in Education.

Students run the school's in-house TV network, WJFK. Not only do they appear on air, but they also operate the cameras, produce, direct, and stage manage the broadcasts. Students run their own post office and take a mini civil service exam, and students run the Kennedy Financial Services, which teaches skills associated with banking as well as investing in stocks and bonds.

Jackie Austin's enthusiasm and work ethic have proven to be contagious. Parental involvement in the school is at an all-time high. Kennedy teacher Patti Barron says, "When you have a principal that works as hard as she does, we're willing to work as hard as we can." John F. Kennedy Elementary has risen like a Phoenix from the ashes of a once failing school.

Jackie Austin was on the front lines of this Nation's war against ignorance. She was innovative and determined not to let the enemy win. The results she has achieved exemplify what happens when educators are allowed to be independent and creative.

Mrs. Austin says, "Every child is a learner. With all of the outside distractions, we have to make learning dynamic and exciting." Jackie Austin has done just that. I was honored to meet her and tour her school, a modern day success story, where education and learning are paramount.

CONGRAULATIONS TO THE PRESIDENT AND HOUSE AND SENATE LEADERS FOR BUDGET AGREEMENT

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

Mr. MORAN of Virginia. Mr. Speaker, I rise to congratulate all the parties that were involved in the budget agreement reached over the weekend. While many of the details still have to be

worked out, and of course many will say the devil is in the details. I think Members of this body would be hard-pressed to speak against a budget agreement that for the first time since 1969 gives us a real chance to balance the budget, to get our fiscal house in order.

I would have preferred that we postpone some of the tax cuts pay for more of them through savings in the tax Code. We are doing much of that. Each of us may find, as I say, particulars in programs that we think may be more endangered than before the budget agreement, but that is a product of compromise. Politics is the art of compromise, and it is about time we were able to get together to work in a constructive, cooperative spirit.

I congratulate the President and I congratulate the leaders of the House and Senate on both sides for coming forward with that spirit and getting the kinds of results they have.

If we oppose this, we invite far more harmful consequences to ourselves and particularly to future generations than any of those items we specifically object to could ever cause. Let us not blow this opportunity to do what is in everyone's best long-term interests. The bipartisan budget agreement will allow us to reach balance in the year 2002 without wreaking any havoc on the most important domestic discretionary programs, nor will it wreak havoc on the Defense Department budget.

We as Democrats can be proud of this agreement, since it will allow the Federal Government to continue to be an agent of positive change. We will be able to expand health care coverage to 5 million more needy underinsured children. We will be able to restore the safety net to legal resident aliens who were disenfracthised under last year's welfare bill, and we will be able to go home and justify our actions to a public that is too often skeptical that we are not doing anything that is in their best interests.

This agreement builds on the accomplishments of past deficit reduction efforts, most notably the 1993 deficit reduction package. Since adoption of that 1993 budget package, the deficit has been reduced 4 consecutive years to where it is now the lowest since 1981. It is down to $74 billion. This past year it was $107 billion; now we are talking about $74 billion. That is phenomenal, given where we started, from $290 billion in 1992.

The tax increases and the spending cuts enacted in 1993, contrary to much criticism at the time, has kept interest rates and unemployment low and the economy booming. The stock market has gone through the ceiling because they have to put their money on their analysis of where the future of this economy is going. That is why the stock market is booming. They see a rosy outlook. They know that our budget is in control.

Now, we hope that this agreement will also lay the foundation for more fundamental entitlement program reforms that must be dealt with before us baby boomers begin to retire. But this agreement deserves our support. The President and the leaders of the House and Senate deserve our support. We congratulate them.

At this point I would like to yield to my colleague and good friend, the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY of California. Mr. Speaker, I would like to join the gentleman from Virginia [Mr. MORAN] in congratulating the President and the Republican leadership and the Democratic leadership that played such an instrumental role in negotiating what is a very responsible budget that is going to benefit all American families. It is going to build upon the good work that has happened in this House in the last 4 years, when we have been able to reduce the deficit from what was $290 billion to what might be $75 billion this year. It is almost one-quarter of what it was 4 years ago.

This is not an achievement that belongs solely to the President; it is an achievement that also belongs to some of the Democrats who had the majority in the first 2 years of his Presidency, and also the Republicans who had control in the second 2 years. We have a package now that I think gives the promise and the hope to American families that we are going to eliminate the deficit in the next 5 years; that we will be able to start repaying the national debt while still protecting the priorities of our families in education and health care, as well as providing some much-needed tax relief with capital gains and inheritance tax.

I thank the gentleman for coming to the floor today and honoring some of the leaders of this country who have put us on the right track.

Mr. MORAN of Virginia. Mr. Speaker, I thank the gentleman for his very fine words and his message that needs to be listened to by everyone.

PRESIDENT CLINTON DELIVERS THE FIRST BALANCED BUDGET IN A GENERATION—HISTORIC AGREEMENT PROMOTES THE COUNTRY'S PRIORITIES

President Clinton has achieved a balanced budget agreement that includes critical investments in education, health care, and the environment while strengthening and modernizing Medicare and Medicaid—just as he promised last year. We have cut the deficit 63%—from $290 billion in 1992 to $107 billion last year. This historic achievement will finish the job, giving the American people the first balanced budget in a generation, while meeting the President's goals.

GOAL: TO ENSURE THAT EVERY 8-YEAR-OLD CAN READ, EVERY 12-YEAR-OLD CAN LOG ON TO THE INTERNET, AND EVERY 18-YEAR-OLD CAN GO TO COLLEGE

Largest Pell Grant Increase in Two Decades—4 million students will receive a grant of up to $3,000, an increase of $300 in the maximum grant.

Tax cuts targeted to higher education to make college more affordable for America's families.

An America Reads initiative to mobilize a million tutors to help three million children learn to read by the end of the third grade.

Expansion of Head Start—to achieve goal of one million kids in 2002.

Doubles funding to help schools integrate innovative technology into the curriculum.

GOAL: EXPAND HEALTH COVERAGE FOR AS MANY AS 5 MILLION UNCOVERED CHILDREN

Medicaid improvements and added Medicaid investments.

A new capped mandatory grant program that provides additional dollars to supplement states efforts to cover uninsured children in working families.

GOAL: SECURE AND STRENGTHEN MEDICARE AND MEDICAID

Extends the solvency of Medicare Trust Fund to at least 2007 through long overdue structural reforms.

Expands coverage of critical preventive treatments of diseases such as diabetes and breast cancer.

Preserves the federal Medicaid guarantee of coverage to our nation's most vulnerable people.

GOAL: STRENGTHEN ENVIRONMENTAL PROTECTION AND ENFORCEMENT

Accelerates Superfund cleanups by almost 500 sites by the year 2000.

Expands the Brownfield Redevelopment Initiative to help communities cleanup and redevelop contaminated areas.

Boosts environmental enforcement to protect public health from environmental threats.

GOAL: MOVE PEOPLE FROM WELFARE TO WORK AND TREAT LEGAL IMMIGRANTS FAIRLY

A Welfare-to-Work tax credit to help long-term welfare recipients get jobs.

Restores disability and health benefits for legal immigrants.

Restores Medicaid coverage for poor legal immigrant children.

Preserves food stamp benefits for people willing to work.

Provides States and cities with additional resources to move disadvantaged recipients into jobs.

GOAL: CUTS TAXES FOR AMERICA'S HARD WORKING FAMILIES

A Child Tax Credit to make it easier for families to raise their kids.

Tax cuts targeted to higher education to make college more affordable for America's families.

A Welfare-to-Work tax credit to help long-term welfare recipients get jobs.

Establishes additional Empowerment Zones and Enterprise Communities.

A MESSAGE FROM WEI JINGSHENG

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

Mr. SCARBOROUGH. Mr. Speaker, today from this center of freedom in this people's House, I come to raise my voice in support of a lonely voice for freedom halfway across the globe. I speak of Chinese dissident Wei Jingsheng.

Yesterday, in a New York Times editorial notebook piece, Tina Rosenberg wrote an article called Letters From a Chinese Jail: The Blunt Demands of Wei Jingsheng. She wrote:

For nearly 20 years, the Chinese Government has sought to silence one of the world's most important political prisoners, Wei Jingsheng. Once an electrician in the Beijing Zoo, Mr. Wei is the strongest voice in China's democracy movement. He has spent all but six months of the last 18 years in prison and in labor camps, mostly in solitary confinement in conditions that would have killed a less stubborn man a long time ago, and may soon kill Mr. Wei, who is 46 and very ill.

Now serving his second long sentence, he is watched around the clock by nonpolitical criminal prisoners who ensure that he does not put pen to paper.

But during his first imprisonment he was permitted to write letters on certain topics to his family, prison authorities and China's leaders. Most were never sent. But they now have been translated and published. They form a remarkable body of Chinese political writing.

The book, The Courage to Stand Alone, is published by Viking. It shows why the Chinese Government is so afraid of Mr. Wei. His weapon is simplicity. Unlike other Chinese activists, Mr. Wei does not worry about tailoring his argument to his audience and does not indulge in the Chinese intellectual tradition of flattering the powerful. He does not worry about being seen as pro-Western, or a traitor to China.

He writes as if what is obvious to him, that China needs democratic freedoms, should be clear to anyone.

He has also been uncompromising. In 1978, Mr. Deng was fighting for control of the leadership and encouraged reformist thinking. Mr. Wei wrote a bold poster and was arrested in March 1979, given a show trial, and sentenced to jail for 15 years for simply writing a statement.

□ 1330

He was released 6 months before completing that sentence as part of China's bid to win the Olympics in the year 2000. He refused to leave before getting back letters the prison authorities had stolen. But once free, he immediately resumed his work for democracy. He was rearrested, and after a 20-month incommunicado imprisonment, he was sentenced to another 14 years.

Today the New York Times writes that there is no visible dissent in China, that activists went into exile, many were arrested, and others just simply gave up politics and turned their talents to commerce. But the moral force of his writing recalls the prison letters from other famous dissidents such as Martin Luther King, Jr.'s Letters from the Birmingham Jail, Michnik's Letters From Prison, and Havel's Letters to Olga. He is not a man of many words, and he was probably not writing with an eye to publication. But the most important thing that these other political dissidents had that Mr. Wei does not have is widespread international support.

All over the world dissidents look out for others to see that governments that are oppressing them are getting pressure from outside forces. Unfortunately, such is not the case, for Mr. Wei and his political dissidents do not have the world support. Their names are not widely known, and while some Americans and other officials have brought them up during talks with Chinese leaders, in general the outside world treats Beijing officials with deference due business partners.

Today Mr. Wei suffers from life-threatening heart disease. Because of a neck problem he cannot even lift his head. All indications are that he has not seen a doctor in more than a year. He is due to be released in the year 2009, if he lives that long.

Mr. Speaker, it is my belief that we in the West must stop allowing our insatiable desire for greater commerce and larger market shares to compromise any further our commitment to freedom of speech, freedom from religious persecution, and freedom from the dehumanizing repression that has brutalized Chinese dissidents for years now.

RECESS

The SPEAKER pro tempore (Mr. MILLER of Florida). Pursuant to clause 12 of rule I, the House stands in recess until 2 p.m.

Accordingly (at 1 o'clock and 32 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 [Mr. SNOWBARGER] at 2 p.m.

PRAYER

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

We offer this prayer of Thanksgiving and praise to You, O God, for the gift of our lives and for the opportunities all about us. Our words of prayer are directed to You, gracious God, in response to Your mighty acts of love to us. The promises and the grace that You have given are more awesome than anything we could deserve or imagine. So strengthened by Your word and encouraged by Your spirit, we can meet each day with confidence and new resolve. This is our earnest prayer. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER 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.

TAXPAYERS SHOULD NOT PAY FOR CLEANUP OF NUCLEAR WASTE

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

Mr. GIBBONS. Mr. Speaker, who should be responsible for paying the $2.3 billion price tag for transporting nuclear waste? Should it be the nuclear power industry, who created and profited from it, or the American taxpayer?

Legislation now pending before the House will force taxpayers to pick up the tab for moving this lethal garbage through their own communities and maybe even through their neighborhoods. On top of that, this legislation would also use American tax dollars to pay for the storage of nuclear waste.

I think most Americans would agree that the cost of transporting and storing these hazardous materials should not have to be paid by innocent American taxpayers, but rather by those responsible, the nuclear power industry.

Let us save America's hard earned tax dollars and return the responsibility of waste to the big power companies.

SUPPORT THE PUBLIC SAFETY EMPLOYER-EMPLOYEE COOPERATION ACT OF 1997

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

Mr. KILDEE. Mr. Speaker, I rise today to urge my colleagues to join my good friend, the gentleman from Ohio [Mr. NEY], and myself in supporting H.R. 1173, the Public Safety Employer-Employee Cooperation Act of 1997. So far 70 Members of the House, both Republicans and Democrats, have added their names as cosponsors of this bill.

H.R. 1173 recognizes the fundamental right of police and firefighters to form and join unions and to bargain collectively with their employers over wages, hours, and working conditions.

H.R. 1173 does not create a Federal mandate. It does not affect existing State collective bargaining laws and it would prohibit strikes and lockouts.

This bill is supported by the International Association of Firefighters, the Fraternal Order of Police, the International Union of Police Associations and the National Association of Police Organizations.

Mr. Speaker, I urge my colleagues to join us in support of H.R. 1173.

IN APPRECIATION OF TEACHERS

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

Mr. CHRISTENSEN. Mr. Speaker, today I rise in support and in tribute to Roger Kassebaum from Millard North High School in Omaha, NE. Roger is a high school teacher there and the lead curriculum design teacher for NASA's KidSat program. KidSat is a program in conjunction with Sally Ride, the former astronaut and current physics professor.

This program allows students on Earth to control, through the Internet, a still camera on the space shuttle. Photographs taken by the camera are downloaded to Earth via satellite, where students then learn to use them in class.

I have been in Roger's class and seen how much fun the kids have at learning and the way he teaches and enhances their learning. He is a tremendous teacher and one all should be proud of. I believe his innovative techniques could be duplicated by other teachers across this country. He makes learning fun. I can say from firsthand knowledge that Roger Kassebaum is the kind of teacher America can be proud of.

Thanks, Roger, for what you do for the future of our country.

FRANKLIN DELANO ROOSEVELT'S LEGACY

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

Ms. SLAUGHTER. Mr. Speaker, I rise today to remind my colleagues that as we preserve the legacy of our great President, Franklin Delano Roosevelt with his memorial here in Washington, we must not forget the ideals that he upheld for the American people.

FDR once said, "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little." Those words resonate true now more than ever.

As a Nation we must never forget our responsibility to the general welfare of all of our citizens. This means we have a duty to the mother who is without the resources to feed her infant, we have a duty to ensure that our poor children receive the same health care as their classmates, and, yes, we even have a duty to the immigrants who are struggling in a new country, for the words etched on the Statute of Liberty still read "Give us your tired, your poor, yearning to be free * * *."

Mr. Speaker, as we commemorate Franklin Roosevelt's legacy let us never forget that it was because of his dedication to those who had too little that many Americans now have so much.

IN APPRECIATION OF OUR TEACHERS

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

Mr. BALLENGER. Mr. Speaker, as we recognize National Teachers Appreciation Week, I want to thank one of the teachers who helped instill in me a hard work ethic and desire to be the best I could be. My seventh grade teacher, Mrs. Annie Yoder, made a real difference in my life, and I owe part of my success to her. Mrs. Yoder, thank you so much for all you did for me and for the many other students that you diligently taught.

Education is vitally important to the well-being of our country, and during my visits to classrooms in the 10th District it has become increasingly clear to me teachers are among the most important keys to the success of our educational system. Teachers help lessons come alive and cultivate within all of us the love of knowledge. If knowledge is power, then teachers are the purveyors of this power. For this, we owe them not only our gratitude but respect and support as well.

If we want to truly respect and support our Nation's teachers, we must take educational control away from Washington and place it back with teachers and parents and local officials. To all the Mrs. Annie Yoders who have helped make us a better and brighter future, thank you, and I hope we can honor their hard work and dedication by not hindering what they do best, educating America.

CONGRESS SHOULD FIRE CIA AND HIRE CNN

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

Mr. TRAFICANT. Mr. Speaker, the Senate is about to confirm another director of the CIA, even though America found out about the collapse of the Soviet Union on CNN. America learned of the fall of the Berlin Wall on CNN. America found out about Saddam Hussein's invasion of Kuwait on CNN.

After all this, Congress keeps pouring billions of dollars into that big sinkhole called the Central Intelligence Agency. I say, with a track record like that, Congress does not need a Committee on the Budget; Congress needs a proctologist.

I think the record is real clear. Congress should fire the CIA and hire CNN. Maybe we will learn what is happening in the world.

TEACHERS PLAY VITAL ROLE IN FUTURE OF OUR NATION

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

Mr. CHABOT. Mr. Speaker, National Teacher Appreciation Week gives us an opportunity to recognize the hard work and dedication of teachers across the country. Teachers every day inspire young students and help prepare our children for the next century.

One especially outstanding teacher in my community is Sharon Draper, an English teacher at Walnut Hills High School, recently named the National Teacher of the Year. Now Mrs. Draper is helping train other teachers by serving as an instructor at the Mayerson Academy in Cincinnati.

There are other teachers, of course, who deserve recognition back home in my district in Cincinnati: Susan Staub, a government teacher at Mercy High School; Tim Taylor at Oak Hills; Gene Jesse, at LaSalle, my alma mater; Mike Odioso at St. X; Jim Pharo at Seton; Jim Fiehre at Mt. Healthy; Mary Helen Beimesche at St. Ursula; Shad Stigle at Diamond Oaks, and the list could go on and on.

I want to also commend all those teachers just beginning their careers, like Shannon Crim at Lakota, who right now is completing her very first day as a teacher.

As a former schoolteacher myself, and as a parent, I appreciate the vital role good teachers play in the future of this Nation. Today and every day we should thank the teachers.

PROTECT OUR SENIORS

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

Mr. ETHERIDGE. Mr. Speaker, today I rise to support a resolution to protect our seniors from politically motivated cuts in Social Security, veterans benefits, and pensions.

This Congress must balance the Federal budget and we must do so in a manner that is consistent with our Nation's values and honors our commitments to older Americans. These citizens have worked hard all their lives and now only want a dignified retirement.

My North Carolina citizens have told me that we should not turn their cost of living adjustments into a political

football behind closed doors in a Washington deal.

Mr. Speaker, the professionals at the Bureau of Labor Statistics should be allowed to do the job for which they are hired: determine the Consumer Price Index free of political pressure and protect our seniors.

NATIONAL TEACHER APPRECIATION WEEK

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

Mr. BLUNT. Mr. Speaker, I am here today as we set aside this week as Teacher Appreciation Week. If every Member of this House, and if, in fact, the people who are gathered in the gallery today and the people who are watching on television would just take a minute to carefully reflect on the people that have affected their lives, they would determine, as they tried to pick out the three people that had had the most impact on their lives, I think very few Americans, even very few Members of this Congress, would determine that one of those people was the President of the United States or that one of those people was a Governor of a State or that one of those people was even a Member of Congress. I think the overwhelming majority of people in our country, and certainly in this House, would think of, as they thought of people that had affected their lives, they would think of a mother and a father, they would think of grandparents, a Sunday school teacher. Almost everybody, if asked to name three people, would name a teacher, would name a member of that profession whose job it is to really expand human potential. There is no greater calling.

And as we recognize the teachers this week and as we appreciate teachers, I want to take a minute to reflect on one of my teachers. As I thought about the teachers I had had throughout school, I had a long, long list of great teachers, but one of my teachers, my 6th grade teacher, Mrs. Norma Knight, who is still living in Springfield, MO, really had an impact on me.

I have a picture of her here today, in fact. I have not had a picture that large of Mrs. Knight in my office for my entire career, but perhaps I should have, because she was the first person that really convinced me that it was OK to read.

Mr. Speaker, I ask unanimous consent to be given 1 additional minute.

The SPEAKER pro tempore. The gentleman is only allowed 1 minute under this order of business. The gentleman's time has expired.

Mr. BLUNT. Well, Mr. Speaker, I appreciate her efforts and appreciate the great job she did as a classroom teacher and her inspiration to me.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded that they should avoid references to visitors in the gallery and to the television audience.

□ 1415

IN MEMORY OF SIXTH GRADE TEACHER NETTIE MESSINGER ON TEACHER APPRECIATION DAY

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

Mr. RANGEL. Mr. Speaker, let me join with my colleagues. I did not come to speak on this subject, but just this Friday I attended the funeral of a sixth grade teacher that I had. She was more than an inspiration to one of the worst kids in the classroom, which was CHARLIE RANGEL, but it was fantastic that the more success I received politically, the better she thought I was as a student. How quickly they forget. I was so blessed to have had her, not only as a sixth grade teacher in Nettie Messinger but as someone who counseled me after I got out of the service, returned to high school and went on to college and law school.

There were so many, many students that she took this very, very personal relationship with. She did not just let you play hookey, she had to come by your house to let your parents know that you missed school.

On behalf of all of the students from old PS 89, some that get on TV and many others that do not, let me thank the teachers that follow the high tradition of real teaching as Mrs. Nettie Messinger did and join my colleagues in thanking all of our teachers, especially those in the public school system.

SUPPORT BIPARTISAN BALANCED BUDGET AGREEMENT

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

Mr. FOX of Pennsylvania. Mr. Speaker, Thomas Jefferson was an enemy of deficit spending. In fact, he was so hostile to the idea that Government could saddle future generations with debt that he considered deficit spending a moral evil. He once wrote:

> We shall consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves; and consequently within what may be deemed the period of a generation, or the life of the majority.

Well, we have ignored the words of Thomas Jefferson for too long. America is over $5 trillion in debt. Our children and grandchildren have been saddled with a debt that they did not create. We think that is wrong. In fact we think it goes against everything America stands for. The American dream means leaving a legacy of opportunity to our children and grandchildren, not $5 trillion in debt.

Let us heed the words of Thomas Jefferson and support the bipartisan balanced budget agreement.

TRIBUTE TO COACH JERRY FAUST ON TEACHER APPRECIATION DAY

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

Mr. BOEHNER. Mr. Speaker, this week is Teacher Appreciation Week and many of my colleagues today have been to the floor of the House to recognize teachers who have had an impact on their lives. In my case, I had such a teacher. His name was Jerry Faust who taught at Moeller High School. Beyond being a teacher there, he also was the head football coach. Myself and my eight brothers went to Moeller High School in Cincinnati. Many of us had Coach Faust not only as a coach but also as a teacher. He is someone who had tremendous impact not only on my life but on many of my colleagues in that school, teaching us to be leaders, teaching us to fight for what we believe in. I think it was Coach Faust who taught all of us in my family that there is nothing in this world that you cannot accomplish, nothing that you cannot succeed at if you are willing to work hard enough and if you are willing to make the sacrifices that are necessary. I think it is because of people like Jerry Faust, people like a lot of great teachers around America that a lot of us are here. It is really the basis of what has made America great.

Congratulations to all teachers in America.

TRIBUTE TO MIDDLE SCHOOL TEACHER JEAN KASK

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

Mr. QUINN. Mr. Speaker, I too want to join my good friend, the gentleman from Ohio [Mr. BOEHNER] and my dear friend, the gentleman from New York [Mr. RANGEL], in paying tribute to our many teachers all across the country. In my particular district in Buffalo and western New York as a former middle school teacher myself, I would like to pay a special tribute today to our middle school world affairs/social studies teacher Jean Kask who is now retired. Mr. Speaker, when I walked over here from my office today and saw the hundreds of students right outside the building, it reminded me of those world affairs trips that Mrs. Kask would bring to this city, to this very floor, 300

eighth graders for 4 days for many, many, many years. The interesting thing about Mrs. Kask is while she had those skills that were important in the classroom, she also taught other teachers. I consider myself to be luckier than all the students she had because I taught alongside of her and learned just as much as the students did, if not more.

Mr. Speaker, I salute Jean Kask of Orchard Park Middle School and all of our teachers throughout the district and the country in this very important week.

PERIODIC REPORT ON NATIONAL EMERGENCY CAUSED BY LAPSE OF EXPORT ADMINISTRATION ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-80)

The SPEAKER pro tempore (Mr. SNOWBARGER) 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 International Relations and ordered to be printed:

To the Congress of the United States:

As required by section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703(c)) and section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), I transmit herewith a 6-month periodic report on the national emergency declared by Executive Order 12924 of August 19, 1994, to deal with the threat to the national security, foreign policy, and economy of the United States caused by the lapse of the Export Administration Act of 1979.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 6, 1997.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he 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 on Wednesday, May 7, 1997.

TRADE AGENCIES AUTHORIZATIONS

Mr. CRANE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1463) to authorize appropriations for fiscal years 1998 and 1999 for the Customs Service, the Office of the U.S. Trade Representative, and the International Trade Commission, as amended.

The Clerk read as follows:

H.R. 1463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CUSTOMS AND TRADE AGENCY AUTHORIZATIONS FOR FISCAL YEAR 1998 AND 1999.

(a) UNITED STATES CUSTOMS SERVICE.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)) is amended to read as follows:

"(b) AUTHORIZATION OF APPROPRIATIONS.—

"(1) FOR NONCOMMERCIAL OPERATIONS.—There are authorized to be appropriated for the salaries and expenses of the Customs Service that are incurred in noncommercial operations not to exceed the following:

"(A) $668,397,000 for fiscal year 1998.

"(B) $684,018,000 for fiscal year 1999.

"(2) FOR COMMERCIAL OPERATIONS.—(A) There are authorized to be appropriated for the salaries and expenses of the Customs Service that are incurred in commercial operations not less than the following:

"(i) $901,441,000 for fiscal year 1998.

"(ii) $930,447,000 for fiscal year 1999.

"(B) The monies authorized to be appropriated under subparagraph (A) for any fiscal year, except for such sums as may be necessary for the salaries and expenses of the Customs Service that are incurred in connection with the processing of merchandise that is exempt from the fees imposed under section 13031(a) (9) and (10) of the Consolidated Omnibus Budget Reconciliation Act of 1985, shall be appropriated from the Customs User Fee Account.

"(3) FOR AIR AND MARINE INTERDICTION.—There are authorized to be appropriated for the operation (including salaries and expenses) and maintenance of the air and marine interdiction programs of the Customs Service not to exceed the following:

"(A) $95,258,000 for fiscal year 1998.

"(B) $98,226,000 for fiscal year 1999.".

(2) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 301(a) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(a)) is amended by adding at the end the following:

"(3) By no later than the date on which the President submits to the Congress the budget of the United States Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the operations of the Customs Service as provided for in subsection (b).".

(b) OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 141(g)(1) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)) is amended to read as follows:

"(g)(1)(A) There are authorized to be appropriated to the Office for the purposes of carrying out its functions not to exceed the following:

"(i) $22,092,000 for fiscal year 1998.

"(ii) $24,300,000 for fiscal year 1999.

"(B) Of the amounts authorized to be appropriated under subparagraph (A) for any fiscal year—

"(i) not to exceed $98,000 may be used for entertainment and representation expenses of the Office; and

"(ii) not to exceed $2,500,000 shall remain available until expended.".

(2) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 141(g) of the Trade Act of 1974 is amended by adding at the end the following:

"(3) By no later than the date on which the President submits to the Congress the budget of the United States Government for a fiscal year, the United States Trade Representative shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the Office to carry out its functions.".

(c) UNITED STATES INTERNATIONAL TRADE COMMISSION.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 330(e)(2) is amended to read as follows:

"(2)(A) There are authorized to be appropriated to the Commission for necessary expenses (including the rental of conference rooms in the District of Columbia and elsewhere) not to exceed the following:

"(i) $41,980,000 for fiscal year 1998.

"(ii) $46,125,400 for fiscal year 1999.

"(B) Not to exceed $2,500 of the amount authorized to be appropriated for any fiscal year under subparagraph (A) may be used, subject to the approval of the Chairman of the Commission, for reception and entertainment expenses.

"(C) No part of any sum that is appropriated under the authority of subparagraph (A) may be used by the Commission in the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof.".

(2) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 330(e) of the Tariff Act of 1930 is amended by adding at the end the following:

"(4) By no later than the date on which the President submits to the Congress the budget of the United States Government for a fiscal year, the Commission shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the Commission to carry out its functions.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. CRANE] and the gentleman from New York [Mr. RANGEL] each will control 20 minutes.

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

GENERAL LEAVE

Mr. CRANE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1463.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 1463, a bill to authorize appropriations for fiscal years 1998 and 1999 for the U.S. Customs Service, Office of the U.S. Trade Representative, and the International Trade Commission.

I would first like to note that a full authorization for these three agencies has not been achieved since 1990, and

that those authorizations expired in 1992. I was therefore pleased that the President's modest budget submission for 1998 for these agencies could be well received by the Committee on Ways and Means. This prudent approach allowed the committee to work in a bipartisan manner to authorize appropriations which matched the President's request.

Passage of H.R. 1463 will send a strong message to our colleagues in the Senate to develop the same bipartisan view that the committees of jurisdiction must reassert their authorities over these agencies through the budget process. The bill will also provide a guideline for the appropriations committees as they consider the levels of funding necessary for these agencies to fulfill their statutory functions. H.R. 1463 produces no increase in the Federal deficit.

While H.R. 1463 does not exceed the President's overall budget submission, the Committee on Ways and Means has made one important amendment to the authorizations for the Customs Service. The gentleman from Florida [Mr. SHAW] has acted to allocate additional resources within the Customs budget to that agency's law enforcement profile by authorizing appropriations over the next 2 years for additional equipment and Customs special agents to fight the war on drugs.

The role of the Customs Service, the Office of the U.S. Trade Representative and the International Trade Commission in advancing our bipartisan agenda for free and open trade should not be underestimated. I am proud to support H.R. 1463 and the statement it makes in continuing the work of these agencies.

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

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

Mr. Speaker, I too rise in support of H.R. 1463, as amended, to authorize fiscal year 1998 and 1999 appropriations for the U.S. Customs Service, the Office of the U.S. Trade Representative and the U.S. International Trade Commission.

As the gentleman from Illinois [Mr. CRANE], the subcommittee chairman, has reported, the bill came out of the Committee on Ways and Means by voice vote and is noncontroversial. It authorizes the funding levels requested by the President in his budget submission for each of these three major trade agencies.

The gentleman from Florida [Mr. SHAW], with my support, had an amendment that passed successfully that reallocates $5 million of the Customs commercial operations to drug interdiction efforts. We hope that these additional resources will effectively counteract the increased threat of drug smuggling in the south Florida area, as well as continued interdiction along the Southwest border and Puerto Rico. The additional drug enforcement funds will also enable Customs to increase the number of special agents dedicated to counter-narcotics and anti-money laundering activities, including their relocation to high threat drug zones.

H.R. 1463, as amended, provides the minimum funding levels necessary for the Customs Service, the U.S. Trade Representative, and the International Trade Commission to carry out their essential trade functions as mandated by the U.S. Congress. I urge support of this bill and urge my colleagues to pass it.

Mr. Speaker, I yield the balance of my time to the distinguished gentleman from California [Mr. MATSUI], the ranking member on the Subcommittee on Trade, and ask unanimous consent that he be allowed to yield time to other Members.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CRANE. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Oklahoma [Mr. Watkins].

Mr. WATKINS. Mr. Speaker, I rise in support of H.R. 1463, and I thank the Speaker for allowing me the opportunity to come to the floor today as we debate this important legislation to reauthorize the Office of the U.S. Trade Representative, the Customs Service and the International Trade Commission. I would like to also thank Ambassador Barshevsky and also Deputy Trade Representative Lang, and the entire staff at the USTR's office for all the work they do on behalf of the American people.

I am proud to come to the floor today and express my support for this legislation. H.R. 1463 will give the USTR's office the necessary resources to fight for fair treatment, and that is what we are asking for, fair treatment for American goods and services throughout the world.

As many of my colleagues know, I am an outspoken, strong advocate for the U.S. cattle and beef industry in their fight for open markets overseas. Since 1989, the European Union has had in place a ban on beef treated with growth producing hormones. Since these hormones are used in virtually all U.S. beef, this is a ban on all of our cattle people.

There is no scientific basis for this ban. These hormones have been proven safe in studies by the FDA, the Lamming Commission, the World Health Organization, and the EU's own Scientific Conference on Growth Promotion in Meat Production. This, Mr. Speaker, is merely a blatantly unfair economic trade barrier against our U.S. cattle people.

This ban has been in place for 8 years now, and costs American cattlemen hundreds of millions of dollars annually. Currently this case is before the WTO, the World Trade Organization, and a ruling is expected any day. I am confident that the Dispute Settlement Panel will rule on the basis of sound science and will find in favor of the United States.

However, I feel compelled to urge the USTR to remain vigilant in this case, to stay on guard. It is my understanding that even if the United States wins in this case, which it should based on all scientific evidence, it could take an additional 18 months or longer to end this dispute. This is wrong. This dispute has already drug on for some 10 years. This unmerited ban, unfair ban, coupled with the past 2 years of economic distress of the livestock industry, is a hardship on our producers and makes it hard for them to enjoy continued economic prosperity.

Mr. Speaker, I would like to ask the USTR's office to take two specific actions: First, to examine ways to speed up the WTO's dispute settlement process so that future disputes do not drag out for years and years at a time. I would like the USTR's office to come back to Congress, to the committee, with specific proposals to speed up the process, and will push for their adoption at the WTO. We in Washington must always remember that our failure to act promptly can do tremendous harm to the people we represent.

□ 1430

In many cases such as this one, justice delayed is justice denied.

The second action, I would also urge the USTR's office to continue to seek input and recommendations from the private sector, private sector businesses, and industries and agricultures, when negotiating agreements. There should never have been accepted a ban, hormone ban, on U.S. beef that could be sold to Europe. After all, as we evaluate these bans, these are unfair trade practices against the people that we represent that are trying to make a living.

Again, Mr. Speaker, I want to thank my colleagues for their leadership and also the ranking members on the committee for their strong support of H.R. 1463. And I ask all the leaders of the USTR to take some bold action, some stern action, and let us do what is necessary to have fair trade practices and free trade practices for the business industry that are counted on in this country.

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

Mr. Speaker, I rise in support of H.R. 1463, as amended, to authorize fiscal year 1988–99 appropriations for the U.S. Customs Service, the Office of the U.S. Trade Representative, and the U.S. International Trade Commission. The Committee on Ways and Means has a long tradition of strong bipartisan support for the work of these three major

trade agencies within its jurisdiction. The bill recognizes and supports the essential functions and activities of these trade agencies by authorizing the funding levels requested by the President. The bill also reflects overall budgetary constraints by authorizing the minimum amounts necessary for each of these agencies to carry out their statutory responsibilities.

The Customs Service has undergone a major reorganization, and it is modernizing its operations in order to carry out its main functions of trade law enforcement and revenue collections in addition to illegal drug interdiction and cargo and passenger processing in an effective and cost-efficient manner. The authorized funding increase for Customs is only about 3 percent, and it reflects these savings while providing additional resources to counteract drug smuggling and to update equipment.

I might point out that the Customs Commissioner, George Weise, was formerly a member of the House Committee on Ways and Means staff. He was the staff director of the Subcommittee on Trade before resuming his role at the Customs Service, and Mr. Weise has announced recently that he will be retiring from that service, and we wish him the best of luck and obviously offer him all the congratulations for all the wonderful work he has done.

The authorization for the Office of U.S. Trade Representative covers cost to maintain current services and current staffing levels. The amounts are modest and justified for an agency which Congress has granted the primary responsibility for developing and coordinating the Nation's trade policies and for conducting trade negotiations. The ITC has streamlined its operations by reducing staff by over 20 percent since 1992, consolidating offices and increasing productivity. A 3-percent increase in authorization for the fiscal year 1998 maintains a current level of services and staff levels for the ITC to conduct its investigatory functions under the various import statutes and to apply objective analysis and advisory reports of the President and the Congress.

The bill also authorizes additional funds for the year 1999 requested by the ITC to cover the estimated costs to conduct so-called sunset reviews of 315 outstanding antidumping and countervailing duties orders as required by the Uruguay round implementation legislation of 1994. During the markup and also during the hearing on this particular matter, I indicated to the ITC officials that should they need more resources, given the fact that they have 315 antidumping and countervailing duty orders to review, they should come back to our committee because certainly we want to make sure that they complete these reviews in a timely manner.

I would now conclude, Mr. Speaker, that the Subcommittee on Trade has held oversight hearings on the budget request and reviewed the activities of all three of these agencies as indicated by the gentleman from Illinois [Mr. CRANE]. There is no known opposition to the authorization levels in the bill as reported by the committee, and I certainly urge passage of H.R. 1463.

Mr. SHAW. Mr. Speaker, I rise today in support of H.R. 1463, the Trade Agencies Authorization Act.

While this bill contains many worthy provisions, this legislation is especially deserving of support because it authorizes the resources necessary for the Customs Service to interdict the flow of illegal drugs into this country. As a Member of Congress from south Florida, I can attest that in my home State, the fight to keep illegal drugs from reaching our streets is an ongoing, daily battle, which we are losing.

Mr. Speaker, there are three main reasons why the Customs Service's interdiction efforts must be bolstered, and especially in south Florida. First, in the past few years, Congress and the administration have poured resources into such interdiction efforts as Operation Hardline along the Mexican border, and Operation Gateway in Puerto Rico. These operations did help stem the flow of illegal drugs into those areas. However, these operations had one unintended side effect: Drug traffickers began to avoid those areas, and redirected their smuggling efforts toward another major gateway of drugs into our country, south Florida.

Second, Customs agents in south Florida do not have the resources they need to effectively engage drug traffickers. Right now, smugglers' boats can outrun the older Customs Service vessels patrolling the waters off of Dade and Broward Counties. Simply put, Customs needs better and faster boats to combat this threat.

Finally, the drug lords already have a distribution network in place in south Florida, which greatly eases the distribution of their deadly product. And with 2,276 miles of coastline, along with countless inlets, coves, and tiny keys, the topography of Florida makes it attractive to drug smugglers.

For these reasons, during markup in the Ways and Means Committee of this bill, I offered an amendment that would redirect $10 million in the Customs Service budget toward interdicting drugs. My amendment transfers $5 million from the commercial account of the Customs Service budget equally per year to the noncommercial account, and the air and marine account. My amendment was enthusiastically supported by Mr. RANGEL, and passed the Committee by voice vote.

Furthermore, contained in the report accompanying H.R. 1463 is language making Customs aware that the purpose of my amendment is to shift funds toward rebuilding the marine interdiction program in south Florida, and to hire more special agents and intelligence officers dedicated to counternarcotics and money laundering. If the funds authorized in my amendment are fully appropriated and properly allocated, the Customs Service marine program in south Florida could return to its 1993 level—the year President Clinton took office.

Mr. Speaker, this reallocation of funds sends a strong message to the Customs Service that Congress wants a greater focus on interdicting illegal drugs, especially in south Florida. I urge my colleagues to support H.R. 1463.

Mr. CRANE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MATSUI. Mr. Speaker, I also yield back the balance of my time.

The SPEAKER pro tempore (Mr. SNOWBARGER). The question is on the motion offered by the gentleman from Illinois [Mr. CRANE] that the House suspend the rules and pass the bill, H.R. 1463, 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.

EXPRESSING THE SENSE OF CONGRESS REGARDING THE CONSUMER PRICE INDEX

Mr. SOUDER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 93) expressing the sense of the House of Representatives that the Bureau of Labor Statistics alone should make any adjustments, if any are needed, to the methodology used to determine the Consumer Price Index.

The Clerk read as follows:

H. RES. 93

Whereas the Consumer Price Index currently informs our Nation's monetary policy, and determines both the level of taxes paid and the amount of government benefits received by millions of Americans, many of them on fixed incomes;

Whereas the Consumer Price Index is assumed in these uses to be an accurate and appropriate measurement;

Whereas the Consumer Price Index is only useful if it is a technical, not a political measurement;

Whereas it is of the utmost importance to maintain the integrity and objectivity of the determination process and of the reliability of the Federal statistical system;

Whereas it is the Bureau of Labor Statistics that has the expertise, tools, resources, and experience to maintain this integrity and objectivity; and

Whereas it is vital to protect our senior citizens and others on fixed incomes that we use the most appropriate and accurate criteria: Now, therefore, be it

Resolved, That any adjustments to the methodology used to determine the Consumer Price Index should be made by the Bureau of Labor Statistics alone.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana [Mr. SOUDER] and the gentleman from Pennsylvania [Mr. FATTAH] each will control 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. SOUDER].

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

Mr. Speaker, I rise in support of House Resolution 93 which expresses

the sense of the House that any adjustments to the methodology to be used to determine the Consumer Price Index should be made by the Bureau of Labor Statistics. This resolution is consistent with the agreement for a balanced budget that was recently entered into between administration and congressional leaders and reaffirms our commitment that the Consumer Price Index should be based on sound and nonpartisan deliberation.

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

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

Mr. Speaker, I rise in support of House Resolution 93. Mr. Speaker, I am pleased that we are considering this resolution to protect the integrity of the process for adjusting the CPI, the Consumer Price Index. House Resolution 93 clarifies that adjustments of the CPI should be made solely by technicians at the Bureau of Labor Statistics, and it should not be left subject to the whims of politics.

I want to commend my colleague from Pennsylvania, Mr. FOX and the gentlewoman from New York, Mrs. MALONEY, the gentleman from Pennsylvania, Mr. ENGLISH, and the gentleman from Massachusetts, Mr. KENNEDY and others for their leadership on this important issue. I recognize that there has been extensive debate regarding the termination and accuracy of the CPI. However, as this resolution plainly acknowledges, the Bureau of Labor Statistics alone has the integrity, the objectivity and the experience to make this determination.

Mr. Speaker, the CPI should accurately reflect the rate of inflation and should not be manipulated for purposes of balancing the Federal budget. CPI adjustment could have a profound effect on the tax burdens of the American people. In addition, indexing affects the income of over 70 million Americans. Some 43 million Social Security beneficiaries, 4 million military and Federal civil service retirees and survivors, and 23 million food stamp recipients have their lives directly impacted by the CPI and changes thereto. Even the cost of lunches for 24 million children who participate in the school lunch program is affected.

So when we look at who is dependent on the accurate assessment of the index, then we understand how vitally important it is that we send this message that we will not allow seniors and our children to be pawns in the budget chess games, now or in the future. This legislation is supported by such groups as AARP, the National Council on Senior Citizens, the Council on Aging, the National Committee to Preserve Social Security and Medicare.

Mr. Speaker, I stand, as I am sure many of my colleagues will today, in full support of House Resolution 93.

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

Mr. SOUDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. FOX], my friend, and the creator of this bill, and distinguished battler on behalf of senior citizens and somebody who is tireless in his pursuits of defending his constituents and those around the country from this potential raid on their dollars.

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the distinguished congressional leader, the gentleman from Indiana [Mr. SOUDER] for yielding the time, and to my colleague, the gentleman from Pennsylvania [Mr. FATTAH] who has been at the forefront of assistance in the area of protecting our seniors and making sure we have balanced budgets. I appreciate as well the leadership of the gentlewoman from New York [Mrs. MALONEY], the gentleman from Massachusetts [Mr. KENNEDY], and the gentleman from Pennsylvania [Mr. ENGLISH] in this battle to make sure we do in fact preserve during a budget season that the CPI, the cost of living index, be one that is accurate, one that is fair, and we have relied on for many years the Bureau of Labor Statistics for that purpose.

My colleagues may recall historically that the Senate Finance Committee had considered a Boskin report which arbitrarily would have reduced by 1.1 percent the CPI. Those figures in our opinion did not reflect reality. The fact is, if we were to arbitrarily reduce by that percentage, we would see a $320 billion tax increase and we would unfairly disadvantage our seniors who, in fact, are looking to a cost of living allowance which is based on facts, that would take care of their needs and Social Security, the military retirement, and several other Federal programs.

We believe the CPI is one that should not be budget-driven or deficit-driven or politically driven. It should be an accurate measurement of what the cost of living index is in the United States and not be an artificial figure. And so we are very appreciative of the congressional bipartisan support we have received to date.

This is certainly a resolution which has support on both sides of the aisle, and as Nobel laureate Milton Friedman has said: I have very mixed feelings about introducing any kind of an arbitrary adjustment, an arbitrary adjustment to the CPI that would involve an increase in taxes.

Certainly Republicans and Democrats can join hands in protecting our seniors and in making sure we do not have tax increases.

So a yes vote for House Resolution 93 would certainly be a step in the right direction.

Mr. FATTAH. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. MCINTYRE].

Mr. MCINTYRE. Mr. Speaker, I rise in support of House Resolution 93, that any adjustment in the Consumer Price Index should be determined only by the Bureau of Labor Statistics. A reduction to the CPI would have a dramatic effect on everyone receiving cost of living adjustments, including military retirees and Social Security beneficiaries and would be a financial burden on our senior citizens.

The cost of living for the elderly has increased by a whopping 69.2 percent over the past 15 years. Increased medical costs have also played an important cost factor for older Americans that they face. It is absolutely critical that older Americans have a Social Security benefit that accurately represents their true cost of living. Any adjustment in the CPI has the potential to threaten their very livelihood, and therefore it is imperative that such a decision be made by those who are eminently qualified to handle it: the Bureau of Labor and Statistics.

I am pleased to support House Resolution 93 as a way to guarantee the integrity of the steadfast commitment that we have to our senior citizens.

Mr. SOUDER. Mr. Speaker, I yield such time as he may consume to the gentleman also from Pennsylvania [Mr. ENGLISH], my distinguished colleague and class member.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I want to thank the distinguished Member from Indiana for yielding this time to me, and I would also like to thank the gentleman from Pennsylvania [Mr. FOX] for authoring this resolution of which I am a cosponsor.

Mr. Speaker, this resolution puts Congress on record ratifying a key component of last week's historic budget accord. What we propose to do is put Congress on record in favor of leaving the annual cost of living adjustments and changes in CPI to the experts, not bringing those changes into the political arena. We are putting the House on record as opposing politicizing the technical process of measuring inflation, and we are opposing injecting arbitrary budget-driven changes into the process of calculating the Consumer Price Index.

□ 1445

This resolution puts Congress on record, maintaining the integrity of this key statistical measure. In our view, any change in CPI should be done only after extensive study because we recognize the effect of a statutory adjustment. As some have proposed in the past, a statutory adjustment in the CPI would cut retirees' incomes, raise taxes, but at the same time create a huge budget windfall, which would make it so much easier for us in this Chamber to avoid making difficult decisions.

We have to recognize that getting to a balanced budget will be a difficult process. It will require tough decisions

and real choices. There is no easy fix. There is no shortcut. Mr. Chairman, I strongly urge the House to join us in supporting this resolution.

Mr. FATTAH. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, no one is proposing that Congress change the methodology of calculating CPI. Everyone agrees that only BLS should change the methodology for determining CPI, and anyone who suggests that the blue dog budget or any other budget proposal would change the methodology for determining CPI is distorting the issue for political purposes.

What the blue dog budget proposes is that BLS be given the resources and the authority to make whatever changes necessary to improve the accuracy of the CPI, change how CPI is used to index Government programs to the cost of living while BLS improves CPI.

I think it is important to remind all of us today that numerous experts, including BLS, have warned Congress about the limitations of using CPI to make cost-of-living adjustments. The Consumer Price Index was never intended to be used to make cost-of-living adjustments. Congress decided to use CPI as an approximation of increases in cost of living to index Government programs.

In testimony before the Senate Finance Committee, BLS Commissioner Katharine Abraham stated, "Although I believe that we can make important improvements in the CPI, I do not believe it is possible to produce a perfect cost-of-living measure."

That means that those who use the data we are able to produce should recognize the limitations of those data and exercise judgment accordingly concerning whether and how the data should be used. Adjusting the use of CPI to index Government programs is not a political fix or a budgetary gimmick.

Although there is no consensus on what changes should be made to the calculation of the CPI, there is broad agreement that continuing to adjust programs based on CPI provides increases greater than the cost of living. The blue dog budget proposes that we are adjusting the use of CPI or indexation to ensure that the cost-of-living adjustments for Government programs are accurate.

We cannot justify continuing a mistake that numerous experts have told us results in incorrect cost-of-living adjustments. Continuing to use CPI to index Government programs to inflation is an unnecessary drain on the Federal budget and the Social Security trust fund.

Mr. Speaker, I include the following for the RECORD:

WHY A LEGISLATED CHANGE IN THE USE OF CPI IS NECESSARY

Legislation reducing indexation based on CPI as an interim step will allow BLS to make corrections in CPI without facing the political pressure for a quick change in the calculations CPI in order to achieve savings.

It will take BLS several years to conduct the necessary research and experimentation to address the complex issues that result in the CPI overstating inflation. Congress should not pressure BLS to make changes in the calculation of CPI before the experts are able to do so properly. BLS Commissioner Katharine Abraham underscored this point in testimony before the Senate Budget Committee:

"If the BLS staff or other technical experts knew how to produce a true cost of living index on a monthly production schedule, that would be what we produce. . . . However, I believe we would gain little, and possibly do much damage to the credibility of our statistical system, if we were to move hastily to adopt untested techniques for producing offsets to the official CPI."

Federal Reserve Chairman Alan Greenspan concurred with the assessment of BLS about the difficulty of correcting CPI, stating in testimony before the Senate Budget Committee that "Even if BLS moves aggressively, some upward bias will almost surely remain in the CPI, at least for the next several years."

Simply directing BLS to correct the CPI quickly in order to meet budgetary needs ignores the very real difficulties that experts have identified that BLS must overcome in order to correct the problem. A budget that assumes substantial savings from a technical adjustment to CPI will fall short of achieving balance if BLS is unable to act quickly enough to meet budgetary timetables.

The federal government cannot afford to add billions to the national debt through higher spending and lost revenues because of the bias in the CPI that has been identified in over a dozen studies.

The federal government loses billions of dollars every year that government programs are overindexed for inflation. Since the impact of indexation is cumulative over time, even a short delay results in significant lost savings. Delaying the implementation of a CPI adjustment by one year reduces the savings by nearly one third. An adjustment of 0.4% implemented in 1999 would save $15.5 billion less than the same adjustment enacted in 1998.

Although there is no consensus on what technical changes should be made to the calculation of the CPI, there is broad agreement that continuing to adjust programs based on CPI provides increases greater than the cost of living. Alan Greenspan advised Congress that "If we cannot find a precise estimate for a certain bias, we should not implicitly choose zero as though that was a more scientifically supportable estimate . . . assuming zero for the remaining bias is the political fix."

A legislated change to indexation will compensate for the overstatement in CPI that economists have identified in the CPI that cannot be corrected through technical changes.

Many economists have warned that BLS may never fully eliminate the bias in the CPI. Some of the problems that cause the bias have no obvious solution. Other sources of bias are the result of ongoing problems resulting from changes in the economy that can never be fully corrected. After examining the ability of BLS to correct CPI, economist at the Federal Reserve Bank of Cleveland concluded that a legislated adjustment is necessary for this reason. "From a statistical perspective, there is no obvious way to 'fix' the CPI. . . . Because the CPI is not likely to be fixed soon, and because it probably contains an upward bias, the most practical course may be merely to adjust the cost-of-living estimate by some amount."

Even BLS has suggested that Congress consider adjusting how CPI is used to index government programs. In testimony before the Senate Finance Committee, BLS Commissioner Katherine Abraham state that "Although I believe that we can make important improvements in the CPI, I do not believe it to be possible to produce a perfect cost-of-living measure. This means that those who use the data we are able to produce should recognize the limitations of those data and exercise judgement accordingly concerning whether and how the data should be used."

Mr. SOUDER. Mr. Speaker, I yield such time as he may consume to my friend and distinguished colleague, the gentleman from New Jersey [Mr. SAXTON], a tax and economic policy leader.

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

Mr. Speaker, when I heard first about the Boskin Commission report, I said, "Well, of course, if we are going to use the Consumer Price Index, the CPI, for a variety of things, it ought to be accurate. Of course, if we are going to use it to adjust entitlement benefits, it ought to be accurate. Of course, if we are going to use it to adjust from time on an annual basis the amount of taxes Americans pay, it ought to be accurate. Of course, if we are going to use CPI in the private sector to adjust leases and mortgages and things on a timely basis, it ought to be accurate."

Actually, the Bureau of Labor Statistics has done a reasonable job over the years in changing it from time to time. Every decade or so, the Bureau of Labor Statistics looks at the market basket that they measure and tries to make adjustments. But it was as far back as 1938, when renowned authors started to write that it was a difficult task, at best, and an impossible one perhaps to come up with an annual CPI year after year after year that was always accurate.

So, as we began to look at this issue and the issues that it affects, like taxes, like Social Security, and like in the private sector mortgages and leases, we stepped back and said to the Bureau of Labor Statistics, let us know how you can fix this because it would be a bad idea for Congress to make an arbitrary adjustment.

Let me show what happens in just one example as it relates to Federal income taxes. In the IRS Code, there are a number of features, including the personal exemption, that is right, the personal exemption, which is indexed, the standard deduction, which is indexed, and marginal tax brackets,

which are also indexed for inflation. They go up each year depending on the increase in the cost of living as measured by the Consumer Price Index.

This chart shows the practical effect of an arbitrary 1.1 adjustment, as the Boskin Commission reported. In the early years, in 1997, it would be a relatively small adjustment, about something in the neighborhood of $5 billion in annual income to our Treasury. But as the years go by, that compounds because you build CPI on top of a CPI on top of a CPI; and, so, we would collect significantly more taxes each year until in the year 2008. Just 10 years from the inception, we would collect an additional $56.3 billion a year if we followed the recommendation of the Boskin Commission.

So those of us who are here who want to vote for increased taxes, it would be a really good idea to vote for a 1.1 reduction in the CPI. I know some of my colleagues are tired of me saying this because over the last couple of weeks we have had this budget proposal which we have been talking about; and, yes, part of it was an adjustment in CPI. So anybody who had voted for that, thankfully, has been taken out, anybody who had voted for that would have voted for a substantial increase in income taxes.

This chart shows what it means on the individual level, again starting with a relatively small increase on an individual basis, but by the year 2008, a family with two taxpayers would be paying an extra $405 annually in taxes because of the adjustment in the CPI.

This just gives an idea of how this compounds. So when you say to your Social Security beneficiaries back home we ought to have accurate numbers in the CPI because when we measure price stability we should be accurate, just understand how this compounds over the years, what it means in terms of additional taxes that Americans pay, and what it means in terms of fewer benefits Social Security beneficiaries will receive.

I again thank the gentleman from Indiana [Mr. SOUDER] for yielding this time, and I commend him and the gentleman from Pennsylvania [Mr. FOX] and others who have been involved in this effort for bringing this resolution to our attention and the floor.

Mr. FATTAH. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY], who is a sponsor of this legislation.

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I am asking my colleagues on both sides of the aisle to support the resolution I submit with my Republican colleagues, the gentleman from Pennsylvania [Mr. FOX] and the gentleman from Pennsylvania [Mr. ENGLISH] and my Democratic colleague, the gentleman from Massachusetts [Mr. KENNEDY].

H.R. 93 expresses the sense of the House that the Bureau of Labor Statistics alone should make any adjustments, if any are needed, to the methodology used to determine the Consumer Price Index. We argue national CPI is only useful if it is a technical, not a political, measurement.

The CPI is used to determine benefits for over 40 million Social Security recipients, as well as the benefits of millions of other pensioners. It is used to determine the cost-of-living adjustments in worker wage agreements, and the IRS uses it to determine deductions and tax brackets. That is why there is no room for political posturing with the CPI.

Let us stick with the facts of the matter, and the Bureau of Labor Statistics is the agency that is most qualified to determine those facts. Policy, not politics, has driven monetary policy; and policy, not politics, should drive the CPI statistics.

When Federal Reserve Chairman Alan Greenspan first explained that he thought the CPI exaggerates annual inflation, some saw the opportunity to cut the deficit without making the tough decisions. But millions would stand to lose critical income. This resolution maintains the integrity of the process and the independence of an agency which, like the Federal Reserve, ought to remain independent. I am asking for your support today for this resolution.

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

Mr. FATTAH. Mr. Speaker, could we have an understanding what time is available to each side?

The SPEAKER pro tempore [Mr. SNOWBARGER]. The gentleman from Pennsylvania [Mr. FATTAH] has 12½ minutes remaining, and the gentleman from Indiana [Mr. SOUDER] has 10 minutes remaining.

Mr. FATTAH. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. STRICKLAND].

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

Mr. Speaker, I rise in support of this resolution to ensure that the proper agency, the Bureau of Labor Statistics, maintains its authority over adjustments to the Consumer Price Index. I oppose efforts to change the CPI by congressional fiat. Such a proposal is nothing more than a quick-fix gimmick, an attempt to balance the budget by indiscriminately reducing cost of living and retirement benefits and, in the process, harming the most vulnerable in our society.

Some have argued that a lower CPI would only reduce Social Security checks by a few dollars. But in my district, a few dollars can often mean the difference between being able to pay for food, medicine and rent and not being able to pay for these essentials of daily living.

I believe in a balanced budget and I intend to fight for one, but it must be done fairly. Let us not balance the budget with tricks and gimmicks on the backs of seniors and children, but let us balance the budget by asking everyone to contribute their fair share.

Mr. FATTAH. Mr. Speaker, I yield 1 minute and 15 seconds to the gentleman from the great State of Florida [Mr. WEXLER].

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

Mr. Speaker, I rise in support of the resolution to help make certain that America's senior citizens and America's veterans get treated fairly as this Congress attempts to balance our budget by the year 2002.

The Consumer Price Index should be an economical calculation, not a political one. The Consumer Price Index and the cost-of-living raises should reflect that supposed basket of goods that each and every American will purchase each and every month. When the Department of Labor goes into America's drugstores and they look at the kinds of drug prescriptions that America's senior citizens have to purchase each month that cost $150 and $200 at a clip, they will understand that the cost-of-living supposed increases that may overstate inflation in fact are needed by America's senior citizens.

The cost-of-living inflation with respect to home health costs and the kinds of long-term health insurance that America's senior citizens need require us to make an economic calculation, not a political one, that truly reflects the true basket of goods that America's senior citizens and veterans are required to purchase each month.

Mr. FATTAH. Mr. Speaker, I yield 1 minute to my colleague, the gentleman from Iowa [Mr. BOSWELL] to speak on this very important piece of legislation.

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

Mr. Speaker, I think that we are kind of on the same frequency around here, but I am not too sure we understand. Today I voice my opposition to this resolution, House Resolution 93. It is merely a directive for change. Pressuring changes in the CPI does nothing more than politicize the entire CPI calculation in an attempt to avoid the hard choices required to balance our Nation's budget. This calculation should not be used as a political tool.

If the CPI needs to be adjusted, the Bureau of Labor Statistics is already charged with that responsibility. There is no need to politicize this topic. I am committed to balancing the budget but not by forcing cutbacks on our seniors and our veterans, nor by placing hidden tax hikes on the middle class.

□ 1500

Our seniors have already been subjected to large cuts in an effort to balance the budget and should not be singled out again with this politically motivated ploy. Hidden in all of the debate to change the CPI is a tax hike for every American.

The CPI is used to calculate the index for the standard deductions for income tax purposes. The end result of a politically motivated decrease in the CPI is especially damaging to our seniors and veterans, and that is unacceptable. I urge my colleagues to vote "no" on this misguided attempt to inject politics into the calculation of the CPI.

Mr. FATTAH. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Speaker, first of all, let me thank my good friend from Pennsylvania [Mr. FATTAH] for the efforts that he has made to try to make certain that we have a reasonable and accurate portrayal of exactly what the CPI is. I want to particularly thank the gentlewoman from New York [Mrs. MALONEY] as well as the gentleman from Pennsylvania [Mr. FOX] for their efforts.

Every once in a while an issue comes before the House of Representatives that unites Democrats and Republicans in our combined abhorrence to the patent unfairness that can occur due to the politicalization of an issue. That is exactly what has occurred with the CPI.

Make no mistake about it. This CPI issue went to the heart of what America stands for, whether or not we are going to go out and balance the budget of this country by simply increasing a hidden tax on the poor, the senior citizens, the veterans of this country, and the working families whose increases in their annual incomes are tied directly to the BLS stipulated numerical equation that determined what the level of those increases might be.

I have been a prime supporter of a balanced budget. I believe we ought to have a balanced budget. But I believe we ought to have a balanced budget by virtue of proper accounting and not by going in and reaching into the pockets of the poor and the vulnerable senior citizens.

People say let us have an accurate CPI; I say fine. But the truth of the matter is that, if we look at how much it costs to retire and what the cost of retirement really is for the average Social Security beneficiary in America, it is much higher than the cost of living for a lot of other people.

If we really want an accurate CPI, there are many CPI's in America. There are CPI's that are going to vary differently. If one is an elderly person who is retired and has a high cost of prescription drugs, if one has to take care of lots of medical bills, in every other account of the government we take into account the rising cost of health care. But in CPI, it is all melded together into one single number. We do not take into account the differences between what it costs to retire if one is elderly and what it costs to live if one happens to be much more wealthy.

I believe that the efforts that we have made here in the Congress, when I was able to go out and attract 55 Members of the Congress on both sides of the aisle to get a letter sent to President Clinton saying, if they were going to include this unconscionable act of lowering the CPI in the budget agreement, that we would have a separate vote on that issue on the House floor.

Second, we wrote letters to both the Chairman as well as the ranking member on the Committee on the Budget suggesting to them that this was an unfair and an unwarranted act by those individuals that were trying to balance the budget on the backs of our retirees.

So I say, if we want to go after Social Security, be honest with folks. Take on the people that are wealthy that have gotten more out of the system than they paid into it, but do not reach into the back pockets of the poor and the vulnerable in order to balance the budget of America.

Mr. FATTAH. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I want to thank the gentleman from Pennsylvania [Mr. FATTAH] for his leadership and really tapping into the heart of the issue. There is not a time that I am not visiting with constituents in my community, mainly seniors and veterans, who are concerned about what happens to them with a falsified political adjustment of the CPI.

Now, those of us who rise on the floor to argue for that protection of that number may get accused on many occasions of not wanting to balance the budget and wanting to throw money away; and we say no, we simply want to give to those who have been veterans and senior citizens, who have worked all of their lives, a fair shake.

How is it when we talk to seniors in our districts and they say to us, I cannot make ends meet. I do not know how I am going to eat at the end of the month. My prescription costs are enormous, and I cannot even pay for those.

This bill is clearly a very positive statement that says that the BLS should be the only entity that offers to merit the kind of analysis we need to deal with the CPI. I do not know any other institution, the Federal Reserve, the debate on the floor of the House, that would have the accuracy and integrity that would cause us to be able to support those who need us most.

I join my colleague, the gentleman from Massachusetts [Mr. KENNEDY], to say the most vulnerable are the ones that this House most needs to stand up on the side of. That is those who cannot come here and speak for themselves, do not walk the halls of Congress. But yet, every single day, we need to pay tribute to the years of work of our senior citizens and certainly the sacrifice that many of our veterans have given.

It saddens me when every time I hold a town hall meeting I hear seniors say, are you going to save the CPI or are we going to suffer even more? For that reason, let me add my support to this legislation and add my support to supporting the most vulnerable, particularly, if I might say, our seniors and our veterans. Let us give them a fair shake.

Mr. FATTAH. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. MINGE], our final speaker.

Mr. MINGE. Mr. Speaker, Congress is ultimately responsible for determining the scope and extent of programs that have been established by Congress, and this includes retirement programs, it includes a tax system, it includes the Bureau of Labor Statistics operations.

I think that all of us understand and recognize that the Bureau of Labor Statistics established the Consumer Price Index several decades ago. It was to be an index that essentially reflected certain retail prices that were paid by American consumers. It was not intended to be an inflation index. It was not intended to necessarily be a cost-of-living index. Instead, it was simply an index that was established and continued based on traditions established at the Bureau of Labor Statistics.

Over the years, the Bureau of Labor Statistics identified inaccuracies in its own index, and occasionally it would implement changes, corrections it felt necessary. Usually these changes would be made without undue controversy, and sometimes the Bureau of Labor Statistics found itself under severe attack from Congress itself for making corrections to implement changes for a more accurate Consumer Price Index.

We face a parallel situation here in 1997. The Bureau of Labor Statistics is gun-shy. It knows that, if it makes the changes in CPI that are important for accuracy, it is treading on the toes of powerful interest groups in our political system.

We had the opportunity last week to seriously address this question in Congress, but with the new-found sum of $225 billion from the Congressional Budget Office, the decision was made: This is too tough, let us put it off the table. What is the consequence? We in Congress are not providing any guidance to the Bureau of Labor Statistics, as even the Bureau of Labor Statistics has indicated it needs some guidance from Congress. We are shirking our responsibility.

One group here has proposed such a change. The Blue Dog coalition proposed a budget with a correction, and with a flat COLA, to try to be fair to low-income Americans. I think that we should reexamine our goals here in this institution.

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

Let me conclude by thanking my colleague, the gentleman from Indiana [Mr. SOUDER]. We came into the Congress together, and we served together on the House Government Reform and Oversight Committee and also on the Committee on Education and the Workforce, for his deliberations here this afternoon and his willingness to share time with the minority. This is a very important issue.

We heard my colleague just suggest that the Bureau of Labor Statistics was looking for guidance from the Congress. Well, that is the purpose of House Resolution 93. We are providing that guidance. We are saying that we have the confidence in their ability and their expertise to determine appropriately within the level of limitations that exist what is indeed appropriate consumer price fluctuations in the market, and we would like to not have this be driven by political decisions or budget decisions.

I do understand the legitimate and authentic interests of Blue Dogs and others who have moved us along this continuum of a dialog to the day that Congress will, I think, indicate through this expression that we want to see BLS handle this matter and handle it without political interference.

So I rise in support finally of House Resolution 93 and I thank my colleague, the gentleman from Pennsylvania [Mr. FOX] for his leadership on this matter.

Mr. Speaker, I yield back the balance of my time.

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

I want to thank the gentleman from Pennsylvania [Mr. FATTAH] for his leadership. I enjoy working with him in our committee. It is the type of thing we need to do more often working in bipartisanship and common interests because, while we may have disagreements from time to time about the best way to achieve solutions, we are legitimately concerned and share the common concerns about what is going on in our country. While we may disagree, sometimes, and more often than not, we are going to agree on what the problems are and even on what many of the solutions are, and this is one of the examples.

I also want to address some of the concerns raised by the distinguished gentleman from Minnesota, as well as from Texas concerning the Blue Dog budget and put this into kind of a summary of what we have heard here on the floor in debate. It is not likely that any Member is going to walk down to the floor and say, oh, I believe it ought to be calculated for political purposes.

There is a small group of people who are definitely committed to balancing the budget who believe that the CPI is incorrectly calculated. They have expressed their concerns, but that is not the way Congress works. Every time we change the CPI, we do not cut the deficit, we spend more money, and that is in fact what would happen.

Many Members who did not come down to the floor who have been doing their work in the back rooms, they have been anxiously trying to divide up what they were going to spend had we adjusted the CPI. They were not going to do that in front of the television cameras, they are going to do it in the back rooms.

I share some concerns that have been expressed that there has been some smoke and mirrors in the budget; we will see that as it unfolds in this agreement. But many of us believe that this should be a scientific process, not a political process, and it was coming to be a political process of how we could get more dollars away from senior citizens, away from families, away from veterans, so we could spend more for groups that were politically important to some Members or concerns about a TV ad here or a TV ad there. That is not the way we should adjust the CPI.

To summarize, this is a sense of Congress regarding the Consumer Price Index to take politics out of the process. The CPI is intended to provide as accurate as possible measurement of inflation and enables the Government to limit the impact of inflation for those most vulnerable to its bite.

The determination of the CPI also has significant long-term consequences on determining tax liabilities, as we heard from the gentleman from New Jersey [Mr. SAXTON] today. Our purpose today is to recognize that because of the tremendous importance of the CPI for average Americans, any modification of the CPI should be made by those most capable of doing so in the Bureau of Labor Statistics. It should not be a political football, it should not be something to try to take from one group to give to another. Its determination should be left in the hands of those most qualified to accurately measure inflation.

Senior citizens and taxpayers across this Nation owe thanks to my distinguished colleague from Pennsylvania, Mr. FOX, and his cosponsors, the gentleman from Pennsylvania, Mr. ENGLISH, the gentlewoman from New York, Mrs. MALONEY, and the gentleman from Massachusetts, Mr. KENNEDY. This decision should be based on the best policy, not on politics.

Mr. CAPPS. Mr. Speaker, I rise today in support of this resolution to affirm that any changes made to the Consumer Price Index [CPI] only be made by the Bureau of Labor Statistics [BLS]. This is a matter of grave importance to millions of Americans; it is not just a matter of accounting.

Recently, the Boskin Commission Report stated that CPI overstates inflation by as much as 1.1 percent. Since that time, commentators and some Members of Congress have urged that Congress take this recommendation and immediately lower the CPI. Lowering the CPI by 1.1 percent would result in increasingly large annual savings, starting at $6 billion in fiscal year 1998 and rising to nearly $70 billion in fiscal year 2002. That is certainly an incentive to lower the CPI.

But these savings would come in large part from reductions in the cost of living increases for Social Security recipients, veterans, and other Federal retirees. This is unfair and unjust. We should not balance the budget on the backs of seniors and others who have spent their lives in the service of their country.

More importantly, making such an arbitrary change would be wrong. The CPI should reflect the rate of inflation, not the need for politicians to balance the budget. I have full confidence in the BLS to make any necessary adjustments in a timely manner to reflect changing conditions in our economy.

I am one of nine cosponsors of this legislation. I have also written, along with several of my colleagues, to the President and Budget Committee Chairman KASICH urging them not to include an automatic CPI adjustment in the budget agreement and calling for separate vote on any adjustment should it be included in the budget resolution.

To a degree those efforts have been successful, as the budget agreement now only assumes a very slight change in the CPI. I oppose even that provision and will work with my colleagues to strike any such language from the budget resolution when it comes to the House floor should that be necessary.

I urge my colleagues to support this legislation.

Mr. SOUDER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore [Mr. SNOWBARGER]. The question is on the motion offered by the gentleman from Indiana [Mr. SOUDER] that the House suspend the rules and agree to the resolution, House Resolution 93.

The question was taken.

Mr. FOX of Pennsylvania. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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.

GENERAL LEAVE

Mr. SOUDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 93.

The SPEAKER pro tempore [Mr. SNOWBARGER]. Is there objection to the request of the gentleman from Indiana?

There was no objection.

HOUSING OPPORTUNITY AND RESPONSIBILITY ACT OF 1997

The SPEAKER pro tempore. Pursuant to House Resolution 133 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. 2.

□ 1515

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. 2) to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, with Mr. GOODLATTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, May 1, 1997, amendment No. 9 offered by the gentleman from Illinois [Mr. JACKSON] had been disposed of, and title I was open for amendment at any point.

Are there further amendments to title I?

AMENDMENTS OFFERED BY MR. LAZIO OF NEW YORK

Mr. LAZIO of New York. I ask unanimous consent that the following amendments be considered en bloc, Mr. Chairman, and I will read off the following amendments:

Amendment No. 48 offered by the gentleman from Michigan [Mr. SMITH]; amendment No. 47 as printed in the RECORD offered by the gentleman from Pennsylvania [Mr. KLINK]; amendment No. 1 offered by the gentlewoman from Colorado [Ms. DEGETTE]; amendments Nos. 23 and 24 offered by the gentleman from Minnesota [Mr. VENTO]; amendment No. 49 offered by the gentleman from Mississippi [Mr. TAYLOR]; amendments Nos. 20 and 21 offered by the gentleman from Ohio [Mr. TRAFICANT]; amendment No. 28 offered by the gentleman from Nevada [Mr. ENSIGN]; and amendment No. 33 offered by the gentlewoman from Connecticut [Mrs. JOHNSON].

The CHAIRMAN. The Clerk will designate the amendments.

The text of amendment No. 48 is as follows:

Amendment No. 48 offered by Mr. SMITH of Michigan: Page 15, line 21, strike "includes" and insert "may include."

The text of amendment No. 47 is as follows:

Amendment No. 47 offered by Mr. KLINK: Page 69, line 14, after the period insert the following:

The Secretary shall require that each such agreement for local cooperation shall provide that, notwithstanding any order, judgment, or decree of any court (including any settlement order), before making any amounts provided under a grant under this title available for use for the production of any housing or other property not previously used as public housing, the public housing agency shall—

(1) notify the chief executive officer (or other appropriate official) of the unit of general local government in which the public housing for which such amounts are to be so used is located (or to be located) of such use;

(2) pursuant to the request of such unit of general local government, provide such information as may reasonably be requested by such unit of general local government regarding the public housing to be so assisted (except to the extent otherwise prohibited by law) and consult with representatives of such local government regarding the public housing.

The text of amendment No. 1 is as follows:

Amendment No. 1 offered by Ms. DEGETTE: Page 71, line 19, before the semicolon insert "and including child care services for public housing residents".

The text of amendment No. 23 is as follows:

Amendment No. 23 offered by Mr. VENTO: Page 104, line 24, insert after "program" the following: ", including a family that includes a member who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for this IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996".

The text of amendment No. 24 is as follows:

Amendment No. 24 offered by Mr. VENTO: Page 193, line 21, insert after "program" the following: ", including a family that includes a member who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996".

The text of amendment No. 49 is as follows:

Amendment No. 49 offered by Mr. TAYLOR of Mississippi: Page 287, after line 15, insert the following new paragraph:

(6) TREATMENT OF COMMON AREAS.—The Secretary may not provide any assistance amounts pursuant to an existing contract for section 8 project-based assistance for a housing project and may not enter into a new or renewal contract for such assistance for a project unless the owner of the project provides consent, to such local law enforcement agencies as the Secretary determines appropriate, for law enforcement officers of such agencies to enter common areas of the project at any time and without advance notice upon a determination of probable cause by such officers that criminal activity is taking place in such areas.

Page 287, line 16, strike "(6)" and insert "(7)".

The text of amendment No. 33 is as follows:

Amendment No. 33 offered by Mrs. JOHNSON of Connecticut:

Page 316, after line 19, insert the following new subsection:

(c) INELIGIBILITY OF SEXUALLY VIOLENT PREDATORS FOR ADMISSION TO PUBLIC HOUSING.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency shall prohibit admission to public housing for any household that includes any individual who is a sexually violent predator.

(2) SEXUALLY VIOLENT PREDATOR.—For purposes of this subsection, the term "sexually violent predator" means an individual who—

(A) is a sexually violent predator (as such term is defined in section 170101(a)(3) of such Act); and

(B) is subject to a registration requirement under section 170101(a)(1)(B) of 170102(c) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(a)(1)(B), 14072(c)), as provided under section 170101(b)(6)(B) or 170102(d)(2), respectively, of such Act.

Page 316, line 20, strike "(c)" and insert "(d)".

Page 316, lines 21 and 22, strike "and (b)" and insert ", (b), and (c)".

Page 317, line 22, strike "(d)" and insert "(e)".

Page 318, line 13, strike "(e)" and insert "(f)".

Page 321, line 9, after "CHILDREN" insert "AND SEXUALLY VIOLENT PREDATORS".

Page 321, line 11, after the comma insert "the Federal Bureau of Investigation,".

Page 321, line 15, insert a comma before "and".

Page 321, line 18, after "under" insert the following: "the national database established pursuant to section 170102 of such Act or".

Page 321, line 19, after "program" insert ", as applicable,".

Page 323, line 12, after "criminal record" insert "(including on the basis that an individual is a sexually violent predator, pursuant to section 641(c))".

Page 323, line 21, strike "641(d)" and insert "641(e)".

The text of amendment No. 20 is as follows:

Amendment No. 20 offered by Mr. TRAFICANT:

Page 332, after line 2, insert the following:

SEC. 706. REGIONAL COOPERATION UNDER CDBG ECONOMIC DEVELOPMENT INITIATIVE.

Section 108(q)(4) (42 U.S.C. 5308(q)(4)) of the Housing and Community Development Act of 1974 is amended—

(1) by striking "and" after the semicolon in subparagraph (C);

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following:

"(D) when applicable as determined by the Secretary, the extent of regional cooperation demonstrated by the proposed plan; and".

The text of amendment No. 21 is as follows:

Amendment No. 21 offered by Mr. TRAFICANT:

Page 335, after line 6, insert the following new section:

SEC. 708. HOUSING COUNSELING.

(a) EXTENSION OF EMERGENCY HOMEOWNERSHIP COUNSELING.—Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by striking "September 30, 1994" and inserting "September 30, 1999".

(b) EXTENSION OF PREPURCHASE AND FORECLOSURE PREVENTION COUNSELING DEMONSTRATION.—Section 106(d)(13) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701(d)(12)) is amended by striking "fiscal year 1994" and inserting "fiscal year 1999".

(c) NOTIFICATION OF DELINQUENCY ON VETERANS HOME LOANS.—

Subparagraph (C) of section 106(c)(5) of the Housing and Urban Development Act of 1968 is amended to read as follows:

"(C) NOTIFICATION.—Notification under subparagraph (A) shall not be required with respect to any loan for which the eligible homeowner pays the amount overdue before the expiration of the 45-day period under subparagraph (B)(ii).".

The text of amendment No. 28 is as follows:

Amendment No. 28 offered by Mr. ENSIGN:

Page 333, after line 2, insert the following new section:

SEC. 708. TREATMENT OF PHA REPAYMENT AGREEMENT.

(a) LIMITATION ON SECRETARY.—During the 2-year period beginning on the date of the enactment of this Act, if the Housing Authority of the City of Las Vegas, Nevada, is otherwise in compliance with the Repayment Lien Agreement and Repayment Plan approved by the Secretary on February 12, 1997, the Secretary of Housing and Urban Development shall not take any action that has the effect of reducing the inventory of senior citizen housing owned by such housing authority that does not receive assistance from the Department of Housing and Urban Development.

(b) ALTERNATIVE REPAYMENT OPTIONS.—During the period referred to in subsection (a), the Secretary shall assist the housing authority referred to in such subsection to identify alternative repayment options to the plan referred to in such subsection and to execute an amended repayment plan that will not adversely affect the housing referred to in such subsection.

(c) RULE OF CONSTRUCTION.—This section may not be construed to alter—

(1) any lien held by the Secretary pursuant to the agreement referred to in subsection (a); or

(2) the obligation of the housing authority referred to in subsection (a) to close all remaining items contained in the Inspector General audits numbered 89 SF 1004 (issued January 20, 1989), 93 SF 1801 (issued October 30, 1993), and 96 SF 1002 (issued February 23, 1996).

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. KENNEDY of Massachusetts. Mr. Chairman, reserving the right to object, for the purposes of clarification, would the chairman of the Subcommittee on Housing repeat just by number the various amendments, because I was having a hard time following exactly which ones they were.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, in the printed RECORD it would be amendment No. 1, amendment No. 48, amendment No. 47, amendment No. 23, amendment No. 24, amendment No. 49, amendment No. 20, amendment No. 21, amendment No. 28, and amendment No. 33.

I would mention also to the gentleman that the gentleman from Pennsylvania [Mr. HOLDEN] has offered an amendment listed in the RECORD as amendment No. 45. We are attempting to revise that amendment. That is presently at the desk. If I can, when I am recognized, I will ask for an additional unanimous-consent request to include the amendment of the gentleman from Pennsylvania in the en bloc application.

Mr. KENNEDY of Massachusetts. Continuing to reserve my right to object, Mr. Chairman, the gentleman is asking for unanimous consent to do so?

Mr. LAZIO of New York. When I am recognized, or if the gentleman would like, we can include the amendment offered by the gentleman from Pennsylvania [Mr. HOLDEN] in the en bloc request. We simply did not have it at the time we offered this. The language had not been drafted. But I am willing to include that en bloc to help accommodate the minority on this.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the clarification of the gentleman from New York on those various amendments. Those are the ones that I think his staff and my staff had agreed to offer en bloc. I appreciate the chairman's willingness to cooperate on this, the start of what could be a long day, or might not be so long if we continue along those lines.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The Chair would ask the gentleman from New York [Mr. LAZIO] if all of the other amendments other than amendment No. 45 are as printed in the RECORD.

Mr. LAZIO of New York. Yes, Mr. Chairman, they are as printed in the RECORD. When it is appropriate, I would ask for recognition for another unanimous-consent request.

Mr. WATT of North Carolina. Reserving the right to object, Mr. Chairman, and I hope I am not planning to object, I just wanted to be clear. I missed the description of what was included.

The specific thing that I want to find out whether it is included is whether the gentleman has included the amendment offered by the gentleman from Florida [Mr. MCCOLLUM] on the occupancy standard.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. WATT of North Carolina. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, this amendment is not offered en bloc at this time. It is my understanding that the gentleman from Florida [Mr. MCCOLLUM] is offering that under title VII. I do not anticipate offering it en bloc.

Mr. WATT of North Carolina. Continuing my reservation of objection, Mr. Chairman, I would ask the gentleman, everything in this en bloc amendment is in title I?

Mr. LAZIO of New York. If the gentleman will continue to yield, Mr. Chairman, this en bloc amendment is a cross-title application, and some of these amendments are outside of the title that we are in, which is still title I, as I recall.

Mr. WATT of North Carolina. As long as I am assured that it does not include the amendment offered by the gentleman from Florida [Mr. MCCOLLUM].

Mr. LAZIO of New York. That is correct.

Mr. WATT of North Carolina. Mr. Chairman, I withdraw my reservation of objection.

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent that amendment No. 45, as modified, be included in the unanimous-consent request of amendments to be considered en bloc.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLDEN:

SEC. 709. For the Tamaqua Highrise project in the Borough of Tamaqua, Pennsylvania, the Secretary of Housing and Urban Development may require the public housing agency to convert the tenant-based assistance under section 8 of the United States Housing Act of 1937 to project-based rental assistance under section 8(d)(2) of such Act, notwithstanding the requirement for rehabilitation or the percentage limitations under section 8(d)(2). The tenant-based assistance covered by the preceding sentence shall be the assistance for families who are residing in the project on the date of enactment of this Act and who initially received their assistance in connection with the conversion of the section 23 leased housing contract for the project to tenant-based assistance under section 8 of such Act. The Secretary may not take action under this section before the expiration of the 30-day period beginning upon the submission of a report to the Congress regarding the proposed action under this section.

Mr. LAZIO of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. LAZIO] that amendment No. 45, as modified, be included in the en bloc request?

There was no objection.

The CHAIRMAN. Is there objection to the original request of the gentleman from New York [Mr. LAZIO] that the amendments be considered en bloc?

There was no objection.

Mr. LAZIO of New York. Mr. Chairman, these are 11 amendments that have been offered by Members on both sides of the aisle that will serve, I think, to strengthen the bill and eliminate issues of controversy that we could accommodate. I am appreciative of the Members who have offered these amendments.

If I can go through briefly what we have done here, and I mean briefly, we have the amendment offered by the gentleman from Michigan [Mr. SMITH] that changes the definition of resident programs to include certain listed activities. I understand he worked with

the gentleman from Massachusetts on that, and that that amendment now is not controversial.

There is the amendment offered by the gentleman from Pennsylvania [Mr. KLINK], amendment No. 47 and the other gentleman from Pennsylvania [Mr. DOYLE] which requires local cooperation and agreement when production of public housing on property not previously used as public housing is anticipated.

There is amendment No. 1 offered by the gentlewoman from Colorado [Ms. DEGETTE], and that provides that child care services for tenants is an eligible activity for operating expenses. I think that is certainly an appropriate amendment, and clarifies the intent of the sponsor of the legislation.

There is amendment No. 23 offered by the gentleman from Minnesota [Mr. VENTO], that clarifies that a family which includes a lawfully admitted resident would be eligible for the hardship exemptions for minimum rents in public housing as long as that person is a member of the family.

There is amendment No. 24 offered by the gentleman from Minnesota [Mr. VENTO], again, another amendment that speaks to hardship exemptions regarding choice-based or vouchers, and the other amendment spoke to public housing.

There is amendment No. 49 offered by the gentleman from Mississippi [Mr. TAYLOR], a very strong amendment that provides that section 8 project-based assistance will not be provided to projects unless the owners consent to allow law enforcement officials into the common areas of projects without advanced notice if they believe that a criminal activity is occurring.

There are amendments Nos. 20 and 21 offered by the gentleman from Ohio [Mr. TRAFICANT]. Amendment No. 20 increases and enhances our protections to ensure that there is regional cooperation under CDBG, the community development block grant, and this is an effort to try and encourage regional planning and economic development, which I think is a very strong amendment as well; and amendment No. 21 offered by the gentleman from Ohio [Mr. TRAFICANT], which extends home ownership counseling, and requires notification of availability of owner ownership counseling to veterans, a very strong amendment, speaking to our veterans and making sure they understand the availability of this counseling.

There is amendment No. 28 offered by the gentleman from Nevada [Mr. ENSIGN], which speaks to a problem that could conceivably require an adverse action involving some senior projects in the State of Nevada; the amendment offered by the gentleman from Pennsylvania [Mr. HOLDEN], which we have discussed; and the amendment offered by the gentlewoman from Connecticut [Mrs. JOHNSON], amendment No. 33, a particularly strong amendment.

I want to mention that some of these amendments speak to the issue of making sure there is safety and order in public housing. Simply because one has limited means in order to afford a rental unit or to purchase their own place does not mean that they should not have the absolute right to have peaceful enjoyment of those units.

There are several of these amendments that speak to that ability, and particularly that of the gentlewoman from Connecticut [Mrs. JOHNSON], amendment No. 33, which prohibits the admission of sexually violent predators to public housing. I am sure she will be speaking to that. It is a very important amendment. I wish we would have thought about it earlier, but I compliment the gentlewoman for having done it.

That is a description, generally speaking, of the amendments, 11 all told, offered by Members on both sides of the aisle, that I think again strengthens and enhances this bill and will allow us to move this bill forward from the strongest possible posture.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I move to strike the last word.

Mr. Chairman, my amendment, which has been included in today's en bloc amendment, would ban violent sexual predators from public housing in this country. These are people who have been convicted of the worst crimes imaginable, and who have been identified as likely to repeat the offense. It is simply wrong for taxpayer dollars to be used to allow people who have stalked and attacked women and children to live where the majority of tenants are children and single mothers.

At a public housing project in Chicago recently, according to press reports, a previously convicted sex offender was charged with assaulting and molesting a 9-year-old girl who lived in the same building.

First, he allegedly abducted her as she was walking upstairs. Then he took her into an apartment, molested her, choked her until she was unconscious. He poured poisonous liquid down her throat and left her.

□ 1530

Mr. Chairman, my legislation will not eliminate violence against children. I wish it were that easy. But it will send a clear message that Congress is not going to use taxpayers' hard-earned money to provide subsidized public housing to people who have committed unspeakable acts of evil against children.

H.R. 2 for the first time gives housing authorities access to State information on registered sex offenders, and allows public housing officials to reject an application for subsidized housing if they have reason to believe the applicant poses a threat to other tenants. That is a giant step forward, and I commend the committee on their action.

But in addition, my zero tolerance amendment would mandate that public housing officials automatically reject any application from sexually violent predators.

Mr. Chairman, study after study has shown that many people, most people, in fact, guilty of violent sexual crimes against children repeat their offenses and attack many, many children. According to one report, 71 percent of all pedophiles knew their victims prior to the crime. The typical offender molests on average, on average, hear that, on average 117 children. That is right. Members heard it right, 117 children.

Nearly 40 percent of the inmates serving time in State prisons for violent sex offenses said their victims were 12 years old or younger. These statistics were supplied to me by the National Center for Missing and Exploited Children, which supports my amendment. What these statistics say really loud and clear is that it is time for zero tolerance.

I urge my colleagues to support the amendment and keep our children safe.

Mr. CASTLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Johnson-Castle-Foley amendment, which the gentlewoman from Connecticut just spoke about, which is contained as part of the en bloc amendment, as was suggested by the sponsor of the legislation.

Under the zero tolerance for sexual predators amendment I am offering with the gentlewoman from Connecticut [Mrs. JOHNSON] and the gentleman from Florida [Mr. FOLEY], housing authorities and owners of public housing would be required to reject any application submitted to them by violent sexual predators.

Less than 2 weeks ago in my home State of Delaware, I spent the day with Delawareans living in Federal-assisted housing. I spoke with parents and children and got a firsthand look at life in public housing. During my visit I was approached by a little 4-year-old boy named Danny, who wanted me to toss a ball around with him. Danny's family lives in good, well-maintained public housing, working very hard to make ends meet.

I thought to myself, the last thing Danny's family needs to worry about is whether he could be stalked by a dangerous sexual predator living near them in public housing.

Mr. Chairman, according to HUD, there are currently over 1 million children nationwide living in public housing. In Delaware alone, over 3,500 children reside in taxpayer-subsidized housing.

According to an analysis published by the Bureau of Justice Statistics,

two-thirds of convicted rape and sexual assault offenders said their victims were under the age of 18; nearly half said their victims were 12 years of age or younger.

Mr. Chairman, our amendment would require public housing authorities to automatically reject any application received from a convicted violent sexual predator. These individuals would have had to commit the most egregious crime against a child, as defined by the Jacob Wetterling provisions passed by this House and signed into law in 1994, in order to be denied public housing.

Under H.R. 2 as currently written, housing officials are given the authority to screen out applicants and their family members who are engaged in criminal activity. I amended the legislation in committee to give authorities access to State sex offender registration rolls, arming them with the most up-to-date and accurate information in order to properly screen out sex offenders. The zero tolerance amendment goes one step further by requiring public housing authorities to deny public housing to those individuals, violent sex offenders, who prey upon our children.

Mr. Chairman, we believe that parents have the right to sleep better at night, knowing that housing authorities are screening out and denying housing to the most violent sexual predators. If my colleagues believe in this right also, I urge them to support the zero tolerance amendment as part of the en bloc amendment to bar violent sexual predators from our country's public housing.

Mr. TAYLOR of Mississippi. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to thank the gentleman from New York [Mr. LAZIO] and the Democratic handlers of this bill for including an amendment. It was brought to my attention when traveling the streets of Bay St. Louis with one of our police officers, Officer Ernest Taylor, the great frustration that he had come to witness, and that is that in the publicly owned, publicly operated housing areas of the city, they were able to, in a contract with those people who moved in, get their permission to search the common grounds of those publicly owned public housing areas at any time. Through that they had virtually eliminated crime in that part of town.

Unfortunately, it had shifted the crime, in particular, drug sales, to those things that were privately owned but publicly leased housing areas because similar contracts were not available under section 8 housing.

This amendment would allow for the consensual agreement between a landlord and a tenant, and this would require a consensual agreement between a landlord and a tenant that those privately owned but publicly leased properties, the common areas of them such as parking lots, courtyards, grounds, streets that run through a development, picnic facilities, the resident centers, basketball grounds, would be available so that with probable cause the police could search those people for any violation of the law and, in particular, drug sales.

The amendment that I am offering and the manager has been nice enough to accept would make owner consent a condition of participation in the section 8 program for property owners who are either entering a new contract or renewing an expiring contract. The Department of Housing and Urban Development estimates that 1.8 million section 8 contracts assisting a total of 4.4 million low-income persons are set to expire this year.

Currently law enforcement officials are allowed access to common areas of public housing units. However, the police must be invited on to section 8 housing projects by either the property owner or tenants in order to respond to a complaint.

This problem was pointed out to me by Officer Taylor of the Bay St. Louis Police Department. I recently accompanied him on his beat as a civilian participating in a ride-along program, and Officer Taylor is one example, also, of how the Cops Program works.

Officer Taylor explained to me that he and his colleagues have been able to eradicate nearly all the drugs and drug-related crimes in the city's publicly owned housing units through the success of the Cops Programs and HUD's Drug Elimination Grant Program.

Unfortunately, because of the increased police presence in the public housing common areas, many of the city's criminals have moved their drug trade and related criminal activities to the city's section 8 housing.

This is just not right. They are both publicly paid for. They are both a privilege for those people who live there. And it just makes common sense that people should be willing to give up a little bit in order to get subsidized housing and in order to eradicate crime from that part of town.

This amendment would provide local law enforcement with the flexibility they need to protect residents of section 8 housing programs from those who sell drugs and perpetrate violent crimes, the sort of crimes that the gentlewoman from Connecticut [Mrs. JOHNSON] was talking about.

In addition, the amendment is mindful of property owners' rights because the amendment does not apply to existing contracts, only those that are either new or those that are being renewed after expiring.

It is also mindful of the rights of citizens who live in public assisted housing, in that the police must have probable cause of a criminal activity taking place before they are allowed to venture into section 8 properties.

I want to thank Officer Taylor for bringing this problem to my attention. I want to thank the gentleman from New York [Mr. LAZIO] and the other managers of this bill for being willing to address it.

I encourage my colleagues to vote for the amendment.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to thank the chairman of the committee, the gentleman from New York [Mr. LAZIO], for the fine job he has done, and appreciate the fact that he has worked with me and my staff to work out a couple of important amendments.

I want to thank the gentleman from Massachusetts [Mr. KENNEDY] for also concurring with the chairman. I appreciate the job that he has done.

I would like to talk briefly about the two amendments. The first one deals with economic development initiative grants. It has a number of criteria but one of those criteria is not, let me say, is not getting the administration to look at regional cooperation.

Too many of our cities have become islands, set right in the middle with the outside unattached, and my simple little amendment says, let us look at the regional application when we decide if we are going to give these grants, and let us start involving all in that general metropolitan area that could help to turn things around.

The second one, though, I think is very important for veterans, it is very important for family homes, and it is very important to stave off foreclosures. Years ago, I had occasion to be sheriff in Mahoning County, OH, and I had noticed a couple unemployed steelworkers that missed one payment and the banks were moving on their homes.

So I resisted and I went and signed those transfer deeds, and they could not in fact foreclose on the homes without signing those transfer deeds. Little did I know they would end up putting me in jail. But they put me in jail, and it brought a spotlight to the whole problem, and we have been able to mitigate that.

When I came to Congress, we passed a little, simple law. That law says they have to give a 45-day notice of delinquency, and there shall be a 1-800 number given to that borrower that is behind and delinquent so that perhaps they could work out to save the family home. That has worked. The Traficant amendment deals with the issue that right now veterans, VA loans, the veteran does not get a notice until 105 days.

Here are the simple statistics. FHA-backed loans have much higher delinquency, but VA-backed loans have almost as much foreclosure. The reason

is that 105-day notice is not timely. By that time it has gone so far delinquent, they cannot work it out. By applying that 45-day notice, it will provide for intervention and the saving of the family home by stopping foreclosures. In addition to that, it will also, in fact, save our Government an awful lot of money.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank the gentleman for yielding to me.

I just want to speak in favor of this amendment. The gentleman from Ohio [Mr. TRAFICANT] put himself at great personal risk before he came to the Congress by standing up for the people in his district that were unfairly losing their homes.

I have seen in my own congressional district the same kind of actions taken by predatory practices of banks that send people, send individuals up to the statehouse. They find these deeds where elderly people have paid off all of their mortgages. They go in. They bang on the elderly individual's door, tell them that they need a new roof or new siding and the like, and the next thing we know they are paying these unbelievable rates of interest on the loan payments. And as a result, within 2 or 3 months, they end up losing their homes.

We actually had legislation that was passed in the Congress that would have prevented those kinds of actions in the last Congress. Unfortunately, on a very narrow vote on the Committee on Banking and Financial Services, this provision was knocked out. It is something that I note if the gentleman from Ohio [Mr. TRAFICANT] served on the Committee on Banking and Financial Services, he would have fought with us.

But it was unfortunate that a Member who offered the amendment to knock out that provision happened to come from his own district, the company that was sponsoring the legislation, which was ultimately too bad. And those are the kinds of, if somebody wants to do investigative reporting, that is the kind of investigative reporting that would be very helpful around here.

In any event, it seems to me that this is an important provision. I want to thank my good friend from Ohio for the fine work he does here in general and the work he has done on this bill.

Mr. TRAFICANT. Mr. Chairman, I want to thank the ranking member. I want to thank the Congress, thank the chairman and ranking member for accommodating this language. I think it will help to save family homes. I urge an "aye" vote on the en bloc amendments.

The CHAIRMAN. The question is the amendments offered by the gentleman from New York [Mr. LAZIO].

The amendments were agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT NO. 26 OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 26 offered by Ms. WATERS:

Page 57, strike lines 14 through 22 and insert the following:

(b) EXCLUSION FROM ADMINISTRATIVE PROCEDURE OF GRIEVANCES CONCERNING EVICTIONS FROM PUBLIC HOUSING INVOLVING HEALTH, SAFETY, OR PEACEFUL ENJOYMENT.—A public housing agency may exclude from its procedure established under subsection (a) any grievance, in any jurisdiction which requires that prior to eviction, a tenant be given a hearing in court, which the Secretary determines provides the basic elements of due process (which the Secretary shall establish by rule under section 553 of title 5, United States Code), concerning an eviction from or termination of tenancy in public housing that involves any activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other tenants or employees of the public housing agency or any drug-related criminal activity on or off such premises.

Ms. WATERS. Mr. Chairman, I offer this amendment along with my distinguished colleague, the gentlewoman from Michigan [Ms. KILPATRICK] to retain current law relating to the administrative grievance procedure used in public housing agencies throughout the country.

Specifically, we propose that evictions, excepting those for criminal or drug-related activities, remain under the purview of the grievance procedure. The grievance procedure, in place since 1971 and amended in 1990 and 1994, has proven to be an efficient, low-cost procedure for resolving disputes.

H.R. 2 repeals current law by mandating that public housing agencies exclude all evictions from the grievance procedure, not merely drug or criminal related activity.

□ 1545

This mandate is bad public policy, inefficient and unfair and causes undue Federal interference.

Any concerns that the grievance procedure might not be appropriate in certain circumstances were addressed in 1990, when the law was changed to allow housing authorities to exclude evictions involving drug-related and criminal activity from the grievance procedure.

The negative effects of soaring litigation costs and an increasingly adversarial justice system are other reasons to encourage the use of the grievance process. To force the tenant who faces an eviction into a civil proceeding is to deny most tenants any opportunity for a just and mutually beneficial resolution to the problem. Study after study shows that tenants not represented by attorneys are at a tremendous disadvantage in civil proceedings.

Finally, the fact that this exclusion is mandated by the Federal Government on local public housing authorities flies in the face of local control that has informed much of this debate. There is plenty that needs changing in public housing. The grievance procedure is not one of them.

Ms. KILPATRICK. Mr. Chairman, will the gentlewoman yield?

Ms. WATERS. I yield to the gentlewoman from Michigan.

Ms. KILPATRICK. Mr. Chairman, I am happy to cosponsor this amendment with our esteemed colleague from California, Ms. WATERS, who has provided leadership in this Congress for several years.

We are in a very intense debate on H.R. 2. We spent a couple days last week really talking about the issues, understanding that America has a very large poor, homeless population, many of whom have no homes and are homeless, others who will be homeless if H.R. 2 passes in its current form.

As the gentlewoman from California just stated, the grievance procedure, which is now a part of housing law, allows those with minor infractions, and I might highlight minor infractions, an avenue where they can discuss their concerns. As H.R. 2 allows HUD now to move much of the responsibility to local housing authorities, I believe it is imperative that we keep those grievance procedures intact.

The law also says that major infractions, that would include a breach of law or harm to health, those automatically would be evicted. But without a grievance procedure, public housing residents would have to go directly to court.

Our courts are already overburdened. The public defender's office has been cut drastically. The lawyers are overworked. And the people will be evicted. There is no avenue for those in public housing if H.R. 2 passes in its current form. So I support the Waters-Kilpatrick amendment. I would hope the rest here in the House support it.

We had a lot of debate last week about the work requirement, the 8 hours of volunteer work over the 25 hours that are already required for many people who live in public housing. Without this grievance procedure, I predict, and I hope it will not become law, that we will have more people who now have an avenue for minor infractions, such as noise, misplaced garbage, unruly children, to go to a tenants' council, a jury of their peers and decide what type of penalty short of eviction should be administered.

So I hope my colleagues support H.R. 2, the amendment that both the gentlewoman from California and myself are offering.

The CHAIRMAN. The time of the gentlewoman from California [Ms. WATERS] has expired.

Ms. KILPATRICK. Mr. Chairman, I move to strike the requisite number of words.

It is important that as we continue our debate on H.R. 2 that we think of the least in America. We all want changes in the public housing statutes, but what we do not want is to move people from their homes, move their children in the street and increase the homeless population.

The gentlewoman from California and I have thought this out thoroughly. It is a part of current law, the grievance procedure. As HUD moves to give more authority to local housing authorities, if we ask around the country, they want the procedure, they want to be able to deal with minor infractions so that their people can remain in public housing, become good citizens, and serve the public well.

So again, Mr. Chairman, we ask that our colleagues support the Waters-Kilpatrick amendment. Keep the grievance procedure and move to accept our amendment.

Mr. Chairman, my colleague from California, MAXINE WATERS, and I offered this amendment during committee consideration of H.R. 2. The amendment is very simple. The Waters/Kilpatrick amendment to H.R. 2 will reinstate current law. Residents of public housing agencies who have minor infractions would not be subject to a court hearing or immediate eviction. Residents who are guilty of activities that involve criminal activity, a threat to public health or safety, or the right to peaceful enjoyment would still be subject to eviction and a court procedure under the Waters/Kilpatrick amendment.

Currently, housing authorities administer grievance hearings in order to expeditiously and fairly resolve landlord/tenant disputes except those that involve evictions resulting from criminal activity or activity that threatens other tenant's health, safety, or right to peaceful enjoyment. The grievance process is presided over by an independent arbitrator and is similar to the popular alternative dispute resolution processes that precede or replace judicial action in many jurisdictions today. H.R. 2 amends current law by terminating a tenant's right to a grievance hearing if the hearing might result in an eviction and the tenant would have the right to pursue the issue in a court of law.

For example:

Infraction	Under H.R. 2	Under Waters/Kilpatrick
Didn't put the trash in the bin.	Go to court/eviction	Grievance hearing.
Kept a cow in your apartment.	Go to court/eviction	Go to court/eviction.
Children playing in the grass.	Go to court/eviction	Grievance hearing.
Selling drugs	Go to court/eviction	Go to court/eviction.
Painted the walls the wrong color.	Go to court/eviction	Grievance hearing.
Disturbing the peace	Go to court/eviction	Go to court/eviction.

H.R. 2 does away with grievance processes for non-criminal eviction in almost every State. Public housing tenants would be forced into court to resolve minor lease infractions. Grievance procedures protect tenants from homelessness. Finally, the grievance process is informal, non-intimidating, and saves taxpayers money.

In the interest of fairness, equality, and efficiency, I urge the adoption of my amendment.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise regretfully in opposition to the gentlewomen's amendment. This amendment would continue to create a dual system of resolving complaints, one for those people who may be equally poor, equally struggling but be in market rate units whose recourse is through the courts, and the current system that allows the most troublesome tenants to have two bites of the apple, both through the grievance procedure and then after that to elongate the whole process and move through the courts.

In this sense, the tenants that are potentially problem tenants are not easily removed. The housing authorities cannot quickly bring them before the court because they must go through this additional administrative grievance process that can be easily gamed.

We are saying both people in public housing and people outside of public housing must live by the same set of rules; that we have a common way of redressing grievances and violations of the law and violation of leases, and that is through the State court system.

The Waters amendment, which I think is well-intentioned, would allow a housing authority to exclude at its discretion only those individuals who were involved in activity that threatens the health, safety or right to peaceful enjoyment. That leaves a whole list or litany of other items that a tenant may be in violation of their lease for and for which they can force the housing authority to go first through this administrative grievance procedure and then, after that, they have the second bite of the apple, which is to go into the court system.

That is not available to anybody else throughout the country. If a tenant is a problem tenant elsewhere in the country outside of public housing, they must use the court system, which has been established to try and resolve these type of tenancy problems. That is the correct way of resolving these problems.

By creating a dual system that allows people in public housing to have two bites of the apple, to be able to go to first the grievance procedure and then through the court system, it perpetuates the potential trouble that is caused within the unit and potentially outside of the unit; it imposes additional burdens on the housing authority and on the management of the housing authority when they are desperately trying to struggle to ensure that there is peaceful enjoyment throughout the units and that the units are maintained in an appropriate way so that they can be easily let to somebody else when the need arises.

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, the gentleman did state correctly that not included in the grievance procedure at this time are those criminal acts and drug offenses. So we make sure that the most egregious offenses are not in the grievance procedure.

Would the gentleman agree that an offense such as not putting the trash in the bin or children playing on the grass should have to go to court rather than appearing before a grievance procedure that could be resolved?

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, I would suggest that, in fact, the gentlewoman's amendment, as I read it, as I said before, I believe does affect those activities that threaten the health, safety, or right to peaceful enjoyment of the premises.

There are incidents, however, that may fall slightly below that threshold or may be questions of controversy as to whether they do or do not, and it shifts the burden to management to have to go through not one but two different processes. The point is that anybody else in life, when they are violating a part of the lease, are subject to having their differences resolved through the landlord-tenant courts. That is still available for people who are in public housing.

We encourage people in public housing, as we do with the management, to resolve their differences short of going to court. That is absolutely still possible.

We still want people in cases where there is minor differences to resolve them short of the judicial process. But if they cannot be resolved informally, then what we ought not be allowing is to have people who are problem people to have two bites of the apple and shift that burden entirely to the housing authorities.

And the people that are really burdened are not the managers or administrators of the housing authorities, but in fact the other residents that come perhaps after in that unit, that need that unit. It may not be available to them in the condition they may want or in other situations. It may in fact affect the whole unit.

The gentlewoman mentioned situations about trash and garbage. That may affect all the other tenants, if that has not been disposed of in an appropriate way.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I am not certain I am understanding the gentleman.

Is the gentleman saying if there are these minor infractions, that there will

still remain in place a grievance procedure under H.R. 2?

The CHAIRMAN. The time of the gentleman from New York [Mr. LAZIO] has expired.

(On request of Mr. KENNEDY of Massachusetts, and by unanimous consent, Mr. LAZIO of New York was allowed to proceed for 1 additional minute.)

Mr. LAZIO of New York. Mr. Chairman, I would suggest to the gentleman that just as the case is now, we would encourage informal ways of resolving short of an administrative process with different procedures and prescriptions and short of the courts. We want people to work together to work out the most minor infractions. If they cannot be resolved, however, then certainly they have the courts to seek redress.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will continue to yield, I appreciate the gentleman suggesting that that is a process he would like to pursue. My understanding is that is exactly what the grievance procedure is.

In other words, the grievance procedure is set up to allow people that have a grievance, not a serious legal problem, but a grievance, to take that short of a legal case. So I think that procedure is set up to deal with exactly the kinds of cases that the gentleman described.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, the point again is that those issues can be resolved informally short of a formal process with rules and procedures.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman continue to yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, what kind of procedure would this be informally resolved with?

The CHAIRMAN. The time of the gentleman from New York [Mr. LAZIO] has again expired.

(On request of Mr. KENNEDY of Massachusetts, and by unanimous consent, Mr. LAZIO of New York was allowed to proceed for 1 additional minute.)

Mr. LAZIO of New York. Mr. Chairman, I would suggest to the gentleman we do not need a procedure in order to resolve some of these smaller problems.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will yield just on that point, how would the gentleman suggest that these are going to get resolved? The grievance procedure, I believe, is set up specifically to allow for a resolution of those disputes that are short of going to court.

As I understand it, we have not heard a lot of complaints about the grievance procedure, so my understanding is this is exactly the kind of procedure that I would think all of us in this Chamber would tend to support. Because what we want to do is say let us not overcrowd the court system if you do not like the color of the paint or if you have fish or dogs or something like that. We need some kind of procedure to solve this stuff.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, we would suggest that people resolve these issues the way they do in nonpublic housing, informally, working together, consensually, hopefully; if not, using whatever tools they have. There are people who have been involved in rent strikes, things like that, in order to resolve their problems. And if not, go to the courts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by my two friends, the gentlewoman from California [Ms. WATERS], and the gentlewoman from Michigan [Ms. KILPATRICK].

I think their amendment is exactly on the money for exactly the reasons we just heard described. No one suggests that if there is a case that actually involves criminal activities that this should be resolved by a grievance procedure, but it does seem to me to be perfectly reasonable to suggest that we do not necessarily have to have every single dispute end up in court.

The notion, as anybody that has been in a dispute with a landlord, and having spent a few years in college and going through a few testy moments with landlords along the way, the truth is everybody has had problems and disputes with landlords. I think it is important that we set up an alternative procedure.

This is exactly where the courts nationally are going in terms of trying to suggest that we find alternatives to having every case end up in the court system.

I would also like to point out to the gentleman, my friend from New York, that there is, in fact, I think, an intimidation factor that takes place in this procedure. In far too many States, housing courts do not necessarily provide an attorney to a member of public housing. So what happens is, in all cases the housing authority is going to be represented by counsel.

□ 1600

The notion that if you paint the inside of your apartment the wrong color, if you happen to have dogs, this bill would prevent you from being able to have a dog, if you happen to have fish or other kinds of minor disputes. It does not seem to me that every one of these cases automatically ought to end up in a court situation. There is going to be a grave concern on behalf of the tenants if they have to end up going down to court in order to get a minor situation resolved that it is an unfair and unequal system.

Ms. KILPATRICK. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentlewoman from Michigan.

Ms. KILPATRICK. I thank the gentleman from Massachusetts for yielding. That is the crux of the amendment, exactly as the gentleman from New York [Mr. LAZIO] suggests. That when there is a minor dispute, when there is a minor disturbance, when there is some small infraction, that there is an avenue for the tenants to resolve it. If the current law which allows that is taken out, then there is no way to resolve it but to go to court, but to find an attorney.

That is the very reason why we want to keep the grievance procedures, for those minor situations, so the parties can talk them out. As we move from HUD to the housing authorities the administration's ability and the ability to watch over, to keep the property safe and clean, that has to be there. It has to be there.

Mr. KENNEDY of Massachusetts. If I could reclaim my time very briefly, if the chairman of the committee would rise for a colloquy.

Mr. Chairman, I wonder if the gentleman from New York, the chairman of the committee, might consider having the gentlewoman from California [Ms. WATERS] and the gentlewoman from Michigan [Ms. KILPATRICK] work with his staff to see whether or not there is a way to resolve this short of this amendment. Maybe we might be able to withdraw this amendment for the purposes of entertaining an opportunity and maybe go into one of the subsequent amendments and then come back to this debate if we cannot find a way of resolving it.

I would think that the chairman, if in fact the perception that we have on this side is true, that the grievance procedure is set up to avoid going to court, that it is in fact the kind of cooperative procedure that at least our side is being informed that it is, then it seems to me that there may be some way to adjust that that might meet the chairman's standards that would allow us to work around this particular issue. Would the chairman be willing to entertain such a proposal?

Mr. LAZIO of New York. If the gentleman will yield, certainly whenever the gentleman asks for me to try and enter into a discussion to try and see if we cannot find common ground, I would be happy to accommodate that. Let me also add that in order that we deal in reality, that I think from this side we would probably not be interested in anything that did not deal with the issue of bureaucracy, of having the sort of bureaucratic step here. So if there is some way of resolving or addressing the concerns, we can have a discussion about that and perhaps we can resolve it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I could not quite figure out whether the gentleman was saying there is no chance or there is a chance that we could work something out.

Mr. LAZIO of New York. There is always a chance when we talk.

Mr. KENNEDY of Massachusetts. In that case, why do they not try to get together. If the Chair could inform us as to what the proper procedure is to protect this amendment while there is an attempt made to work it out and then we could come back to it if there is no success.

The CHAIRMAN. Does the gentlewoman from California ask unanimous consent to withdraw the amendment at this time?

Ms. WATERS. Mr. Chairman, given the commitment of the chairman to work this out and bring it back to the floor, I ask unanimous consent to withdraw it for the time being, to be taken up before we finish the debate on the bill.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

Mr. LAZIO of New York. Mr. Chairman, reserving the right to object, let me just add that if the application, and I would address this to the chairman if that is appropriate, when it might be appropriate to offer unanimous consent to allow the gentlewoman to resubmit or reoffer her amendment within the scope of this title before this title ends, I would be happy to, if she is withdrawing it with the right to reoffer it if we cannot resolve this within the title.

Ms. WATERS. I am withdrawing it with the right to reoffer it, yes.

The CHAIRMAN. The Chair would advise the gentlewoman from California and the gentleman from New York that if we are past title I at the time it is reoffered, it will take unanimous consent to reoffer the amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, would it be possible then to allow her to reoffer this after title I?

The CHAIRMAN. If there is a unanimous-consent request and no objection is heard, it would be possible.

Mr. KENNEDY of Massachusetts. We can make that unanimous-consent request at this particular time, correct?

The CHAIRMAN. The Chair would entertain at this time any unanimous-consent request to return to title I for the purpose of this amendment only, or a modification thereof, at a future time.

Mr. KENNEDY of Massachusetts. Subsequent to title I, is that correct, Mr. Chairman?

The CHAIRMAN. That is correct. Is there objection?

Mr. LAZIO of New York. Mr. Chairman, if I could continue to reserve my right to object, I wonder if I could just prevail on the gentleman right now to withdraw his unanimous-consent request until we get near the end of the title. If it cannot be resolved, then we can talk about it. But we have some time right now to talk about it and we can do it within the title.

Mr. KENNEDY of Massachusetts. Mr. Chairman, to explain to the gentlewoman from California, I think the chairman has suggested that he would like us to act in good faith until we get near the end of title I. If we have not resolved it at the end of title I, I understand that he would not object to allowing the negotiation to continue beyond it. I would think, given the chairman's representation, we would be happy to accept those conditions.

The CHAIRMAN. Without objection, the amendment offered by the gentlewoman from California [Ms. WATERS] is withdrawn.

There was no objection.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. WATT OF NORTH CAROLINA

Mr. WATT of North Carolina. Mr. Chairman, I offer an amendment which has not been preprinted.

The Clerk read as follows:

Amendment offered by Mr. WATT of North Carolina: Page 26, line 8, after the period insert the following: "The public housing agency shall ensure that each individual who provides work pursuant to the requirements under this paragraph receives compensation for such work at a rate that is not less than the minimum wage rate in effect under section 6(a)(1) of the Fair Labor Standards Act of 1938.".

Mr. WATT of North Carolina. Mr. Chairman, let me first say that I had preprinted in the RECORD an amendment which would have sought to strike the entire mandatory voluntarism requirement that this bill has contained in it. We had extensive debate about the mandatory voluntarism requirement last week, and it seemed to me that what people were saying was we want these people to work.

I want to make it clear that I also want everybody in America who is able-bodied and capable of working to work. I have never opposed in the context of welfare reform a work requirement. During the debate on welfare reform last year, I expressed serious reservations about forcing people to work without also making sure that jobs were available to them that they could work at. But I have never opposed having people work.

POINTS OF ORDER

Mr. LAZIO of New York. Mr. Chairman, could I just make a point of order, please?

The CHAIRMAN. The gentleman will state his point of order.

Mr. LAZIO of New York. Just an inquiry as to whether the amendment the gentleman from North Carolina is speaking to is amendment No. 27 as printed in the RECORD, or is it some other amendment?

Mr. WATT of North Carolina. Mr. Chairman, it is quite obvious the gentleman was not paying attention to what I was saying because I started my comments by saying this was not the amendment that was printed in the RECORD.

The CHAIRMAN. The Clerk reported an unprinted amendment.

Mr. LAZIO of New York. Mr. Chairman, I have an additional point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LAZIO of New York. We did not have a printed copy. We now do. I withdraw my point of order.

The CHAIRMAN. The gentleman withdraws his point of order.

Mr. WATT of North Carolina. I thank the gentleman. I apologize to the chairman, I thought he had a copy of the amendment. I had given it to the Clerk, and I thought she had given it to the other side. I was not trying to pull a fast one.

Mr. Chairman, this is not, I repeat, this is not the amendment that was printed in the RECORD. The amendment that was printed in the RECORD would have tried to amend the bill by striking out in its entirety the mandatory volunteer requirement. This amendment does not seek to strike out the mandatory volunteer requirement. What this amendment does is acknowledge the value of work but understand that work has associated with it the assumption that people will be paid, compensated for that work.

I do not now, have not ever opposed people working. In the context of welfare reform last year, my objections to the work requirement had to do with whether there were sufficient jobs available that people had the skills to work at. I did not oppose the work requirement, have not ever, will not ever. What I do oppose is requiring people to work without compensation. This amendment simply says that the public housing authorities will ensure that any individual who is required to work under section 105 of this bill, the so-called mandatory voluntarism requirement, would be assured of being compensated for that work, at a minimum, at the minimum wage that prevails in this country.

If we want people to be responsible, I do, also, all of us should, this should meet all of the criteria, all of the standards, all of the expectations that my friends on the other side have said this provision in the bill is intended to meet. In addition, it would provide some income for people that they could use, then, even if they wanted to require them to turn around and use the income that they got under this amendment to pay rent. I would not object to that.

But let me tell my friends, work for pay is honorable. Forcing people to work without paying them is an abomination, it is against the law, it is

against the public policy of this country, and everybody in America understands that it is unfair and it is a way of simply singling out the poor. If we want to do something good for poor people, if we want to do something good for public housing residents, if we want to raise their esteem, pay them for the work that we are requiring them to do.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this issue has been fully vented by this House, I would suggest, it has been discussed in committee, in general the concept of community service, and now the gentleman from North Carolina offers this amendment which requires compensation.

Let me, if I can, just ask if the gentleman from North Carolina would engage me, if I could just ask some questions about this so I will understand.

The amendment, as I understand it, requires compensation. I wonder if the gentleman can tell me who would pay and what would be the mechanism for enforcement.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, the gentleman is aware that under the provisions of section 105 as currently written, under section 2 on page 26 which deals with employment status and liability, the last section of that contemplates that some of the volunteer work might be done directly for the public housing authority, because it says, unless the work is done for the public housing authority, there is no liability on the part.

So if there is direct work for the public housing authority, the public housing authority would have to pay for it. If they got the work from a nursing home or someplace external, then they would have to ensure that the external source paid. This does not address, and we are not imposing, additional monetary burdens on public housing authorities.

Mr. LAZIO of New York. If I could reclaim my time only because we are so limited, I only have less than 5 minutes now, one of my major problems with this, of course, is that it suggests that somehow we ignore the fact that people who are in public housing are receiving a benefit. It suggests that we are asking people to give community service. This is not voluntarism, it is not called voluntarism in the bill. It is community service. We are asking tenants to provide community service in return for a benefit. They are getting compensated.

The benefit of public housing, the apartment that they receive and in many cases the utilities that are paid are part of the compensation that people are receiving. In return we are asking the minimal amount of 2 hours a week, 15 minutes a day, 8 hours a month in return for the benefit of receiving an apartment, public housing and in many cases, as I say, the utilities as well.

□ 1615

Interesting, in my home, if I can because my time is so limited, I would say to the gentleman, in my home this week on Saturday I received a letter from an elderly lady who wrote to me. She had been watching the debate on television, and she had said that her Social Security check just about equaled the rent that she was paying in her market rate unit. She was older, she had lost her husband, she was a widow, and she said in her letter: Congressman, I would be pleased, ecstatic, to give at least 2 hours of my time a week. I am elderly. I know there are things I could do. She is exempted under the law, by the way. She would not have to. But she said she would be happy and pleased to give more than 2 hours a week. She thought that was a very fair deal.

And what we are saying, that for people who are receiving the compensation and receiving this apartment, in some cases a free apartment, in some cases free utilities, it is a very reasonable thing to ask people in return to give 15 minutes a day, 2 hours a week, 8 hours a month in return for that compensation.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I just want to make sure that the gentleman heard my explanation. If we are trying to build self-esteem, give the people the money. Even if we turn around and say we are going to take the money back from them as rent, which gets them to exactly the same place that the gentleman has just articulated he wants to be, he wants them to pay for their housing. Give them the money. Pay them and then charge them rent if that is what he wants to do, but do not take away people's self-esteem.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, there is nothing in this bill that would deny people from going out and getting a job where they receive minimum wage or anything greater than that. As a matter of fact, all the incentives in this bill are to encourage work.

I also want to say to the gentleman and to this body that in fact community service is broader than just employment. It is something that can be as simple as planting flowers or painting or reading to children in the complex. It does not have to rise to the point of what we consider employment.

I would suggest to the gentleman that in the Charlotte housing authority they have complexes, as I know the gentleman is aware, called Earle Village. In that program there is a self-sufficiency program that residents are required to participate in.

The CHAIRMAN. The time of the gentleman from New York [Mr. LAZIO] has expired.

(On request of Mr. WATT of North Carolina, and by unanimous consent, Mr. LAZIO of New York was allowed to proceed for 2 additional minutes.)

Mr. LAZIO of New York. In that program people are required to volunteer at least 10 hours per month to assistant programs ranging from early childhood education to parenting to after-school tutoring to elementary and secondary school students to mentoring and support services for residents enrolled in job training programs and postsecondary educational programs.

This type of service, as the description goes, are included, but not limited to day and night care, job training program, recreation facilities, drug counseling, literacy and tutoring programs, and educational programs.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I just want the gentleman to know I am well aware of the self-sufficiency program at Earl Village. I know it personally. Let me assure the gentleman that there is not a mandatory requirement for work without being paid. Let me assure the gentleman from New York of that. He is simply wrong.

Mr. LAZIO of New York. If I could just reclaim my time, the example that I have that has been given to me, supplied to me by, I believe this is from HUD itself, says as a condition of living in Earl Village residents enrolled in the self-sufficiency program will be required, will be required to volunteer at least 10 hours per month to assistant programs ranging from as I described earlier. This is not discretionary for the resident.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Read that again because the gentleman from New York will see that that is something that has been proposed in the future. This is from a proposal, it is not from an implemented program, and the gentleman, he is just wrong. There is nothing in the self-sufficiency program at Earl Village in Charlotte, NC, that requires people to work without pay.

Mr. LAZIO of New York. Reclaiming my time, according to the information that we have from HUD that program is in effect, is the result of the HOPE self-sufficiency program that is in place, and I will read it again. Residents enrolled in the self-sufficiency program will be required——

Mr. WATT of North Carolina. Will be required.

Mr. LAZIO of New York. Will be required to volunteer at least 10 hours per month to assistant programs ranging from early childhood education, parenting, and the various programs that we have.

Mr. LEACH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first let me address the substance of the amendment. The amendment objects to the notion of work without compensation, and if that was what was at issue here, I think the gentleman from North Carolina [Mr. WATT] would have a valid point. But very carefully this is a proposal—and I would stress again to this body, that was included in the administration's request to the Congress—which from the congressional side was tightened up so that enforcement is enforceable rather than representative of a rhetorical approach.

In any regard, the precept at issue is the notion of work for benefit. If you think about economics in general, sometimes one works for pay; sometimes our society has a barter element; that is the same techniques people used before the use of coin—barter—are increasingly used today.

And so this is, in effect, a barter arrangement. It is work for benefit, and indeed, it is an untaxed benefit.

Mr. JACKSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. LEACH. Mr. Chairman, I will in just a minute to the distinguished gentleman.

There is another point that I think it is very fair to raise. The gentleman from North Carolina [Mr. WATT] argues that this community service requirement is injurious to self-esteem. I would frankly assert that this body believes, or at least this side of the body believes, that work enhances self-esteem and that the community service provision, which is a work component, involves two precepts that are very American at their roots. Work is not a four-letter word to be considered pejoratively. Community service is something that has hallmarked this country.

So the notion here is to instill a work community service provision in return for a benefit, and if one does not want the benefit, obviously one has the option of not participating in the program.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LEACH. Mr. Chairman, first let me yield to the distinguished gentleman from Illinois, and I would say to the gentleman from Illinois [Mr. JACKSON] that I think he has distinguished himself with his first amendment offerings to this body and he has made very cogent arguments that are not without merit. This side does not find them compelling; but a large number of Members do, which says that the gentleman has argued well and capably, and so I will first yield to the gentleman from Illinois [Mr. JACKSON].

Mr. JACKSON of Illinois. Mr. Chairman, I thank the gentleman for his very kind and gentle remarks. I guess I want to ask the gentleman to yield to a question, and that is:

Is the gentleman aware of any Federal benefit that the Federal Government or this legislative body has ever provided where work was in exchange for that Federal benefit from food stamps to Social Security to Medicare to mortgage deductions to mining rights to any form of corporate welfare? Have we ever required of any Federal benefit a work provision or mandatory volunteerism provision?

Mr. LEACH. Mr. Chairman, there are a number of analogous programs, none precisely like that, but the AmeriCorps program was designed in that direction, Federal work study programs are designed——

Mr. JACKSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. LEACH. Let me continue because the gentleman asked a very precise question. We have National Health Service Corps, medical grants that involve a requirement that people work in given circumstances in order to take advantage of Federal assistance. Obviously, military academies have some implications for work obligations.

I would also say there are State examples. I know the State of South Carolina in some public school systems has had a community service requirement for high school graduation that has been upheld by the courts as appropriate. But I think that the gentleman from Illinois [Mr. JACKSON] is also correct in his implication that there are aspects of this that are somewhat unique as well, and I will acknowledge that. But I would also say that it is the view of this side that this fits the heritage of this country, it fits the pioneer spirit of the 19th century, it fits our great American Presidents of this century, and at the risk of great presumption with the ranking member of the Subcommittee on Housing and Community Opportunity here, I would say that on our side of the aisle there is an assumption that the principle at issue is: "Ask not what the Federal Government can do for you, but ask what you can do for your community." This is leadership of, by, and for the poor, and that is not inappropriate.

Mr. Chairman, I yield to the gentleman from North Carolina.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. LEACH] has expired.

(On request of Mr. WATT of North Carolina, and by unanimous consent, Mr. LEACH was allowed to proceed for 1 additional minute.)

Mr. WATT of North Carolina. Mr. Chairman, let me just say to the chairman of our Committee on Banking and Financial Services and for whom I have the utmost respect that every single one of the programs that he described has compensation associated with it, every single one of them, National Service, AmeriCorps, the whole range of things that the gentleman has described. That is the first point I would make.

The second point I would make is that there is not a President in this country for mandating bartering. If people choose to barter, if people choose to barter, that is a choice that they make, and let me say this last thing that I want to say in response, with the utmost respect and gentleness because I do not want it to be misunderstood, and I have the utmost respect for the gentleman.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. LEACH] has again expired.

(On request of Mr. WATT of North Carolina, and by unanimous consent, Mr. LEACH was allowed to proceed for 30 additional seconds.)

Mr. LEACH. Mr. Chairman, I continue to yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, many of the arguments that I have heard, the bartering argument, the whole range of arguments, are very, very similar to the arguments that were used to justify a system that existed in our country years ago that many of us would like to put behind us and never ever think about again, and it may well be that it is because of that that there is such a difference in perception on this issue. And I want to say that with the utmost of respect for the gentleman, and I have been very careful about how I said it. I tried to be at least.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. LEACH] has again expired.

(By unanimous consent, Mr. LEACH was allowed to proceed for 30 additional seconds.)

Mr. LEACH. Mr. Chairman, I appreciate very much the sensitivity and the candor of the gentleman from North Carolina, but I want it stressed again that this is an issue of work for benefit, it is an issue that has been endorsed by the administration, although not precisely with the tied-down ways that the committee has brought it before this body. It is not in any way intended to imply the truly tortuous circumstance the gentleman from North Carolina [Mr. WATT] sets forth. I think we have to listen carefully and respectfully, but I do not find the argument compelling.

Mr. JACKSON of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me thank the chairman of the full committee, the gentleman from Iowa [Mr. LEACH], for

his gentleness in our approach to addressing a very substantive section of this bill, and let me say, Mr. Chairman, without equivocation that Members on the Democratic side of the aisle believe in volunteerism. We believe in volunteerism if that definition, if Webster's definition of emanating from self-will, from self-determination, from one's own choice or one's own consent is the definition that we are all functioning from. We do not believe in a Government mandate called community work in section 105 of H.R. 2. If volunteerism means that we are urging and we are persuading people to volunteer, we support the thrust of General Powell's summit on volunteerism.

□ 1630

Community service work really is voluntary because it fosters pride and it fosters responsibility. Scout masters and den mothers who genuinely volunteer to lead Boy Scouts and Girl Scouts across our country should be lauded for their efforts, because that is genuine volunteerism.

Many PHA, Public Housing Authorities, already volunteer. They have crime watch, resident councils, cleanup efforts. This past Saturday in Chicago, in the public housing authorities, it was called "clean and green day." One year ago on Saturday they removed 319 tons of garbage from public housing.

The real issue that we are discussing here today is whether or not the Government should be mandating volunteerism. What is the Government doing anyway mandating a law about volunteerism? It is a contradiction in terms. Forced volunteerism is an oxymoron. I am kind of taken aback today because even Oliver North agrees with my position that the Government should not mandate volunteerism.

There is a difference, Mr. Chairman. We have a voluntary army, an all volunteer army, but when one volunteers for the army in the United States one is compensated. If one stays in the army long enough, one receives a pension, one receives points on one's home purchase and mortgage deductions. One receives Veterans' Administration benefits for volunteering into the army.

The chairman spoke of medical school scholarships. Yes, we give scholarships to medical students who will come and work in low-income communities, but they are paid for that service. AmeriCorps, they receive a stipend for their efforts. The Peace Corps, a stipend for their efforts.

I believe poor people should work. I know the gentleman from North Carolina [Mr. WATT], the gentleman from Massachusetts [Mr. KENNEDY], we believe that poor people should work, so why do we not create jobs? Why do we not put poor people to work? Why are we passing a law mandating that they give of their time to volunteer, or if they do not perform this requirement, face eviction from public housing.

We are talking about people who pay rent, and that is a common misconception out in the public, that people who live in public housing are getting something free from the middle class; they are receiving something free from those of us who are fortunate enough to be able to pay. That is not true. They pay rent. We are the landlord of people who pay rent in public housing, and the reality is we are also raising their rents.

What we should be trying to do, at least in this body, is fix some of these buildings, fix some of these public housing authorities so that the people we presently provide occupancy to, they can live in, first, and volunteer to help better their communities.

If work is the issue, why are we not mandating full employment in this bill? The chairman of the subcommittee, the gentleman from New York [Mr. LAZIO] he says, listen, what is wrong with 8 hours? Eight hours times 60, 480 minutes, divide that by 30 days. What is 15 minutes? We are talking 15 minutes.

No one volunteers in 15-minute segments. Just no one. Fifteen minutes. It takes 15 minutes to get from a public housing authority to the volunteer location where one is going to volunteer. Once they get there, then what? Most people will volunteer the entire 8-hour segment, Mr. Chairman, the entire 8-hour segment. Why 8 hours? Why one full shift of labor? Why not just pay them for their efforts? Why not put them to work?

I support the amendment of the gentleman from North Carolina [Mr. WATT]. I think it is an honorable amendment. It says that we should pay them at least the minimum wage for volunteering. Never since 1868, not since the passage of the 13th amendment, can we even make an argument that we as a Government have ever mandated one American volunteer to work without compensation. It has never happened. This is the first time since 1868 we have ever mandated that an American volunteer without providing them compensation. This is wrong, Mr. Chairman, and this is what we are fundamentally fighting against.

So, Mr. Chairman, I would like to ask a question to the distinguished chairman of the committee, the gentleman from Iowa [Mr. LEACH], if he would engage in a colloquy.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. JACKSON] has expired.

(By unanimous consent, Mr. JACKSON was allowed to proceed for 1 additional minute.)

Mr. JACKSON of Illinois. Mr. Chairman, I would ask the gentleman from Iowa [Mr. LEACH], the chairman of the Committee on Banking and Financial Services, is the gentleman aware of any Federal volunteer program that mandates that one American volunteer without compensation of any Federal benefit that we have ever passed in this body?

Mr. LEACH. Mr. Chairman, if the gentleman would yield, first let me respond to the gentleman's vocabulary. This is a work-for-benefit program. Democrats describe it as mandatory volunteerism; our side describes it as work-for-benefit, and that is where the rub comes with regard to the circumstance.

Mr. JACKSON of Illinois. Mr. Chairman, reclaiming my time, is there any work-for-benefit associated with the mortgage deduction that we provide for people who receive a middle class benefit, the tax break that we provide for them?

Mr. LEACH. Mr. Chairman, I think the gentleman makes a fair point. There is none.

Mr. JACKSON of Illinois. Mr. Chairman, is the gentleman aware of any volunteer effort that the government mandates of any American that they volunteer without compensation on the Federal books?

Mr. LEACH. Mr. Chairman, I am not, but again, I would stress, this is work-for-benefit.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. JACKSON] has expired.

(By unanimous consent, Mr. JACKSON was allowed to proceed for 30 additional seconds.)

Mr. JACKSON of Illinois. Mr. Chairman, I would like to allow the chairman the opportunity to respond to the question.

Mr. LEACH. Mr. Chairman, I did respond to the last one.

Mr. JACKSON of Illinois. Mr. Chairman, I am sorry, I did not hear the response.

Mr. LEACH. Mr. Chairman, I said we define this as a work-for-benefit program.

Mr. JACKSON of Illinois. Mr. Chairman, reclaiming my time, for any Federal benefit, is the chairman aware of any work-for-benefit requirement on the Federal books at all?

Mr. LEACH. Mr. Chairman, if the gentleman would again yield, there are many analogous programs, but none precisely like this. There are also certain analogous programs at the State level.

Mr. JACKSON of Illinois. Mr. Chairman, might I ask why we are asking of poor people to face eviction for failure to volunteer?

The CHAIRMAN. The time of the gentleman from Illinois [Mr. JACKSON] has expired.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. I am so pleased that the gentleman from North Carolina [Mr. WATT] had the vision and gave this the thought that finally bring us

to some point where we can correct the mistake that we have made in this bill. I would like to thank the gentleman from Illinois [Mr. JACKSON] for his persistence, working with the gentleman from North Carolina and others, in not allowing us to do something we will be ashamed of later on.

I think the gentleman from Illinois, in raising the questions that he raised of the chairman, really did help to point out how outrageously ridiculous this really is. When the chairman was not able to respond in any way to describe any other instance, any other policy of government that would cause people to work without pay, I really do think that answers the question in a very stark way.

I rise to support this amendment because I know an awful lot about public housing projects. I have spent a great deal of my life working with and trying to provide opportunities in public housing projects.

Let me say this: If this was a real work-for-benefit program, we may not object if the people work and we would reduce their rents for the time that they would put in. That would be, at least, paying them in some way. That is a work-for-benefit program.

As the gentleman from Illinois [Mr. JACKSON] outlined, they are paying their rent. If we want to do a program that is work-for-benefit, then say if one works for x number of hours, we will reduce one's rent, because we will give one an hourly wage. That is what this does, in a way. This amendment says if one works, one will, at least, get minimum wage.

Let me tell my colleagues what is important about this. I have been in the public housing projects when the housing authorities have contracted for work with outside entities, people who have come from long distances in southern California to do things like put up screen doors, do other kinds of work in public housing projects. I stood and I watched tenants saying, why can we not do that? Why can we not have those jobs?

People lined up begging to do the work. I got involved in negotiating with the public housing authority ways by which they could include the tenants when they do contracts for jobs in public housing, because nobody had the wherewithal or the sensitivity to understand that it is immoral to ask people to watch other people come into the housing project, contractors who do not live anywhere near the community, do the work, make the money, take it on out someplace else to spend, while people there are desperate lining up for jobs.

When there was an opportunity for the telephone company to lay cable, I went out and negotiated myself with the telephone company, and the people that they gave the jobs to loved every minute of it. Young people lined up as they were digging, doing hard work, to try and get a job.

This business about people in public housing projects not wanting to work is not correct. We should not treat poor people this way. They do want to work. My colleagues saw what happened up in New York when they had minimum-wage jobs, just poor people lined up around the block. This business that somehow we, as public policymakers, know better than the people who live there about what their motivations are and what they will do and what they will not do must stop.

Mr. Chairman, I will walk with my colleagues to any public housing project in America, and if we have jobs to offer, people will line up around the block. In addition to having negotiated for people to work who wanted jobs instead of letting the contractors come in and work without offering the jobs, I created some training programs inside public housing projects, and people lined up around the block to get in those training programs.

What did we find? We found that JPTA that replaced CETA does not work. We called them in to give the training, the people wanted the training, they wanted to be connected with the jobs. Many of them who are on welfare want to get rid of that welfare check. They want to go to work every day.

Mr. Chairman, I would not like my colleagues to use our power this way. I would not like my colleagues to put their foot on the necks of poor people rather than give them opportunity.

This amendment is correct. Pay them for work, and they will do the jobs. Pay them for cleaning and doing other kinds of things above and beyond their rent. They will do the work.

Mr. BAKER. Mr. Chairman, I move to strike the requisite number of words.

Obviously, there is much misunderstanding and confusion on the subject of work-for-benefit. Much has been questioned about what has this Congress done in the past with regard to requiring an individual to work in order to receive a benefit.

I brought it up on prior occasions, but I think it is so important to restate. Just last year this Congress, by majority vote by both parties, adopted a workfare requirement under the welfare reform act. It does not require 8 hours a month or 2 hours a week. In consideration for AFDC payments or food stamps or other programs of that sort, the individual must work 20 hours a week, 80 hours a month, in order to be eligible to maintain those benefits. Under the provisions of the act, that requirement goes up by the year 2000 to 30 hours per week.

The reasoning behind that and the reason why most Members of this Congress supported it is because many people who receive public assistance are in housing projects, not because they are not worthy but because they do not necessarily always have the skills to move from dependency to independence.

The gentleman from New York [Mr. LAZIO], chairman of the subcommittee, has rightfully described this new requirement as an opportunity, not as the other side would describe it as some sort of new slavery. In fact, what we are doing is giving people an opportunity by volunteering, getting into the community, seeing what job opportunities may be available, to develop job skills, to actually learn a skill perhaps while they are volunteering. It would leave them with the ability to ultimately get employment and walk away from public housing.

Now, when we look at the workfare requirement adopted by this Congress by majority vote by both parties just last Congress, we find that the 20-hour-per-week requirement is essential in order to get people to move to independence rather than dependency.

I had an interesting call last week as a result of our debate on the floor here about work-for-benefit. It was a working man from a family. He says,

Do you know how many hours a week I work to pay for public housing? I work 40 hours a week. I pay my taxes, and it supports individuals in public housing. Now, I really do not mind that, but I would like to think that public housing is a temporary haven while a person gets back on his feet, gets those job skills and moves on and becomes a taxpaying citizen just like me. It should not be viewed as a retirement community where one gives up and does not try for himself or his family.

Unfortunately, that, in too many cases, has been the way public housing has been viewed.

This is going to continue to give valuable housing, decent public housing, to those individuals who otherwise could not find it, but give it on a temporary basis, simply saying, "We will help you if you take the first step, that first step being independence on your own."

Mr. JACKSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Illinois.

Mr. JACKSON of Illinois. Mr. Chairman, I thank the gentleman from Louisiana [Mr. BAKER] for yielding and I thank him for his work on the committee. I find him to be a very thoughtful member.

Mr. Chairman, maybe part of this has boiled down to semantics. We are not talking about work-for-benefit here, sir; we are talking about benefit for volunteering.

□ 1645

We are suggesting that when the Federal Government mandates a law that forces someone to volunteer, that there

is some unconstitutionality suggested with that.

Mr. BAKER. Mr. Chairman, if I may reclaim my time, I will explain the reason for calling it voluntarism. As the gentleman categorizes it in some other fashion, we call it work for benefit. Although individuals do pay, and as the gentleman rightly pointed out, many suffer under the misconception that public housing residents do not pay for their opportunity to live there, they in fact do. But they live there with a subsidized rate. That means other taxpayers contribute to the public housing, enabling the family to live decently at a lower rate. What we are saying is because of that help, we are therefore asking you to take steps to help yourself and your own family, not unreasonable at all.

Mr. JACKSON of Illinois. Mr. Chairman, if the gentleman will continue to yield, and I thank the gentleman for yielding to me, would the gentleman make the same argument for the middle-class tax break or the middle-class help we give in the form of a mortgage deduction?

Mr. BAKER. Reclaiming my time, Mr. Chairman, I would point out to the gentleman that in many cases there is work ongoing. An individual pays taxes; for example, with the home mortgage interest deduction, they are already paying taxes. They have to work, earn a salary, to become taxable. Once they become taxable, then they get benefits in the Tax Code.

One might well argue that a person living in his own home who has paid for it for 30 years with after-tax dollars, maybe that is unreasonable to say that the Government ought to give him a tax break. But I think taxes are too high in the country already, not too low, and I think that most people do not object to paying taxes as long as the programs that they are funding——

Mr. JACKSON of Illinois. Mr. Chairman, if the gentleman will continue to yield, there are people in public housing who pay taxes. We are talking about subsidized housing, not free housing. We were talking about affordable housing.

Mr. BAKER. Mr. Chairman, I certainly agree with the gentleman, but the original question was dealing with mortgage interest deduction, which goes to whether a homeowner has to pay more taxes on his home or less. I am suggesting that they pay too much already.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. BAKER] has expired.

(On request of Mr. JACKSON of Illinois and by unanimous consent, Mr. BAKER was allowed to proceed for 1 additional minute.)

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I would like to continue on the discussion about subsidies, Mr. Chairman. We have great subsidies in this country, particularly as it relates to agriculture. I was appalled when I learned Sam Donaldson, for example, was getting a great subsidy, as I suppose there are many other great Americans.

Would the gentleman ask Mr. Sam Donaldson to volunteer for that subsidy that he is getting, or any of the big corporations in America who are being subsidized, who get their check sent to them regularly? They do not even have to ask for it, but their land is subsidized and they get it. Is the gentleman going to track them down and ask them to do a little volunteer work in exchange for the millions they get?

Mr. BAKER. If I can reclaim my time, there are a lot of things I would like to ask Mr. Donaldson. I could put that on the list.

Ms. WATERS. Mr. Chairman, if the gentleman will continue to yield, there are many others. The question is, these people are getting big subsidies. They are getting dollars, a million dollars in subsidies, corporate America is. How are we going to get the volunteer time?

Mr. BAKER. Mr. Chairman, reclaiming my time, the money belongs to the Government. My view is that individuals work and corporations, as individuals, and individuals on farms, and then they have to pay those taxes. That is not something voluntary on their part. That is my problem.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. BAKER] has again expired.

(On request of Mr. WATT of North Carolina and by unanimous consent, Mr. BAKER was allowed to proceed for 30 additional seconds.)

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. I appreciate the gentleman yielding to me, Mr. Chairman. I just wanted to make sure the gentleman has read my amendment.

Mr. BAKER. I have it right here. It is very well written.

Mr. WATT of North Carolina. Under my amendment, Mr. Chairman, these people would pay taxes just like everybody else because they would be receiving at least the minimum wage, so I am where the gentleman is on this. If we can get people to pay taxes, let us do it. They cannot even pay taxes on the voluntarism.

Mr. BAKER. Reclaiming my time, Mr. Chairman, I would say to the gentleman, they would pay taxes only on the wages they receive for the work, not on the value of subsidy they receive from taxpayers.

Mr. KENNEDY of Massachusetts. I move to strike the requisite number of words, Mr. Chairman.

I would just like to mention a few of the programs, that maybe the principle that is being articulated by the other side of the aisle in terms of making certain that if someone gets something for nothing in this country they ought to volunteer, should then really embraced in terms of all of the programs that we provide for nothing to a whole large segment of the American people.

Mr. Chairman, there are a range of different programs and subsidies and really giveaways that the U.S. Government regularly gives to a broad section of our society. Those in almost every case line the pockets of very, very wealthy, powerful interests in this country, and they are never asked to volunteer at all. But when it comes to the people that occupy public housing, all of a sudden we are going to require them to meet a different standard, because they are getting something for nothing.

The truth is that I voted for, as has been the case that has been made by the gentleman from Illinois [Mr. JACKSON], the gentleman from North Carolina [Mr. WATT], and others, that we voted to make certain that people do not get something for nothing. We voted, I voted, to make certain under a specific provision of a welfare reform bill that you had to work if you are going to get the benefit. I think that is a perfectly reasonable standard for us to set in the Congress of the United States and as National Government policy.

But I would ask that it not just stop with the poor. Let us make certain that anyone in this country that pursues and receives the oil depletion allowance, which is where millions, if not billions, of dollars go, to the oil and gas industry, intangible drilling costs, let us make certain that they volunteer.

How about the set-asides in the farm programs? The gentleman from Iowa [Mr. LEACH], in the home State of that gentleman, where people get paid $1 million to simply not plant anything, maybe we should say to farmers that we are going to pay to not grow anything, that that is a pretty good program. Maybe they ought to be asked to volunteer. Maybe people from the district of the gentleman from Iowa ought to come forward and have to volunteer.

If we are going to say it for public housing, maybe we ought to make this across the board.

How about people that participated in the cellular phone auction, and made millions and millions of dollars simply by getting their name pulled out of a hat? They made $20 million overnight. Maybe they ought to be asked to give something back.

How about the public education system? We get that for free. Maybe we ought to ask them, everybody that is in public education, we ought to have a mandated law, everybody has to volunteer.

How about mining rights for $1? If one pays $1, they get to go out and mine all of our mineral rights. For $1, foreign corporations can come in and make $10 billion off the United States in the gold industry, but we do not ask them to volunteer.

How about the project-based section 8 owners, or the peanut farmers, or maybe the people that are building timber roads? Maybe we ought to ask everybody where we go out, use taxpayer money to build timber roads into the most pristine areas of our national forests, they get to go, identify specific trees they want to cut down, they chop them down and then they go and take them to the lumber mill, sell them off, they make the profit and the taxpayer gets the bill; maybe we ought to ask them to volunteer a little bit.

How about the sugar subsidy programs? If we ask everybody down in south Florida who gets a sugar subsidy, shall we say to them, hey, listen, by the way, we want you to go and volunteer to help at a homeless shelter? Maybe you ought to go out and help out AIDS patients a little bit.

How about people that get water rights out in the West, should we ask them to help out, or the grazing fees? How about everybody that gets a little bit of cheap power from the Tennessee Valley Authority? Should we ask every one of them to go out and volunteer a little bit?

How about Bonneville Power? We ought to ask everybody in Bonneville Power to go out and volunteer a little bit. They get more money, I guarantee it, than all these folks who get a little bit of money in public housing.

So sure, the rural housing programs. Let us go ask everybody at Gallo Wine, who are getting paid $650,000 this year to be able to go out and advertise Gallo wine abroad, maybe we ought to get the Gallos to come on out and volunteer a little bit. What do Members think?

How about people who make toilet seats for the Pentagon? We ought to get them to come out and help out.

There is a whole list of folks out there who do very, very well under government subsidies. I just figure, hey, gang, if this is good enough for everybody in public housing, then let us make it good enough for everybody. But let us not beat up the poor and use them as the bully pulpit, as the bully boys, to make our point that people ought to volunteer in America.

Ms. VELAZQUEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the proposal of the gentleman from North Carolina [Mr. WATT] to compensate tenants forced to work under this bill. From funding cuts in vital assistance programs to heartless welfare reform, the Republican majority seems to do all it can to keep our poor in poverty.

Today's housing bill, H.R. 2, goes even farther by including a heartless forced work requirement. This amendment encourages work and is a first step toward self-sufficiency. We cannot expect families to make the transition from welfare to work if they have no income or a place to live. Housing residents should be given real paying jobs. Let us not kid ourselves that enforced labor without pay is voluntarism. It is not. This is the Government forcing people to work in exchange for Federal benefits.

The Watt amendment is fair, it provides fair pay for work. I strongly urge my colleagues to pass the Watt amendment.

Mr. WATT of North Carolina. Mr. Chairman, will the gentlewoman yield?

Ms. VELÁZQUEZ. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I thank the gentlewoman for yielding.

Let me just say, Mr. Chairman, that we have been debating this issue now since last week. The public has been debating it. It has been in the newspapers. The public understands this. My colleagues are going to make every single effort they can to wrap this debate in the flag. They are going to say it is uniquely American to have a barter system, it is uniquely American for people to volunteer. All of the flag enhancement kinds of things are being put in the backdrop of this debate.

Let me tell my colleagues, this is not about a barter arrangement, it is not about volunteering to volunteer; this is about mandating that people provide services without working, without being compensated. That is what this debate is about. We can make it sound all tidy and American and pretty if we wanted, but there is something about this that is just not right and we know it. We know it.

It brings back images that some of us never want to have brought back in this country. It is just not right, Mr. Chairman. My colleagues ought to understand that. The public understands that it is honorable for people to work and be paid for it. We understand that. But it is dishonorable to say to somebody, you go out and we force you to work and we are not going to pay you for it.

That is not an American concept. It is inconsistent with the American dream. It is inconsistent with the principles that we stand for in this country. I just cannot stand here and listen to my colleagues make it sound like somehow this has some kind of American history motive. It is wrong. It is inconsistent with our American history. In the final analysis my colleagues, I hope, will understand that and adopt this amendment.

All we are saying is, if you are going to have people work, please pay them for the work that they provide; and if you want to turn around and get them to pay for their housing, do it, but do not force them to work without compensation. I thank the gentlewoman from New York [Ms. VELÁQUEZ] for yielding.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think we simply need to state the obvious. There is no doubt that we in America can together make this place a better place to live. Voluntarism and the concept is not a pariah, but the gentleman from North Carolina [Mr. WATT] is trying to say and has said involuntary servitude is. We ended that.

□ 1700

Therefore, it is time for us to move forward and accept the equality of every American, no matter what housing facility they live in. With that, I support the Watt amendment.

Mr. Chairman, I yield to the gentleman from North Carolina [Mr. WATT] for further comment.

Mr. WATT of North Carolina. Mr. Chairman, I thank the gentlewoman for yielding to me.

I do not want to get emotional about this. But there are some concepts in this country that we cannot wrap in the flag and hold up the flag and defend them and say, we are doing something that is uniquely American. This is not uniquely American. I hope that everybody on both sides of the aisle will understand that.

This is not an American concept. It is not something that has parallels in other areas of our life. I just hope that my colleagues will not put our country through this.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me say that just from a personal experience working with public housing authorities, there has not been a time when I have gone to those communities and said, let us do a cleanup, let us work with our youth that they have not poured out their hearts, their souls, and their bodies to do this in a volunteer manner because they believe in a better quality community as well. Why can we not work with public housing residents in that manner? That is the appropriate manner. That is respecting them as decent, respectable, equal Americans.

Mr. Chairman, I yield to the gentleman from Illinois [Mr. JACKSON].

Mr. JACKSON of Illinois. Mr. Chairman, I grew up in a household where we were encouraged to volunteer. We want to encourage every American to volunteer. It is the right thing to do. At Thanksgiving time, Christmastime, we volunteer in soup kitchens, we volunteer all across the country for people who are less fortunate than ourselves. The American people must be weary. I know my constituents are weary when

the Federal Government would pass a law that only mandates that poor people, the people that we should be volunteering for, are being asked to volunteer for us and being made to do that or face an eviction from public housing. That is really the only issue that we are discussing here today.

There is nothing wrong with voluntarism. My colleagues on both sides of aisle believe in voluntarism. The problem is the Federal Government mandating a law in exchange for the Federal benefit of the right to live in an affordable house. We will evict them if in fact they do not volunteer. We require and attach that particular condition to no Federal benefits that I am aware of, and certainly since the passage of the 13th amendment have we ever attached such a condition onto an amendment.

I want to thank the gentlewoman from Texas for yielding to me. I certainly want to take this opportunity to thank my colleagues, certainly the distinguished chairman of this committee and the distinguished chairman of the subcommittee for their graciousness during the course of this debate.

Ms. JACKSON-LEE of Texas. Mr. Chairman, reclaiming my time, in conclusion, I thank the gentleman. Let me just simply say that voluntarism is one of the highest callings that any of us could be called to do. I realize that all of us have at our grandmother's knee, our family's homestead, been taught to share with those who are in need. We have been taught to do it Christmas, Thanksgiving, summertime, fall, any time of the year because we want to make sure that people have an opportunity to do better. Can that not be the call of this Congress on H.R. 2, that we simply encourage those who live in public housing to work along with every other American in their volunteer effort? Is not that the better way?

Mr. CASTLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened to the debate, which is not dissimilar from both the debate that we had over in the committee and the debate that we had last week on this subject. I think there are legitimate issues being raised. I can understand them. I supported this concept in the legislation and I still do. I would just like to point out a couple of examples I have been through.

One was in the area of welfare reform. Delaware became one of the first States to mandate having to go to classes, having to go through job training or whatever it may be, not work per se, tantamount to having to do something. I suspected that the individuals that were asked to do that would be up in arms about it. I went to the first class, there were 18 women and 1 man there, to discuss this with them. And I was really amazed at how well they had received this opportunity.

Anyone who thinks that welfare recipients or people living in public housing are necessarily people who do not want to improve their lives, I think are wrong. I believe, given the opportunity, they are willing to reach out and help themselves.

We have had tremendous returns on this in Delaware. We are very proud of our record under both a Democratic Governor and a Republican Governor. We think it has worked extraordinarily well. Just 10 days ago I visited two housing authorities in Wilmington, DE, and Rehoboth Beach, DE, and spent time talking to some of the individuals living there, actually in the living room in one case.

They were telling me about the things they are doing which I would consider to be community work or voluntarism, whatever we want to call it, helping with kids, taking the kids to Great Adventure. Earning money for it, they were having a dance at night, teenagers were involved in it. We can call it work. We can call it voluntarism. We can say it is tantamount to work and they should be compensated, but these individuals were doing it willingly and there was a sense of community there. My judgment was that this is not as negative perhaps as it is being presented here, is the point which I am trying to make, although I think I understand the arguments that are being made at this point.

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from Iowa.

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

I would just like to make a couple very brief points first to the gentleman from North Carolina; the principles of community service and work are bedrock American values. There are other values as well. One is the value the gentleman raised, we do not want anything that approaches involuntary servitude. That is something all of us have to keep very carefully in mind.

In the background of this discussion is a public housing circumstance in many parts of the country that is, frankly, failed. All Members of Congress understand that. So the committee looked at models around the country. One of the models that came to the attention of the committee was a program in Milwaukee, WI, called the Hillside Terrace development, run by the city of Milwaukee. As a condition of occupancy, this particular housing project required that everyone sign a condition of occupancy statement that had a number of points, about eight. Let me mention three.

One was that every resident would enroll and actively participate in the neighborhood block watch program. A second was that every resident would agree to clean and maintain the common areas. A third condition was that every resident complete a given number of hours per month of volunteer service.

In the wake of this community participatory circumstance, the residents of this particular public housing project, Hillside Terrace, have managed to effect a dramatic reduction in the rate of crime in their area and they have upgraded the public housing stock.

Now, actually the conditions of occupancy required in this Milwaukee project are substantially more strenuous than the condition that is being requested in this bill. In fact, our bill does not go to anyone that has a job, that is in training, that is part of any sort of welfare work project of any nature.

This only goes to able-bodied citizens of a given appropriate age. So it goes to a fairly small grouping of people, under the premise that there should be work for benefit and based on the premise that some sort of new community participatory work aspect will not only be helpful to the individual in job skill development but helpful to the project itself and the rest of the community.

On our side, with the administration, we think this is very reasonable. I would just stress that in a sense because the administration is of the other party, of the gentleman's party, that this is a bipartisan circumstance. There is also an inner-party dispute, and we recognize that. But this is intended to be brought forth in as reasonable a way as possible.

The CHAIRMAN. The time of the gentleman from Delaware [Mr. CASTLE] has expired.

(On request of Mr. JACKSON of Illinois, and by unanimous consent, Mr. CASTLE was allowed to proceed for 1 additional minute.)

Mr. CASTLE. Mr. Chairman, very briefly, this is an important point. I understand from talking to the chairman that the community work that we are talking about is very open-ended in terms of what it is. Is it work or is it volunteerism or whatever it may be. It may be a form of compulsory volunteerism. But it is open-ended. I think it makes a difference in terms of wages.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, let me first say I understand that the chairman is sincere. I know, I have the utmost respect for the chairman. I know he would not represent anything that he did not believe in. I respect that and I want to say that publicly.

But all of these things that the gentleman described are things that emanated from a community. They were not mandated by the Federal Government. I will tell the gentleman that

that is a substantial difference. The Federal Government has no such policies, and if we get on this slippery slope toward this, there is no way to cut it off, no way with integrity to cut it off.

The CHAIRMAN. The time of the gentleman from Delaware [Mr. CASTLE] has again expired.

(On request of Mr. JACKSON of Illinois, and by unanimous consent, Mr. CASTLE was allowed to proceed for 1 additional minute.)

Mr. CASTLE. I yield to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Chairman, I do want to make the distinction between things that emanate from the community that people buy into, they get together. They decide what they want to do. That is a form of their volunteerism. But mandating it is a whole different issue, in my opinion.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. WATT].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. WATT of North Carolina. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 133, further proceedings on the amendment offered by the gentleman from North Carolina [Mr. WATT] will be postponed.

Are there further amendments to title I?

Mr. LAZIO of New York. Mr. Chairman, I move to strike the last word.

I want to protect the gentlewoman from California [Ms. WATERS] who was on the floor, and we have been negotiating the amendment, to, if we close title I, that that be closed subject to her being able to offer that amendment, and also the gentleman from Massachusetts [Mr. FRANK], out of fairness to both of them.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the chairman's willingness to try and protect our Members on our side with their amendments.

Ms. KILPATRICK. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentlewoman from Michigan.

Ms. KILPATRICK. Mr. Chairman, as was stated earlier, we had agreed to come back with a redraft of the amendment, the Waters-Kilpatrick amendment that spoke to the grievance procedure. We have reworked it and we would like to offer it.

POINT OF ORDER

Mr. LAZIO of New York. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. LAZIO of New York. Mr. Chairman, I understand the amendment is not at the desk, that the legislative drafting has not been completed, and we have not had a chance to look at that.

PARLIAMENTARY INQUIRY

Mr. KENNEDY of Massachusetts. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I think we would just like to make certain, I think the chairman of the subcommittee and myself would just like to make certain that their rights are protected to be able to come back. The Chair had explained to us earlier that as we got close to the end of title I that we needed to come back and make certain that there was time to draft the amendment. I think both the chairman of the subcommittee and myself are just trying to make certain that we have in fact protected fully the gentlewoman from Michigan [Ms. KILPATRICK], the gentlewoman from California [Ms. WATERS] and the gentleman from Massachusetts [Mr. FRANK].

The CHAIRMAN. There is no request pending for the Chair at the moment.

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent that when we close title I, it be subject to allowing the amendment by the gentleman from Massachusetts [Mr. FRANK], which is printed in the RECORD as No. 3, and amendment No. 26, which was offered by the gentlewoman from California [Ms. WATERS] and the gentlewoman from Michigan [Ms. KILPATRICK] to be offered subsequent to closing.

The CHAIRMAN. Is there objection to the request of the gentleman from New York to the offering of those amendments once the committee has read beyond title I?

There was no objection.

Ms. DEGETTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to thank the gentleman from New York [Mr. LAZIO] and the gentleman from Massachusetts [Mr. KENNEDY] for accepting my amendment to allow local housing authorities to use their operating funds to provide child care services for public housing residents.

I know this issue pales in comparison to the last issue that was discussed but it really raises the reason why legislation like this is really not designed to empower poor people to go out and work when they live in housing projects. The fact that child care was omitted from the original legislation shows that there is a real lack of understanding of what we need to do to help public housing residents empower themselves and go to work.

□ 1715

The lack of day care can be devastating to poor families who are trying to work, who are trying to go into the work force, and it is the height of hypocrisy to impose all of the onerous restrictions that we see in this bill and to ignore child care. My amendment does not fix all of these unacceptable provisions, but what it does say is that the public housing authorities can use operating funds at their discretion for child care.

If we really wanted to look at thoughtful housing reform, we would look at a model that is in my district in Denver, CO. Warren Village is a program, a private program, that provides housing for single mothers who are trying to get back on their feet. Women can only live in this housing for 2 years and during those 2 years they are required to either work or take classes. However, most residents do both.

When the program first started, there was no child care available and it became quickly apparent that these working mothers could not afford to go through the program because there was absolutely no way they could fulfill job or education requirements and, at the same time, have no child care. Warren Village quickly started raising money to start an on-site child care program, a program which I visited a few months ago.

This child care program is one of the best in the country and what it does is teach the children of low-income housing residents that they can break the cycle at the same time their mothers are breaking the cycle. It is probably one of the main reasons that Warren Village has been so successful in getting women back on their feet. They are taking classes, they are getting job training, and, most importantly, they are keeping those jobs.

If we truly want to look at ways that we can help residents of public housing get back on their feet, it is vital that we have child care, and that is why I am so pleased that both the chairman and the ranking member have agreed to put this child care provision in the legislation.

Once we can fix the rest of the legislation and have a compassionate and thoughtful bill, we can help these residents keep their dignity and get back on their feet.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the gentlewoman's perceptive and, I think, important amendment to this bill.

The gentlewoman from Colorado [Ms. DEGETTE] has distinguished herself in the short time she has been in the Congress of the United States. This is important legislation that begins to look out after the needs of the mothers that are in public housing and to recognize

the fact that because of the lack of support for child care that takes place in general in this country, that we have a tremendous disincentive from allowing these mothers to go to work.

If people in public housing have very, very low incomes, they do not have any of the kind of normal support services that many of the rest of us can take for granted. As a result, the idea of leaving a child alone versus going to work puts the mothers oftentimes in a very, very difficult dilemma.

I think the idea of allowing a portion of the operating subsidies to go to setting up this kind of child care is an important recognition of the bind that mothers are in. So I just wanted to take a moment to compliment the gentlewoman from Colorado and let her know that Members on both sides of the aisle very strongly support the amendment which she offered.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the last word.

I just wanted to note, because I think there was some confusion in the presentation that we accepted the gentlewoman's amendment in the bill.

It was completely the intent of the committee, it is the understanding of the committee that it is inherent in the qualified activities inherent in this provision of the bill that child care services were already incorporated.

The gentlewoman had a concern, a valid concern. The amendment was accepted by myself and by the committee, and I just want to make clear that that was the case because I think there was some impression somehow that we were less than cooperative in showing that we supported this amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I do not know what that exchange was all about, but as the Democratic manager of this amendment, I never had any impression that the gentleman from New York was anything other than supportive of this amendment.

I appreciate the fact that the gentleman was cooperative in trying to make this a part of the en bloc.

Ms. DEGETTE. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentlewoman from Colorado.

Ms. DEGETTE. Mr. Chairman, I also thank the gentleman, and I thought I made that clear in my statement, that I do understand that this is supported.

My only point is that I think it should have been in the original language of the bill, and I appreciate the cooperation in now putting it in because child care really is essential in these situations.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, this Member, and I believe this side of the aisle, strongly supports child care, additional funding for child care, and believes it was inherent in the provisions of the bill as to qualified activities.

But I am happy to clarify this language, and the gentlewoman's amendment does that, and I am happy to offer my support.

AMENDMENT OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRANK of Massachusetts:

Page 35, after line 23, insert the following new subsection:

(h) FULL FUNDING REQUIREMENT FOR MANDATORY EFFECT OF FAMILY SELF-SUFFICIENCY REQUIREMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of this section, if for any fiscal year sufficient amounts are not or have not been provided in advance in appropriation Acts for such fiscal year specifically for covering all costs to public housing agencies of entering into, monitoring, and enforcing the family self-sufficiency agreement requirements and all other costs arising from such requirements, a public housing agency shall not be required to comply with such requirements during such fiscal year, but may comply with the requirements during such fiscal year solely at the option of the agency.

(2) DEFINITION.—For purposes of this subsection, the term "family self-sufficiency agreement requirements" means the following requirements:

(A) ESTABLISHING TARGET DATES FOR TRANSITION OUT OF ASSISTED HOUSING.—The requirement under subsection (b) to enter into agreements under such subsection regarding target dates.

(B) ENTERING INTO FAMILY SELF-SUFFICIENCY AGREEMENTS.—The requirements under subsection (d)—

(i) to enter into agreements containing the terms under subparagraphs (A), (C), and (D) of subsection (d)(2) and containing the condition under the second sentence of subsection (d)(1) with respect to such terms; and

(ii) to include any such terms in agreements under subsection (d).

(C) ENFORCING AGREEMENTS.—Any requirements under this section to monitor, enforce, or give any force or effect to—

(i) an agreement entered into under subsection (b);

(ii) the terms included in an agreement entered into under subsection (d), pursuant to subparagraphs (A), (C), and (D) of subsection (d)(2); and

(iii) with respect to such terms, the condition included in an agreement under subsection (d) pursuant to the second sentence of subsection (d)(1).

Mr. FRANK of Massachusetts (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I would just say to the chairman of the subcommittee, I hope he is not upset at any little confusion, it is just that being that agreeable will sometimes catch us off guard. But we will adjust to it, and we certainly do not want to discourage him from the pattern. So it is very much appreciated.

This is an amendment, Mr. Chairman, that deals with another piece of what we debated last week. We debated thoroughly last week the 8-hour work requirement. There is another requirement in this bill, in the same provision, and it has to do with a requirement that every housing authority in the country get into a negotiation, except it is really a mandate, with most of their tenants by which the family and the agency enter into an agreement.

Included pursuant to subsection (D)(2)(c), as a term of agreement under subsection (D),

Establishing a target date by which the family intends to graduate from, terminate tenancy in, or no longer receive public housing or housing assistance under title III. This section may not be construed to create a right on the part of any public housing authority to evict or terminate solely on the basis of the failure to comply.

Obviously, we want to try to encourage people to get out of housing. And my amendment says, which I have worked on with the gentleman from Illinois, that we will make this option; that is, we will empower the housing authority to do it if they want to, in case there was any doubt as to their legal authority, and we will even make it mandatory if we appropriate the funds for it.

CBO has said this will cost millions of dollars. Exactly how much we cannot be sure because it was lumped in with another provision together that would cost $35 million.

But I would urge Members to think about what they are doing. If this amendment is rejected, we are ordering every housing authority in the country to take on an added burden in which no more services are provided, no more is asked of the tenant except more paperwork. What it says is that every tenant who is covered by this will have to sign an agreement in which they will agree to work toward termination of living in public housing.

I do not know quite what it will mean. I do not know how valuable anyone can think this will be. If an individual is in a housing authority and they go to every single tenant and say let us talk about when you are getting out, I cannot for the life of me see the value of it.

I am prepared, however, to allow this to be done on an optional basis, but this is a mandate to every housing authority and it is unfunded. However, while it is a mandate that is unfunded, the ruling is that it is not an unfunded mandate. So we should distinguish. An unfunded mandate, apparently, is only to be the case where we require something which we have not previously

provided any funds for. Here funds are provided to housing authorities, and this adds to the burden of the housing authorities with no additional money.

Particularly for small and middle-sized housing authorities, this is a very considerable burden. These are authorities which have all manner of things to worry about that now have to go and sit down with all the tenants who are covered, the large number of tenants, and work out this agreement, this self-sufficiency agreement.

Mr. Chairman, I think it is a good idea for people to get out of public housing, but the notion people can write themselves contracts that will get them out seems to me to impute a power to contracts that do not happen. Are we thinking that people will be sitting there and saying, gee, I am going to live in public housing forever; and then we say, no, no, we want you to sign a contract saying when you will get out, that that will be the first time it will occur to them to get out?

How does this add to the motivation for people to get out? Presumably we want people to be motivated to make more money. We want people to be motivated to be more successful. There are housing projects to live in which are not all that attractive. I think people already have incentives to get out. And if they do not, this adds nothing to it. It is simply a whole lot of paperwork.

And I will just say to the Members, Mr. Chairman, that if they vote for this, I think it is fairly easy to predict that 2 and 3 years from now they will have some pretty angry housing authority directors and personnel to account to and some pretty angry housing authority members. People are going to wonder why this is going to come down from Washington and order every housing authority to sign a contract of self-sufficiency with every member.

It is a useful goal, but it does not seem to me this accounts for it. Frankly, I thought Republicans were in the mode of cutting bureaucracy, and this goes exactly in the opposite direction if we do not make it optional.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the last word in order to enter into a colloquy with the gentleman from Massachusetts just briefly about the potential for a time limit on this amendment and whether the gentleman would consider if we set a 30-minute parameter on this debate, 15 minutes on each side, whether that would be something the gentleman might be interested in.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I have already used up 5. I did not know that. Thirty in addition?

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, if the gentleman wants to add the 5 to his 15.

Mr. FRANK of Massachusetts. Mr. Chairman, if the gentleman will continue to yield.

Yes, I will take 30. The gentleman can take his 5 and 30 after that, sure.

Mr. LAZIO of New York. So, Mr. Chairman, I would take 15, and the gentleman would have a total of 20, with the 5 he has already used. Is that acceptable to the gentleman?

Mr. FRANK of Massachusetts. That would be acceptable.

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent that our agreement be implemented, please, and held in order.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I assume the gentleman intends for the time to be equally divided.

Mr. LAZIO of New York. Mr. Chairman, yes, the time would be equally divided between the gentleman from Massachusetts [Mr. FRANK] and myself.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Pursuant to the unanimous-consent request, there will be 15 minutes on each side, 15 minutes managed by the gentleman from New York [Mr. LAZIO] and 15 minutes by the gentleman from Massachusetts [Mr. FRANK], on this amendment and all amendments thereto.

The Chair recognizes the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this amendment does speak to the ability for us to implement both the self-sufficiency contracts that are the means by which tenants begin to outline the steps that they might take, voluntarily, with the housing authority, to return to self-sufficiency. It also speaks to the core issue of community work and community service that this House has been debating for the last several days.

Mr. Chairman, housing authorities in America receive from the Federal Government almost $3 billion a year to subsidize their operating expenses right now. Under the terms of H.R. 2, the bill before this House, housing authorities would continue to receive nearly $3 billion a year to subsidize their operating expenses.

According to the Congressional Budget Office, who has looked at this, this is not an unfunded mandate. They do not characterize it that way. As a matter of fact, their review of the provision in this bill suggests that, through the management changes made in this bill, through the flexibility that inures to the housing authorities, there will be savings, savings, to the housing authorities in excess of $100 million annually.

The idea that we would ask the housing authorities to do a little bit more so that they would change their mission from simply being a place where people receive their housing to broaden their mission to include the assistance of helping people transform to self-sufficiency, is a valid one.

□ 1730

It is a valid mission. It is an appropriate mission. We should be focusing on the core issues of poverty and not just on the symptoms of providing shelter. Because the issue of poverty is much broader than simply housing, although housing obviously is one of the core issues.

I would say that to ask housing authorities to do this minimal additional program of implementing self-sufficiency contracts and implementing the community work program in return for the great flexibility that they would receive under this bill, where over two dozen programs are consolidated into two, an operating fund and a capital grant, is not unreasonable. It is completely reasonable.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I wanted to ask, because these are laudable goals to help them get out, I assume that means a job, what are the housing authorities going to do? How are the housing authorities going to do job training? Then we are talking about a lot more. What is it that the housing authorities are going to do through this piece of paper?

Mr. LAZIO of New York. Reclaiming my time, I would say to the gentleman here, the housing authority's mission is going to be to help coordinate the efforts, to ensure that these self-sufficiency agreements have meaning, that they work with people who are tenants to ensure that if there are vocational training possibilities, if there are employment possibilities, if there are possibilities of working with the Job Corps, in résumé building, experiencing a vocational exposure that might be helpful in terms of working with a labor union, that those might be available to the individual, where they may begin to coordinate these type of supportive services that will get to the core issues of self-sufficiency and poverty.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I just want to go back to the point that the gentleman made earlier in his remarks where he indicated that the housing authorities received this $3 billion a year, roughly, $2.9 billion. Does the gentleman understand that this requirement, according to

CBO, would require 1,100 additional employees by housing authorities throughout the country?

Mr. LAZIO of New York. Reclaiming my time, the CBO, Congressional Budget Office, estimate as I understand it speaks to not just this one issue of community service and community work or not just the self-sufficiency program but the vast panoply of programs that would be implemented under the terms of H.R. 2. What they also make clear is that there is a net savings of $100 million annually under this program when fully implemented. When this bill is fully adopted, there are administrative savings, just administrative savings alone, of $100 million annually, which more than absorbs all the costs associated with the implementation of this program.

I would also argue to this House and to the gentleman that again if what we are talking about is $35 million in the scheme of $3 billion that the public housing authorities are subsidized for, and yet in the end the objective that is fulfilled is that we begin to move people out of public housing under their own means, that we have achieved something very great and very important.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I just want to quote from the CBO study that indicates not only would it require 1,100 new personnel, this particular program would also require $35 million a year. This is a debate that we had extensively earlier on in this bill, several days ago. The fact of the matter is that this is why we called this and why the gentleman from North Carolina [Mr. WATT] was perfectly appropriate in calling this an unfunded mandate.

The gentleman is right that the overall bill will save $100 million. The overall bill is going to save $100 million because they are going to throw out poorer people and take in richer people. The richer people's rent sticks to the CBO's account number; therefore, the bill is going to save money. It is not going to save money through programs like this. This is an expenditure. It is an expenditure that CBO claims is going to cost $35 million and will require 1,100 new employees.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Let me just say that is only for these two programs, not the whole panoply. Let me just say, if I thought this was going to work, I would not begrudge it. Read it. It is the most Rube Goldbergesque scheme. What we are going to do is talk these people out of living in public housing, get them to sign a contract. It is a lot of bureaucratic gobbledygook that will not work.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. JACKSON].

Mr. JACKSON of Illinois. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts, and appreciate the opportunity to join him as a cosponsor of this provision. This amendment guards against the creation of an unfunded mandate in section 105 of this bill by ensuring that public housing authorities retain discretion not to implement self-sufficiency agreements unless sufficient funds are appropriated to cover the costs.

The self-sufficiency requirements in section 105 would force public housing authorities to create a new bureaucratic system and take on an enormous paperwork burden. It would require them to take on additional functions of assessing participants, managing case loads, retaining records on all participants and overseeing resident compliance. Housing authorities cannot perform that role without additional staff. Over half the housing authorities in this country have 100 or fewer units, which often means a staff of less than 5 people, with half of the staff being maintenance employees.

Mr. Chairman, in its report on the cost of H.R. 2, CBO tells us that community work and self-sufficiency programs will cost $65 million in the first year and $35 million annually after that. The report also estimates that housing authorities will have to hire over 1,100 personnel to staff such programs. In addition, H.R. 2 creates substantial liability costs if residents are harmed while fulfilling work requirements. Yet H.R. 2 authorizes no funding to cover any of these additional costs.

Mr. Chairman, where will we find the additional funds in the midst of efforts to balance the budget? Apparently we, as Members of Congress, do not have to worry about that, because this provision would pass the buck to public housing authorities to figure out how they should cover the costs. Will they be forced to raise rents even higher?

The subcommittee chairman claims this provision is not an unfunded mandate because public housing authorities can use their operating funds to cover the costs. I must emphasize to all Members of this Chamber, however, that public housing budgets have been cut by 25 percent over the past few years. Housing authorities are currently underfunded, receiving only 88 percent of the operating funds that they actually need. Housing authorities estimate overall operating costs at $3.3 billion but they currently receive only $2.9 billion.

In response to budget cuts, they have downsized substantially over the past few years. Since 1995 the CHA alone in Chicago has experienced roughly $80 million in budget cuts. In response to this, it has been forced to cut its staff by 1,300 employees. Mr. Chairman, housing authorities do not have the additional $35 million per year in their thinning budgets to implement this new program.

A second problem I have with section 105 is that aside from creating a bureaucracy and increasing costs, it will duplicate the function already being performed by welfare agencies who have trained staff to do such work. One of the goals of H.R. 2 is to increase local flexibility and control, yet section 105 directly contradicts those goals. If housing authorities have been creating successful self-sufficiency programs in the past few years, should we not leave it up to them to determine how many residents they can effectively serve at one time? Should we not allow them to determine whether a program is more successful when it is mandatory or when it is incentive-based?

Mr. Chairman, this amendment to H.R. 2 would provide housing authorities with that flexibility. It will ensure that if funds are not appropriated to pay for the cost of the self-sufficiency program, that public housing authorities will have discretion over how to implement locally designed self-sufficiency programs.

I urge my colleagues to support this amendment. If we truly care about making public housing more efficient, we must avoid the unnecessary duplication and burdensome unfunded mandates that this provision provides.

Mr. LAZIO of New York. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Iowa [Mr. LEACH].

Mr. LEACH. I thank the distinguished gentleman for yielding me this time.

Mr. Chairman, I would just make several brief points.

First, in terms of unfunded mandates, the CBO represents to the committee that this requirement is a condition of receipt of Federal funds rather than an unfunded mandate.

Second, I think the minority side has made an absolutely valid point that there is an additional burden for housing authorities implied here. On the other hand, I think it should be clear that there is some return for that burden. For example, if I am a housing authority director an my residents are obligated to help clean up the housing project under the community service requirement, I must say to myself, that is a real plus for my program. If my residents are obligated to participate in things like community watch programs, I must think that is a plus for my program.

I would also comment on two aspects of this whole issue of self-sufficiency. One of the things that all of us who have visited with our housing projects have come to understand is that to a

greater and greater extent, housing or shelter is just one part of the challenge.

Many housing projects, of course, work closely with other community service organizations, such as community action programs. It is the rest of the services to residents that is often as, if not more important than the shelter aspect, although these services may be tied into shelter.

Self-sufficiency is a very positive and very important goal. What this Congress is saying with this particular provision is that there should be an obligation to look at these issues in a much more dramatic way, recognizing that many housing projects do a pretty good job in this area at this time.

I would like to return just for a moment to the Milwaukee model which has been represented to this Member as one of the most successful public housing projects in the country. I would point out that in the Milwaukee project a contractual relationship is required between tenants and the city of Milwaukee. The first two provisions are rather strenuous, especially the second one, but it is a very interesting model.

Provision No. 1 reads that as an occupant of public housing, the occupant will complete an employability assessment; No. 2 reads that the occupant understands and agrees that he or she must abide by the recommendations of the employability plan developed as a result of that assessment.

What these two points are in this Milwaukee model that has been represented to be one of the more successful programs in the country is exactly this: self-sufficiency. Based upon this kind of model, based upon discussions with program directors in areas that I am familiar with, I am impressed that it is not enough to look at public housing simply as a shelter program. Self-sufficiency is a very appropriate goal to move toward, recognizing again that the requirement is a modest additional burden.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

I want to respond and say no, I can see that the gentleman has defined it as not an unfunded mandate. It does require them to spend more money out of the same pot they are getting. My experience with a lot of housing authorities is they are underfunded already. But it also requires them to spend money on a lot of bureaucracy and paperwork. It does not provide one job trainer. It does not provide one person to find anybody any employment. What it does is mandate them to sit down and sign contracts with people, people who have no particular knowledge about this, and to say here is when I promise to move out of public housing. I promise to do this.

I am all for these goals, but they ought to be treated as real. This notion that wishing will make it so and that having an overburdened housing authority administer of people, sign these contracts with the tenants when nothing in here adds anybody a job, it does not create a job, it does not provide a job counselor, it is just a feel-good bureaucratic requirement of the sort that if it were not dealing with poor people and housing, Republicans would be belittling. But because it deals with the poor people and housing, they are all for it.

Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. JACKSON].

Mr. JACKSON of Illinois. I thank the gentleman for yielding this time.

Mr. Chairman, I wanted to ask a question of the chairman, if he would join me in a colloquy for about 30 seconds.

I wondered if the gentleman had any idea of the number of residents in the Milwaukee model and/or the costs of implementation of the Milwaukee model in Milwaukee, particularly as it has been applied in the public housing authorities.

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Illinois. I yield to the gentleman from Iowa.

Mr. LEACH. I apologize to the gentleman. I do not have those statistics with me. I will say it has been represented that this Milwaukee model has been very successful. As the gentleman knows, the whole Wisconsin turnaround in the whole area of welfare has been as impressive a turnaround as any in the country.

Mr. JACKSON of Illinois. Mr. Chairman, I have no argument that the Milwaukee model may be a successful model. I am simply suggesting that there may be costs associated with the Milwaukee model, and if there are costs associated with the Milwaukee model, and we multiply that times public housing authorities across the country, and since we are mandating a Federal law that requires public housing authorities to follow this particular model, we are simply suggesting that there should be costs associated or funds appropriated from our Congress in order to make that model possible for all public housing authorities.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentlewoman from Oregon [Ms. HOOLEY].

□ 1745

Ms. HOOLEY of Oregon. Mr. Chairman, I rise to express my strong support for the Frank-Jackson amendment. As a former board member of the Clackamas County Housing Authority, I have firsthand experience in managing public housing. Having worked through the bureaucracy and redtape myself, I know that we need to restore some local control and increase efficiency.

I agree with many of the underlying goals of H.R. 2. The sponsors of the bill have argued, and I agree, that we need to do more to increase flexibility for local housing authorities and reduce unwarranted rules and regulations. We need to ensure that our scarce resources are being spent to provide affordable housing and quality services in the most cost efficient manner.

Unfortunately, H.R. 2 imposes a serious new unfunded mandate on public housing authorities in the form of a so-called self-sufficiency contract. While the bill would mandate that public housing authorities develop self-sufficiency agreements for each tenant and mandatory community service requirements, it does not authorize any funding to assist housing authorities in dealing with this administrative nightmare.

I have spoken with many of the housing authority directors in Oregon, and they have all expressed strong opposition to this burdensome requirement which would cost hundreds of thousands of dollars to implement. In fact, the Portland Housing Authority has estimated that the new self-sufficiency requirement could easily add $400,000 to the operating cost. This amendment would ensure that in the absence of sufficient funding to cover the costs of this mandate, public housing authorities will have discretion over whether to implement a self-sufficiency and community work program.

This is not an issue of volunteerism and community service. I support the voluntary efforts to increase community service and participation that frankly are underway in many of the communities across this country.

H.R. 2 cloaks the issue of costly unfunded mandates and compulsory work requirements behind the veil of volunteerism. Do not be fooled by the rhetoric. Self-sufficiency contracts impose a costly new burden on housing authorities that are already struggling to operate with shrinking budgets and increasing demand.

If we insist on imposing standard community work and self-sufficiency requirements on local housing authorities, we then must provide them with funding to meet that goal. If we want to provide local control and increased efficiency, we need to listen to our local housing authority directors, who strongly support this amendment as an alternative to the unfunded mandate of H.R. 2.

I urge my colleagues to take a stand against unfunded mandates and support the Frank-Jackson amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. BAKER].

Mr. BAKER. Mr. Chairman, I thank the gentleman from New York [Mr. LAZIO] for yielding this time to me and would like to observe that the requirements we are talking about, the so-called self-sufficiency requirements, Mr. Chairman, are several in nature,

and I would perhaps ask that the gentleman might respond to a question to make it more clear to me.

One of the requirements is to supervise the work that would be engaged in under the work for benefit plan as has been outlined earlier. I am also understanding there is a separate part of the sufficiency requirement which would require that authority to visit with housing tenants to develop a plan. Is this a plan similar to, say, in the event a family gets in trouble with a credit card debt and they go to family debt counselors and they sit down with an individual and say here is what I owe, here is what I make, help me out; is it that kind of counseling process we are going through where an individual sits down and says I am in public housing, and here are my skills, and here is where I intended to be, or what is it that the gentleman is trying to require because it has been referred to as a kind of a Rube Goldberg thing?

Mr. Chairman, I think we are owed an explanation as to where we go on this. What does this do?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, the most cost effective thing that we can do is to move people to self-sufficiency. The goal here is to do just that, to improve neighborhoods, especially low-income neighborhoods and public housing areas and to get people, if we can, to focus on what they need to do to get to the end game, which will be in my opinion a job that will help support their family. The concept is, if I can, to work with the housing authority so that there can be ongoing discussion on how to get there, what path do we need to take to get to that end game?

Mr. BAKER. Mr. Chairman, does the gentleman ask, for instance, if they have job skills, and if they do not, does he suggest where they might go to get job training?

Is that sort of part of this process?

Mr. LAZIO of New York. Yes, I would imagine it would be.

Mr. BAKER. Mr. Chairman, so the short statement would be we are going to require housing authorities to spend some money to help the occupants finally get a plan for themselves, perhaps their family, to get out of public housing?

Mr. LAZIO of New York. Mr. Chairman, some of the most important work that is being done with the homeless right now involves supportive services and the type of counseling.

Mr. BAKER. Mr. Chairman, reclaiming my time, where people sat down with and where we could discuss what needs were needed to be met, how we got there and how we dealt with the inherent problems that people face and challenges they face that have led to them being in public housing to begin with?

Mr. LAZIO of New York. Mr. Chairman, that is exactly what we are trying to do here.

Mr. BAKER. Mr. Chairman, if I could reclaim my time, the gentleman is saying out of the $2.9 billion we are appropriating to housing authorities for operations, he is going to spend, I think the gentleman said, $35 million of this to actually help the occupants find a family plan and get on with life and perhaps get a job and then maybe even leave public housing.

That is what this is about?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, that is true. I would also add that this bill saves money. It saves in administrative expenses. And, yes, in this one area there are some additional requests in terms of expanding the mission, but overall this bill is a saver both for housing authorities and for the Federal Government.

Mr. BAKER. So if I am understanding, the bill in its present form would save us some money, help occupants of public housing ultimately get a job, perhaps leave public housing, and that is what is being objected to?

Mr. LAZIO of New York. It is.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute.

The gentleman could not be more wrong. We are not objecting to efforts to help people find jobs because there are not any in here. This has nothing to do with finding jobs. This has to do with having everybody sign a contract that has no meaning, no particular force apparently, and it is simply a lot of bureaucratic paperwork.

Apparently the notion is that earning a living never occurred to these poor people, that they were living in public housing and it never occurred to them that a job would be better than not a job because this does not provide job training, it does not provide job matching, it provides no services. It simply mandates that every housing authority sign a contract.

Now, some housing authorities might find that useful, but here is the point that I want to just reiterate. As the gentlewoman from Oregon said, this is a mandate from the Federal Government that every housing authority in America will go about that job in exactly this way. If they decide they have got to concentrate on 20 to 30 percent of the people who have a chance of being employed and they would do better working with them than with others, they cannot do that. They have to equally sign one of these pieces of paper with everybody.

Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Chairman, I thank the gentleman for yielding this time to me. I just want to make this point quickly distinguishing between this provision and the last provision we were debating.

The volunteer mandate requirement is a bad idea which was wasteful. This is a wasteful idea and therefore is bad. If we are going to require local governments to do something wasteful, at least we ought to be paying for it, and that is the point I want to make. There is a difference between being bad and therefore wasteful. This one is wasteful and therefore bad.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman from North Carolina, and I concede he is a man of his minute.

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

Mr. LAZIO of New York. Mr. Chairman, I yield myself 1 minute.

The idea, Mr. Chairman, that community work or self-sufficiency is wasteful or ridiculous or foolish I think mocks the attempts that some communities are making from Charlotte to Milwaukee to try and incorporate the sense of reconnecting people with their civic responsibility and helping out in a broad range of community service activities in their own backyard to try and better that community, better that neighborhood, better that project, even better that hall.

These efforts are valid, important efforts. Their aim is not to look the other way and just to maintain people. Their efforts ought to help transform, to deal with the root causes of poverty, to give people the tools to help them build those tools that they will need to go out, to graduate from public housing and then to make their own choices about where they can live, what they can do for their family. These are important, valid initiatives.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 20 seconds to say that I hope in his closing remarks the gentleman from New York [Mr. LAZIO] will tell us what those tools are. As far as the tools for getting better in the self-sufficiency, I have not found a tool. I did find an old tool catalogue that they are allowed to kind of read through, but nothing in here gets them any closer to a tool.

Mr. Chairman, I yield the remaining time to the gentleman from Massachusetts [Mr. KENNEDY].

The CHAIRMAN. The gentleman from Massachusetts is recognized for 3 minutes and 10 seconds.

Mr. KENNEDY of Massachusetts. Mr. Chairman, first of all, I want to thank my friend from Massachusetts, Mr. FRANK, and the gentleman from Illinois Mr. JACKSON, for offering this amendment. I think that this is an important amendment which gets to the heart of what this committee is all about.

I mean, what we see here is an attempt to use housing policy to create a

new social engineering kind of notion that might appeal to a broad number of Americans but nevertheless is in fact social policy enacted under the housing bill.

Effectively, what the policy that I hear being talked about says is very simply that poor people work harder if we take things away, but rich people work harder if we give things to them. It is a kind of socialism for the rich and free enterprise for the poor. That is effectively the underlying message that this amendment really gets to, and I think that is the underlying message that is reinforced by H.R. 2.

We are not suggesting for a second that people who get a benefit should not work. I agree wholeheartedly. People that get a benefit ought to work. But what I do not think is that we ought to provide and take away from the very public housing authorities, all of those housing authorities that we love to now walk in front of, Democrats and Republicans alike, point out these great old housing monstrosities where we warehouse the poor, and we say look at this terrible thing that Lyndon Johnson and the Democratic House of Representatives and Congress and the like have brought about, all the support for public housing that just does not work. Look at it. Obviously this is terrible policy.

So what is our result? How are we going to fix that? What we are going to do in order to fix it is we are going to take some money away from it. We are going to say we are going to cut the budget. We cut it from $28 billion down to $20 billion. Now we are going to take the most important funding mechanism that housing authorities have to serve the poorest people in this country and provide them with basic shelter. We are going to go to the single fund that they rely on the most, their operating subsidies, and we are going to say, "We're going to go in, and we're going to give you another $65 million task. It is going to create a requirement where you're going to have to go out and hire 1,100 more people, but we're not going to give you a penny to do it because we think we can get some votes if we stand up there and look tough on the poor," if we point our finger at them and say, "You're sitting in that public housing, you're watching Oprah Winfrey, you're sitting there doing all these things, not working."

Mr. Chairman, if we stand up there and look like we are really getting tough on them, boy, that is going to appeal to the American people? I say let us reach inside and perhaps find a higher purpose than just getting votes. Why do we not try to fix public housing in this bill? Why do we not try to provide them not with $2.9 billion for their necessary operating subsidies? But HUD itself and the housing authorities themselves say that they need $3.3 billion.

And I understand they are going to come back and tell me that President Clinton only authorized $3.1 billion. They came in at $2.9. The truth of the matter is both numbers are too small. If we are really interested in trying to provide public housing, the kind of decent honorable housing that we expect as all Americans to receive, then we have to give them the full funding, which is $3.3 billion, and I just would appeal to the chairman of this committee to stop using this bill to ram through this housing and instead ram through good housing policy.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

As my colleagues know, once again this is the third day of debate of the bill, and the question is asked why could we not just do something to fix public housing? That is exactly what we are here in the business of doing.

Now, there are people who argue against change in this body, there are people who argue that what we are doing is fine, that it is OK to maintain super concentrations of poverty, that we should not be worried about transforming people to self-sufficiency. But this debate for the last 3 days and the days that will follow that we will debate this bill is in fact about self-sufficiency, it is about transformation, it is about community work and the work ethic and responsibility and those values that we think are important in every American community.

We reject the premise that this is entirely about money. Public housing authorities get $3 billion. In Chicago along State Street there are buildings that we in this body, people in this body, would not want to sleep in the worst day of their life, yet we have children, American children, living there with broken windows and broken doors and hallways that are filthy.

□ 1800

In New Orleans in a place called Desire, perversely, ditto. In those two examples, Mr. Chairman, it was not a lack of money, because those housing authorities left money on the table. Those housing authorities were failing in their basic mission to provide good, healthy housing for their own people while they still had money in their pockets.

So the argument that this is all about money and this is not about management and responsibility and transformation is to mock the facts, the facts. The facts are that in some American cities we have housing authorities that have been abysmal failures despite the billions that we have spent, and yet we look the other way and suggest that the only way to deal with this is to spend more money, but to continue the same process. We say on this side, and for many on the other side of the aisle, that that is nonsense.

I have been to Chicago, I have been to New York City, I have been to east New York, I have been to Washington, DC to see public housing. I have been to New Orleans, I have been to L.A., I have been to Phoenix. I know the face of public housing. What is amazing here is that the public housing residents themselves are the ones that are calling for much of this change. They are not the forces of defending the status quo, they are the ones that recognize that self-sufficiency and transformation and community work are valid, proper goals.

Mr. Chairman, I urge my colleagues to oppose this amendment.

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FRANK of Massachusetts. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 133, further proceedings on the amendment offered by the gentleman from Massachusetts [Mr. FRANK] will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 133, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment offered by the gentleman from North Carolina [Mr. WATT]; amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. WATT OF NORTH CAROLINA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from North Carolina [Mr. WATT] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 140, noes 286, not voting 7, as follows:

[Roll No. 103]

AYES—140

Abercrombie	Berman	Capps
Ackerman	Bishop	Carson
Allen	Bonior	Clayton
Baldacci	Boucher	Clyburn
Barcia	Brown (CA)	Conyers
Barrett (WI)	Brown (FL)	Costello
Bentsen	Brown (OH)	Coyne

Cummings
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Dellums
Dingell
Dixon
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Forbes
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Green
Gutierrez
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Maloney (NY)
Markey
Martinez
Matsui
McCarthy (MO)
McDermott
McGovern
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Mollohan
Nadler
Neal
Oberstar
Olver
Owens
Pallone
Pastor
Payne
Pelosi
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Rivers
Rodriguez
Roybal-Allard
Rush
Sabo
Sanders
Sandlin
Sawyer
Scott
Serrano
Skaggs
Skelton
Slaughter
Snyder
Stark
Stokes
Stupak
Thompson
Thurman
Tierney
Torres
Towns
Velázquez
Vento
Waters
Watt (NC)
Wexler
Wise
Woolsey
Wynn
Yates

NOES—286

Aderholt
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Berry
Bilbray
Bilirakis
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boyd
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeFazio
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennelly
Kim
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Luther
Maloney (CT)
Manton
Manzullo
Mascara
McCarthy (NY)
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Minge
Molinari
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Oxley
Packard
Pappas
Parker
Pascrell
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryun
Salmon
Sanchez
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Turner
Upton
Visclosky
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Weygand
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—7

Andrews
Becerra
Clay
Kolbe
Reyes
Schiff
Waxman

□ 1823

Mrs. MCCARTHY of New York, Mrs. CHENOWETH, and Messrs. RIGGS, ENSIGN, MORAN of Virginia, and DEUTSCH changed their vote from "aye" to "no."

Ms. ROYBAL-ALLARD, Ms. MILLENDER-MCDONALD, and Mr. LEVIN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. The pending business is the demand for recorded vote on the amendment offered by the gentleman from Massachusetts [Mr. FRANK] on which further proceedings were postponed and on which the noes prevailed by a voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 168, noes 253, not voting 12, as follows:

[Roll No. 104]

AYES—168

Abercrombie
Ackerman
Allen
Baldacci
Barcia
Barrett (WI)
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Campbell
Capps
Cardin
Carson
Clayton
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Dicks
Dixon
Doggett
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Ford
Fox
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Gutierrez
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Lantos
Lewis (GA)
Lipinski
Lofgren
Lowey
Maloney (CT)
Maloney (NY)
Markey
Martinez
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Poshard
Price (NC)
Rahall
Rangel
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stokes
Strickland
Stupak
Thompson
Thurman
Tierney
Torres
Towns
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Wexler
Weygand
Whitfield
Wise
Woolsey
Wynn
Yates

NOES—253

Aderholt
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Combest
Condit
Cook
Cooksey
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dingell
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastert

Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klink
Klug
Knollenberg
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Luther
Manton
Manzullo
Mascara
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanchez
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Turner
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wolf
Young (AK)

NOT VOTING—12

Andrews
Becerra
Clay
Collins
Cox
Kolbe
Reyes
Schiff
Snowbarger
Stark
Waxman
Young (FL)

□ 1833

Ms. KAPTUR and Mr. FOX of Pennsylvania changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore [Mr. LAHOOD]. Are there further amendments to title I?

Mr. LAZIO of New York. Mr. Chairman, I move to strike the last word.

There is language at the desk, I understand. We have been working out some language with the gentlewoman from California [Ms. WATERS]. The gentlewoman has graciously permitted us to work together with her to rewrite the amendment that she has offered, which is Amendment No. 26, in the RECORD.

The language is now acceptable to this Member, and I believe it is acceptable to the vast majority of Members on this side of the aisle. If I correctly state the position of the gentlewoman, she is consensually now offering this new language. We would be supportive of that.

I thank the gentlewoman for her flexibility in meeting our mutual concerns, which I think will lead to the protection of the people that she is concerned about, without adding additional layers of bureaucracy. I support the amendment.

AMENDMENT OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. WATERS:

Page 57, strike lines 14 through 22 and insert the following:

(b) EXCLUSION FROM ADMINISTRATIVE PROCEDURE OF GRIEVANCES CONCERNING EVICTIONS FROM PUBLIC HOUSING INVOLVING HEALTH, SAFETY, OR PEACEFUL ENJOYMENT.—A public housing agency may exclude from its procedure established under subsection (a) any grievance, in any jurisdiction which requires that prior to eviction, a tenant be given a hearing in court, which the Secretary determines provides the basic elements of due process (which the Secretary shall establish by rule under section 553 of title 5, United States Code), concerning an eviction from or termination of tenancy in public housing that involves any activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other tenants or employees of the public housing agency or any drug-related criminal activity on or off such premises.

In the case of any eviction from or termination of tenancy in public housing not described in the preceding sentence, each of the following provisions shall apply:

(1) Such eviction or termination shall be subject to an administrative grievance procedure if the tenant so evicted or terminated requests a hearing under such procedure not later than five days after service of notice of such eviction or termination.

(2) The public housing agency shall take final action regarding a grievance under paragraph (1) not later than thirty days after such notice is served.

(3) If the public housing agency fails to provide a hearing under the grievance procedure pursuant to a request under paragraph (1) and take final action regarding the grievance before the expiration of the 30-day period under paragraph (2), the notice of eviction or termination shall be considered void and shall not be given any force or effect.

(4) If a public housing authority takes final action on a grievance for any eviction or termination, the tenant and any member of the tenant's household shall not have any right in connection with any subsequent eviction or termination notice to request or be afforded any administrative grievance hearing during the 1-year period beginning upon the date of the final action.

Mr. BAKER of Louisiana (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Ms. WATERS. Mr. Chairman, I would like to thank the gentleman from New York [Mr. LAZIO] for taking the time to help work out his concerns with the amendment that I had offered.

My amendment simply tried to make sure that there was some process by which people could, in the housing projects, could go through a grievance procedure.

The gentleman from New York [Mr. LAZIO] certainly thought that there should be some kind of informal procedure by which they could address their concerns. This will do it. This will put a time limit so that they, in fact, would have to bring this to the attention of the authorities within 5 days. And if they do that, then we put another time limit and the housing authority would have to react within a 30-day period of time.

I think this addresses the concerns of those who thought that these go on and on and on; they are not resolved. And even for those who go to court, they have used up a great deal of time in the bureaucracy of the housing authority addressing these issues. It appears that in some cases they may have been abusing the process by coming time and time again through the grievance procedure.

While I do believe it would have been best to just have one without limit, I accept this and so does the gentlewoman from Michigan [Ms. KILPATRICK]. We believe that rather than shut it down altogether, this does leave a door open and lets us see how it works. We believe that at least it would give people the ability to address their concerns without having to go into court and bear the expense of that. I do appreciate the opportunity to do that.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from California [Ms. WATERS].

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—PUBLIC HOUSING

Subtitle A—Block Grants

SEC. 201. BLOCK GRANT CONTRACTS.

(a) IN GENERAL.—The Secretary shall enter into contracts with public housing agencies under which—

(1) the Secretary agrees to make a block grant under this title, in the amount provided under section 202(c), for assistance for low-income housing to the public housing agency for each fiscal year covered by the contract; and

(2) the agency agrees—

(A) to provide safe, clean, and healthy housing that is affordable to low-income families and services for families in such housing;

(B) to operate, or provide for the operation, of such housing in a financially sound manner;

(C) to use the block grant amounts in accordance with this title and the local housing management plan for the agency that complies with the requirements of section 106;

(D) to involve residents of housing assisted with block grant amounts in functions and decisions relating to management and the quality of life in such housing;

(E) that the management of the public housing of the agency shall be subject to actions authorized under subtitle D of title V;

(F) that the Secretary may take actions under section 205 with respect to improper use of grant amounts provided under the contract; and

(G) to otherwise comply with the requirements under this title.

(6) SMALL PUBLIC HOUSING AGENCY CAPITAL GRANT OPTION.—For any fiscal year, upon the request of the Governor of the State, the Secretary shall make available directly to the State, from the amounts otherwise included in the block grants for all public housing agencies in such State which own or operate less than 100 dwelling units, ½ of that portion of such amounts that is derived from the capital improvement allocations for such agencies pursuant to section 203(c)(1) or 203(d)(2), as applicable. The Governor of the State will have the responsibility to distribute all of such funds, in amounts determined by the Governor, only to meet the exceptional capital improvement requirements for the various public housing agencies in the State which operate less than 100 dwelling units: *Provided, however,* That for States where Federal funds provided to the State are subject to appropriation action by the State legislature, the capital funds made available to the Governor under this subsection shall be subject to such appropriation by the State legislature.

(c) MODIFICATION.—Contracts and agreements between the Secretary and a public housing agency may not be amended in a manner which would—

(1) impair the rights of—

(A) leaseholders for units assisted pursuant to a contract or agreement; or

(B) the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged; or

(2) provide for payment of block grant amounts under this title in an amount exceeding the allocation for the agency determined under section 204.

Any rule of law contrary to this subsection shall be deemed inapplicable.

SEC. 202. GRANT AUTHORITY, AMOUNT, AND ELIGIBILITY.

(a) AUTHORITY.—The Secretary shall make block grants under this title to eligible public housing agencies in accordance with block grant contracts under section 201.

(b) PERFORMANCE FUNDS.—

(1) IN GENERAL.—The Secretary shall establish 2 funds for the provision of grants to eligible public housing agencies under this title, as follows:

(A) CAPITAL FUND.—A capital fund to provide capital and management improvements to public housing developments.

(B) OPERATING FUND.—An operating fund for public housing operations.

(2) FLEXIBILITY OF FUNDING.—

(A) IN GENERAL.—A public housing agency may use up to 20 percent of the amounts from a grant under this title that are allocated and provided from the capital fund for activities that are eligible under section 203(a)(2) to be funded with amounts from the operating fund.

(B) FULL FLEXIBILITY FOR SMALL PHA'S.—In the case of a public housing agency that owns or operates less than 250 public housing dwelling units and is (in the determination of the Secretary) operating and maintaining its public housing in a safe, clean, and healthy condition, the agency may use amounts from a grant under this title for any eligible activities under section 203(a), regardless of the fund from which the amounts were allocated and provided.

(c) AMOUNT OF GRANTS.—The amount of the grant under this title for a public housing agency for a fiscal year shall be the amount of the allocation for the agency determined under section 204, except as otherwise provided in this title and title V.

(d) ELIGIBILITY.—A public housing agency shall be an eligible public housing agency with respect to a fiscal year for purposes of this title only if—

(1) the Secretary has entered into a block grant contract with the agency;

(2) the agency has submitted a local housing management plan to the Secretary for such fiscal year;

(3) the plan has been determined to comply with the requirements under section 106 and the Secretary has not notified the agency that the plan fails to comply with such requirements;

(4) the agency is exempt from local taxes, as provided under subsection (e), or receives a contribution, as provided under such subsection;

(5) no member of the board of directors or other governing body of the agency, or the executive director, has been convicted of a felony;

(6) the agency has entered into an agreement providing for local cooperation in accordance with subsection (f); and

(7) the agency has not been disqualified for a grant pursuant to section 205(a) or title V.

(e) PAYMENTS IN LIEU OF STATE AND LOCAL TAXATION OF PUBLIC HOUSING DEVELOPMENTS.—

(1) EXEMPTION FROM TAXATION.—A public housing agency may receive a block grant under this title only if—

(A)(i) the developments of the agency (exclusive of any portions not assisted with amounts provided under this title) are exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision; and

(ii) the public housing agency makes payments in lieu of taxes to such taxing authority equal to 10 percent of the sum, for units charged in the developments of the agency, of the difference between the gross rent and the utility cost, or such lesser amount as is—

(I) prescribed by State law;

(II) agreed to by the local governing body in its agreement under subsection (f) for local cooperation with the public housing agency or under a waiver by the local governing body; or

(III) due to failure of a local public body or bodies other than the public housing agency to perform any obligation under such agreement; or

(B) the agency complies with the requirements under subparagraph (A) with respect to public housing developments (including public housing units in mixed-income developments), but the agency agrees that the units other than public housing units in any mixed-income developments (as such term is defined in section 221(c)(2)) shall be subject to any otherwise applicable real property taxes imposed by the State, city, county or other political subdivision.

(2) EFFECT OF FAILURE TO EXEMPT FROM TAXATION.—Notwithstanding paragraph (1), a public housing agency that does not comply with the requirements under such paragraph may receive a block grant under this title, but only if the State, city, county, or other political subdivision in which the development is situated contributes, in the form of cash or tax remission, the amount by which the taxes paid with respect to the development exceed 10 percent of the gross rent and utility cost charged in the development.

(f) LOCAL COOPERATION.—In recognition that there should be local determination of the need for low-income housing to meet needs not being adequately met by private enterprise, the Secretary may not make any grant under this title to a public housing agency unless the governing body of the locality involved has entered into an agreement with the agency providing for the local cooperation required by the Secretary pursuant to this title.

(g) EXCEPTION.—Notwithstanding subsection (a), the Secretary may make a grant under this title for a public housing agency that is not an eligible public housing agency but only for the period necessary to secure, in accordance with this title, an alternative public housing agency for the public housing of the ineligible agency.

(h) RECAPTURE OF CAPITAL ASSISTANCE AMOUNTS.—The Secretary may recapture, from any grant amounts made available to a public housing agency from the capital fund, any portion of such amounts that are not used or obligated by the public housing agency for use for eligible activities under section 203(a)(1) (or dedicated for use pursuant to section 202(b)(2)(A)) before the expiration of the 24-month period beginning upon the award of such grant to the agency.

SEC. 203. ELIGIBLE AND REQUIRED ACTIVITIES.

(a) ELIGIBLE ACTIVITIES.—Except as provided in subsection (b) and in section 202(b)(2), grant amounts allocated and provided from the capital fund and grant amounts allocated and provided from the operating fund may be used for the following activities:

(1) CAPITAL FUND ACTIVITIES.—Grant amounts from the capital fund may be used for—

(A) the production and modernization of public housing developments, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings and the production of mixed-income developments;

(B) vacancy reduction;

(C) addressing deferred maintenance needs and the replacement of dwelling equipment;

(D) planned code compliance;

(E) management improvements;

(F) demolition and replacement under section 261;

(G) tenant relocation;

(H) capital expenditures to facilitate programs to improve the economic empowerment and self-sufficiency of public housing tenants; and

(I) capital expenditures to improve the security and safety of residents.

(2) OPERATING FUND ACTIVITIES.—Grant amounts from the operating fund may be used for—

(A) procedures and systems to maintain and ensure the efficient management and operation of public housing units;

(B) activities to ensure a program of routine preventative maintenance;

(C) anti-crime and anti-drug activities, including the costs of providing adequate security for public housing tenants;

(D) activities related to the provision of services, including service coordinators for elderly persons or persons with disabilities;

(E) activities to provide for management and participation in the management of public housing by public housing tenants;

(F) the costs associated with the operation and management of mixed-income developments;

(G) the costs of insurance;

(H) the energy costs associated with public housing units, with an emphasis on energy conservation;

(I) the costs of administering a public housing community work program under section 105, including the costs of any related insurance needs; and

(J) activities in connection with a homeownership program for public housing residents under subtitle D, including providing financing or assistance for purchasing housing, or the provision of financial assistance to resident management corporations or resident councils to obtain training, technical assistance, and educational assistance to promote homeownership opportunities.

(b) REQUIRED CONVERSION OF ASSISTANCE FOR PUBLIC HOUSING TO RENTAL HOUSING ASSISTANCE.—

((1) REQUIREMENT.—A public housing agency that receives grant amounts under this title shall provide assistance in the form of rental housing assistance under title III, or appropriate site revitalization or other appropriate capital improvements approved by the Secretary, in lieu of assisting the operation and modernization of any building or buildings of public housing, if the agency provides sufficient evidence to the Secretary that the building or buildings—

(A) are on the same or contiguous sites;

(B) consist of more than 300 dwelling units;

(C) have a vacancy rate of at least 10 percent for dwelling units not in funded, on-schedule modernization programs;

(D) are identified as distressed housing for which the public housing agency cannot assure the long-term viability as public housing through reasonable revitalization, density reduction, or achievement of a broader range of household income; and

(E) have an estimated cost of continued operation and modernization as public housing that exceeds the cost of providing choice-based rental assistance under title III for all families in occupancy, based on appropriate indicators of cost (such as the percentage of the total development cost required for modernization).

Public housing agencies shall identify properties that meet the definition of subparagraphs (A) through (E) and shall consult with the appropriate public housing residents and the appropriate unit of general local government in identifying such properties.

(2) USE OF OTHER AMOUNTS.—In addition to grant amounts under this title attributable (pursuant to the formulas under section 204) to the building or buildings identified under paragraph (1), the Secretary may use amounts provided in appropriation Acts for choice-based housing assistance under title III for families residing in such building or buildings or for appropriate site revitalization or other appropriate capital improvements approved by the Secretary.

(3) ENFORCEMENT.—The Secretary shall take appropriate action to ensure conversion of any building or buildings identified under paragraph (1) and any other appropriate action under this subsection, if the public housing agency fails to take appropriate action under this subsection.

(4) FAILURE OF PHA'S TO COMPLY WITH CONVERSION REQUIREMENT.—If the Secretary determines that—

(A) a public housing agency has failed under paragraph (1) to identify a building or buildings in a timely manner,

(B) a public housing agency has failed to identify one or more buildings which the Secretary determines should have been identified under paragraph (1), or

(C) one or more of the buildings identified by the public housing agency pursuant to paragraph (1) should not, in the determination of the Secretary, have been identified under that paragraph,

the Secretary may identify a building or buildings for conversion and take other appropriate action pursuant to this subsection.

(5) CESSATION OF UNNECESSARY SPENDING.—Notwithstanding any other provision of law, if, in the determination of the Secretary, a building or buildings meets or is likely to meet the criteria set forth in paragraph (1), the Secretary may direct the public housing agency to cease additional spending in connection with such building or buildings, except to the extent that additional spending is necessary to ensure safe, clean, and healthy housing until the Secretary determines or approves an appropriate course of action with respect to such building or buildings under this subsection.

(6) USE OF BUDGET AUTHORITY.—Notwithstanding any other provision of law, if a building or buildings are identified pursuant to paragraph (1), the Secretary may authorize or direct the transfer, to the choice-based or tenant-based assistance program of such agency or to appropriate site revitalization or other capital improvements approved by the Secretary, of—

(A) in the case of an agency receiving assistance under the comprehensive improvement assistance program, any amounts obligated by the Secretary for the modernization of such building or buildings pursuant to section 14 of the United States Housing Act of 1937 (as in effect immediately before the effective date of the repeal under section 601(b));

(B) in the case of an agency receiving public housing modernization assistance by formula pursuant to such section 14, any amounts provided to the agency which are attributable pursuant to the formula for allocating such assistance to such building or buildings;

(C) in the case of an agency receiving assistance for the major reconstruction of obsolete projects, any amounts obligated by the Secretary for the major reconstruction of such building or buildings pursuant to section 5(j)(2) of the United States Housing Act of 1937, as in effect immediately before the effective date of the repeal under section 601(b); and

(D) in the case of an agency receiving assistance pursuant to the formulas under section 204, any amounts provided to the agency which are attributable pursuant to the formulas for allocating such assistance to such building or buildings.

(7) RELOCATION REQUIREMENTS.—Any public housing agency carrying out conversion of public housing under this subsection shall—

(A) notify the families residing in the public housing development subject to the conversion, in accordance with any guidelines issued by the Secretary governing such notifications, that—

(i) the development will be removed from the inventory of the public housing agency; and

(ii) the families displaced by such action will receive choice-based housing assistance or occupancy in a unit operated or assisted by the public housing agency;

(B) ensure that each family that is a resident of the development is relocated to other safe, clean, and healthy affordable housing, which is, to the maximum extent practicable, housing of the family's choice, including choice-based assistance under title III (provided that with respect to choice-based assistance, the preceding requirement shall be fulfilled only upon the relocation of such family into such housing);

(C) provide any necessary counseling for families displaced by such action to facilitate relocation; and

(D) provide any reasonable relocation expenses for families displaced by such action.

(8) TRANSITION.—Any amounts made available to a public housing agency to carry out section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (enacted as section 101(e) of Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134; 110 Stat. 1321-279)) may be used, to the extent or in such amounts as are or have been provided in advance in appropriation Acts, to carry out this section. The Secretary shall provide for public housing agencies to conform and continue actions taken under such section 202 in accordance with the requirements under this section.

(c) EXTENSION OF DEADLINES.—The Secretary may, for a public housing agency, extend any deadline established pursuant to this section or a local housing management plan for up to an additional 5 years if the Secretary makes a determination that the deadline is impracticable.

(d) COMPLIANCE WITH PLAN.—The local housing management plan submitted by a public housing agency (including any amendments to the plan), unless determined under section 107 not to comply with the requirements under section 106, shall be binding upon the Secretary and the public housing agency and the agency shall use any grant amounts provided under this title for eligible activities under subsection (a) in accordance with the plan. This subsection may not be construed to preclude changes or amendments to the plan, as authorized under section 107 or any actions authorized by this Act to be taken without regard to a local housing management plan.

(e) ELIGIBLE ACTIVITIES FOR INCREASED INCOME.—Any public housing agency that derives increased nonrental or rental income, as referred to in subsection (c)(2)(B) or (d)(1)(D) of section 204 or pursuant to provision of mixed-income developments under section 221(c)(2), may use such amounts for any eligible activity under paragraph (1) or (2) of subsection (a) of this section or for providing choice-based housing assistance under title III.

SEC. 204. DETERMINATION OF GRANT ALLOCATION.

(a) IN GENERAL.—For each fiscal year, after reserving amounts under section 111 from the aggregate amount made available for the fiscal year for carrying out this title, the Secretary shall allocate any remaining amounts among eligible public housing agencies in accordance with this section, so that the sum of all of the allocations for all eligible authorities is equal to such remaining amount.

(b) ALLOCATION AMOUNT.—The Secretary shall determine the amount of the allocation for each eligible public housing agency, which shall be—

(1) for any fiscal year beginning after the enactment of a law containing the formulas described in paragraphs (1) and (2) of subsection (c), the sum of the amounts determined for the agency under each such formula; or

(2) for any fiscal year beginning before the expiration of such period, the sum of—

(A) the operating allocation determined under subsection (d)(1) for the agency; and

(B) the capital improvement allocation determined under subsection (d)(2) for the agency.

(c) PERMANENT ALLOCATION FORMULAS FOR CAPITAL AND OPERATING FUNDS.—

(1) ESTABLISHMENT OF CAPITAL FUND FORMULA.—The formula under this paragraph shall provide for allocating assistance under the capital fund for a fiscal year. The formula may take into account such factors as—

(A) the number of public housing dwelling units owned or operated by the public housing agency, the characteristics and locations of the developments, and the characteristics of the families served and to be served (including the incomes of the families);

(B) the need of the public housing agency to carry out rehabilitation and modernization activities, and reconstruction, production, and demolition activities related to public housing dwelling units owned or operated by the public housing agency, including backlog and projected future needs of the agency;

(C) the cost of constructing and rehabilitating property in the area; and

(D) the need of the public housing agency to carry out activities that provided a safe and secure environment in public housing units owned or operated by the public housing agency.

(2) ESTABLISHMENT OF OPERATING FUND FORMULA.—

(A) IN GENERAL.—The formula under this paragraph shall provide for allocating assistance under the operating fund for a fiscal year. The formula may take into account such factors as—

(i) standards for the costs of operating and reasonable projections of income, taking into account the characteristics and locations of the public housing developments and characteristics of the families served and to be served (including the incomes of the families), or the costs of providing comparable services as determined in accordance with criteria or a formula representing the operations of a prototype well-managed public housing development;

(ii) the number of public housing dwelling units owned or operated by the public housing agency;

(iii) the need of the public housing agency to carry out anti-crime and anti-drug activities, including providing adequate security for public housing residents; and

(iv) any record by the public housing agency of exemplary performance in the operation of public housing.

(B) INCENTIVE TO INCREASE INCOME.—The formula shall provide an incentive to encourage public housing agencies to increase nonrental income and to increase rental income attributable to their units by encouraging occupancy by families whose incomes have increase while in occupancy and newly admitted families. Any such incentive shall provide that the agency shall derive the full benefit of any increase in nonrental or rental income, and such increase shall not result in a decrease in amounts provided to the agency under this title. In addition, an agency shall be permitted to retain, from each fiscal year, the full benefit of such an increase in nonrental or rental income, except to the extent that such benefit exceeds (i) 100 percent of the total amount of the operating allocation for which the agency is eligible under this section, and (ii) the maximum balance permitted for the agency's operating reserve under this section and any regulations issued under this section.

(C) Treatment of utility rates.—The formula shall not take into account the amount of any cost reductions for a public housing agency due to the difference between projected and actual utility rates attributable to actions that are taken by the agency which lead to such reductions, as determined by the Secretary. In the case of any public housing agency that receives financing from any person or entity other than the Secretary or enters into a performance contract to undertake energy conservation improvements in a public housing development, under which the payment does not exceed the cost of the energy saved as a result of the improvements during a reasonable negotiated contract period, the formula shall not take into account the amount of any cost reductions for the agency due to the differences between projected and actual utility consumption attributable to actions that are taken by the agency which lead to such reductions, as determined by the Secretary. Notwithstanding the preceding 2 sentences, after the expiration of the 10-year period beginning upon the savings initially taking effect, the Secretary may reduce the amount allocated to the agency under the formula by up to 50 percent of such differences.

(3) CONSIDERATION OF PERFORMANCE, COSTS, AND OTHER FACTORS.—The formulas under paragraphs (1) and (2) should each reward performance and may each consider appropriate factors that reflect the different characteristics and sizes of public housing agencies, the relative needs, revenues, costs, and capital improvements of agencies, and the relative costs to agencies of operating a well-managed agency that meets the performance targets for the agency established in the local housing management plan for the agency.

(4) DEVELOPMENT UNDER NEGOTIATED RULEMAKING PROCEDURE.—The formulas under this subsection shall be developed according to procedures for issuance of regulations under the negotiated rulemaking procedure under subchapter III of chapter 5 of title 5, United States Code, except that the formulas shall not be contained in a regulation.

(5) REPORT.—Not later than the expiration of the 12-month period beginning upon the enactment of this Act, the Secretary shall submit a report to the Congress containing the proposed formulas established pursuant to paragraph (4) that meets the requirements of this subsection.

(d) INTERIM ALLOCATION REQUIREMENTS.—

(1) OPERATING ALLOCATION.—

(A) APPLICABILITY TO APPROPRIATED AMOUNTS.—Of any amounts available for allocation under this subsection for a fiscal year, an amount shall be used only to provide amounts for operating allocations under this paragraph for eligible public housing agencies that bears the same ratio to such total amount available for allocation that the amount appropriated for fiscal year 1997 for operating subsidies under section 9 of the United States Housing Act of 1937 bears to the sum of such operating subsidy amounts plus the amounts appropriated for such fiscal year for modernization under section 14 of such Act.

(B) DETERMINATION.—The operating allocation under this paragraph for a public housing agency for a fiscal year shall be an amount determined by applying, to the amount to be allocated under this paragraph, the formula used for determining the distribution of operating subsidies for fiscal year 1997 to public housing agencies (as modified under subparagraphs (C) and (D)) under section 9 of the United States Housing Act of 1937, as in effect immediately before the effective date of the repeal under section 601(b).

(C) TREATMENT OF CHRONICALLY VACANT UNITS.—The Secretary shall revise the formula referred to in subparagraph (B) so that the formula does not provide any amounts, other than utility costs and other necessary costs (such as costs necessary for the protection of persons and property), attributable to any dwelling unit of a public housing agency that has been vacant continuously for 6 or more months. A unit shall not be considered vacant for purposes of this paragraph if the unit is unoccupied because of rehabilitation or renovation that is on schedule.

(D) TREATMENT OF INCREASES IN INCOME.—The Secretary shall revise the formula referred to in subparagraph (B) to provide an incentive to encourage public housing agencies to increase nonrental income and to increase rental income attributable to their units by encouraging occupancy by families whose incomes have increased while in occupancy and newly admitted families. Any such incentive shall provide that the agency shall derive the full benefit of any increase in nonrental or rental income, and such increase shall not result in a decrease in amounts provided to the agency under this title. In addition, an agency shall be permitted to retain, from each fiscal year, the full benefit of such an increase in nonrental or rental income, except that such benefit may not be retained if—

(i) the agency's operating allocation equals 100 percent of the amount for which it is eligible under section 9 of the United States Housing Act of 1937, as in effect immediately before the effective date of the repeal under section 601(b) of this Act; and

(ii) the agency's operating reserve balance is equal to the maximum amount permitted under section 9 of the United States Housing Act of 1937, as in effect immediately before the effective date of the repeal under section 601(b) of this Act.

(2) CAPITAL IMPROVEMENT ALLOCATION.—

(A) APPLICABILITY TO APPROPRIATED AMOUNTS.—Of any amounts available for allocation under this subsection for a fiscal year, an amount shall be used only to provide amounts for capital improvement allocations under this paragraph for eligible public housing agencies that bears the same ratio to such total amount available for allocation that the amount appropriated for fiscal year 1997 for modernization under section 14 of the United States Housing Act of 1937 bears to the sum of such modernization amounts plus the amounts appropriated for such fiscal year for operating subsidies under section 9 of such Act.

(B) DETERMINATION.—The capital improvement allocation under this paragraph for an eligible public housing agency for a fiscal year shall be determined by applying, to the amount to be allocated under this paragraph, the formula used for determining the distribution of modernization assistance for fiscal year 1997 to public housing agencies under section 14 of the United States Housing Act of 1937, as in effect immediately before the effective date of the repeal under section 601(b), except that the Secretary shall establish a method for taking into consideration allocation of amounts under the comprehensive improvement assistance program.

(e) ELIGIBILITY OF UNITS ACQUIRED FROM PROCEEDS OF SALES UNDER DEMOLITION OR DISPOSITION PLAN.—If a public housing agency uses proceeds from the sale of units under a homeownership program in accordance with section 251 to acquire additional units to be sold to low-income families, the additional units shall be counted as public housing for purposes of determining the amount of the allocation to the agency under this

section until sale by the agency, but in any case no longer than 5 years.

SEC. 205. SANCTIONS FOR IMPROPER USE OF AMOUNTS.

(a) IN GENERAL.—In addition to any other actions authorized under this title, if the Secretary finds pursuant to an audit under section 541 that a public housing agency receiving grant amounts under this title has failed to comply substantially with any provision of this title, the secretary may—

(1) terminate payments under this title to the agency;

(2) withhold from the agency amounts from the total allocation for the agency pursuant to section 204;

(3) reduce the amount of future grant payments under this title to the agency by an amount equal to the amount of such payments that were not expended in accordance with this title;

(4) limit the availability of grant amounts provided to the agency under this title to programs, projects, or activities not affected by such failure to comply;

(5) withhold from the agency amounts allocated for the agency under title III; or

(6) order other corrective action with respect to the agency.

(b) TERMINATION OF COMPLIANCE ACTION.—If the Secretary takes action under subsection (a) with respect to a public housing agency, the Secretary shall—

(1) in the case of action under subsection (a)(1), resume payments of grant amounts under this title to the agency in the full amount of the total allocation under section 204 for the agency at the time that the secretary first determines that the agency will comply with the provisions of this title;

(2) in the case of action under paragraph (2), (5), or (6) of subsection (a), make withheld amounts available as the Secretary considers appropriate to ensure that the agency complies with the provisions of this title; or

(3) in the case of action under subsection (a)(4), release such restrictions at the time that the Secretary first determines that the agency will comply with the provisions of this title.

Subtitle B—Admissions and Occupancy Requirements

SEC. 221. LOW-INCOME HOUSING REQUIREMENT.

(a) PRODUCTION ASSISTANCE.—Any public housing produced using amounts provided under a grant under this title or under the United States Housing Act of 1937 shall be operated as public housing for the 40-year period beginning upon such production.

(b) OPERATING ASSISTANCE.—No portion of any public housing development operated with amounts from a grant under this title or operating assistance provided under the United States Housing Act of 1937 may be disposed of before the expiration of the 10-year period beginning upon the conclusion of the fiscal year for which the grant or such assistance was provided, except as provided in this Act.

(c) CAPITAL IMPROVEMENTS ASSISTANCE.—Amounts may be used for eligible activities under section 203(a)(1) only for the following housing developments:

(1) LOW-INCOME DEVELOPMENTS.—Amounts may be used for a low-income housing development that—

(A) is owned by public housing agencies;

(B) is operated as low-income rental housing and produced or operated with assistance provided under a grant under this title; and

(C) is consistent with the purposes of this title.

Any development, or portion thereof, referred to in this paragraph for which activities under section 203(a)(1) are conducted using amounts from a grant under this title shall be maintained and used as public housing for the 20-year period beginning upon the receipt of such grant. Any public housing development, or portion thereof, that received the benefit of a grant pursuant to section 14 of the United States Housing Act of 1937 shall be maintained and used as public housing for the 20-year period beginning upon receipt of such amounts.

(2) MIXED INCOME DEVELOPMENTS.—Amounts may be used for eligible activities under section 203(a)(1) for mixed-income developments, which shall be a housing development that—

(A) contains dwelling units that are available for occupancy by families other than low-income families;

(B) contains a number of dwelling units—

(i) which units are made available (by master contract or individual lease) for occupancy only by low- and very low-income families identified by the public housing agency;

(ii) which number is not less than a reasonable number of units, including related amenities, taking into account the amount of the assistance provided by the agency compared to the total investment (including costs of operation) in the development;

(iii) which units are subject to the statutory and regulatory requirements of the public housing program, except that the Secretary may grant appropriate waivers to such statutory and regulatory requirements if reductions in funding or other changes to the program make continued application of such requirements impracticable;

(iv) which units are specially designated as dwelling units under this subparagraph, except the equivalent units in the development may be substituted for designated units during the period the units are subject to the requirements of the public housing program; and

(v) which units shall be eligible for assistance under this title; and

(C) is owned by the public housing agency, an affiliate controlled by it, or another appropriate entity.

Notwithstanding any other provision of this title, to facilitate the establishment of socioeconomically mixed communities, a public housing agency that uses grant amounts under this title for a mixed income development under this paragraph may, to the extent that income from such a development reduces the amount of grant amounts used for operating or other costs relating to public housing, use such resulting savings to rent privately developed dwelling units in the neighborhood of the mixed income development. Such units shall be made available for occupancy only by low-income families eligible for residency in public housing.

SEC. 222. FAMILY ELIGIBILITY.

(a) IN GENERAL.—Dwelling units in public housing may be rented only to families who are low-income families at the time of their initial occupancy of such units.

(b) INCOME MIX WITHIN DEVELOPMENTS.—A public housing agency may establish and utilize income-mix criteria for the selection of residents for dwelling units in public housing developments that limit admission to a development by selecting applicants having incomes appropriate so that the mix of incomes of families occupying the development at any time is proportional to the income mix in the eligible population of the jurisdiction of the agency at such time, as adjusted to take into consideration the severity of housing need. Any criteria established under this subsection shall be subject to the provisions of subsection (c).

(c) INCOME MIX.—

(1) PHA INCOME MIX.—Of the public housing dwelling units of a public housing agency made available for occupancy by eligible families, not less than 35 percent shall be occupied by families whose incomes at the time of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary, may for purposes of this subsection, establish income ceilings higher or lower than 30 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes. This paragraph may not be construed to create any authority on the part of any public housing agency to evict any family residing in public housing solely because of the income of the family or because of any noncompliance or overcompliance with the requirement of this paragraph.

(2) PROHIBITION OF CONCENTRATION OF LOW-INCOME FAMILIES.—A public housing agency may not, in complying with the requirements under paragraph (1), concentrate very low-income families (or other families with relatively low incomes) in public housing dwelling units in certain public housing developments or certain buildings within developments. The Secretary may review the income and occupancy characteristics of the public housing developments, and the buildings of such developments, of public housing agencies to ensure compliance with the provisions of this paragraph.

(3) FUNGIBILITY WITH CHOICE-BASED ASSISTANCE.—If, during a fiscal year, a public housing agency provides choice-based housing assistance under title III for a number of low-income families, who are initially assisted by the agency in such year and have incomes described in section 321(b) (relating to income targeting), which exceeds the number of families that is required for the agency to comply with the percentage requirement under such section 321(b) for such fiscal year, notwithstanding paragraph (1) of this subsection, the number of public housing dwelling units that the agency must otherwise make available in accordance with such paragraph to comply with the percentage requirement under such paragraph shall be reduced by such excess number of families for such fiscal year.

(d) WAIVER OF ELIGIBILITY REQUIREMENTS FOR OCCUPANCY BY POLICE OFFICERS.—

(1) AUTHORITY AND WAIVER.—To the extent necessary to provide occupancy in public housing dwelling units to police officers and other law enforcement or security personnel (who are not otherwise eligible for residence in public housing) and to increase security for other public housing residents in developments where crime has been a problem, a public housing agency may, with respect to such units and subject to paragraph (2)—

(A) waive—

(i) the provisions of subsection (a) of this section and section 225(a); and

(ii) the applicability of—

(I) any preferences for occupancy established under section 223;

(II) the minimum rental amount established pursuant to section 225(c) and any maximum monthly rental amount established pursuant to section 225(b);

(III) any criteria relating to income mix within developments established under subsection (b);

(IV) the income mix requirements under subsection (c); and

(V) any other occupancy limitations or requirements; and

(B) establish special rent requirements and other terms and conditions of occupancy.

(2) CONDITIONS OF WAIVER.—A public housing agency may take the actions authorized in paragraph (1) only if agency determines that such actions will increase security in the public housing developments involved and will not result in a significant reduction of units available for residence by low-income families.

SEC. 223. PREFERENCES FOR OCCUPANCY.

(a) AUTHORITY TO ESTABLISH.—Each public housing agency may establish a system for making dwelling units in public housing available for occupancy that provides preference for such occupancy to families having certain characteristics.

(b) CONTENT.—Each system of preferences established pursuant to this section shall be based upon local housing needs and priorities, as determined by the public housing agency using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 106(e) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction.

(c) SENSE OF THE CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, public housing agencies involved in the selection of tenants under the provisions of this title should adopt preferences for individuals who are victims of domestic violence.

SEC. 224. ADMISSION PROCEDURES.

(a) ADMISSION REQUIREMENTS.—A public housing agency shall ensure that each family residing in a public housing development owned or administered by the agency is admitted in accordance with the procedures established under this title by the agency and the income limits under section 222.

(b) NOTIFICATION OF APPLICATION DECISIONS.—A public housing agency shall establish procedures designed to provide for notification to an applicant for admission to public housing of the determination with respect to such application, the basis for the determination, and, if the applicant is determined to be eligible for admission, the projected date of occupancy (to the extent such data can reasonably be determined). If an agency denies an applicant admission to public housing, the agency shall notify the applicant that the applicant may request an informal hearing on the denial within a reasonable time of such notification.

(c) SITE-BASED WAITING LISTS.—A public housing agency may establish procedures for maintaining waiting lists for admissions to public housing developments of the agency, which may include (notwithstanding any other law, regulation, handbook, or notice to the contrary) a system of site-based waiting lists whereby applicants may apply directly at or otherwise designate the development or developments in which they seek to reside. All such procedures shall comply with all provisions of title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other applicable civil rights laws.

(d) CONFIDENTIALITY FOR VICTIMS OF DOMESTIC VIOLENCE.—A public housing agency shall be subject to the restrictions regarding release of information relating to the identity and new residence of any family in public housing that was a victim of domestic violence that are applicable to shelters pursuant to the Family Violence Prevention and Services Act. The agency shall work with the United States Postal Service to establish procedures consistent with the confidentiality provisions in the Violence Against Women Act of 1994.

(e) TRANSFERS.—A public housing agency may apply, to each public housing resident seeking to transfer from one development to another development owned or operated by the agency, the screening procedures applicable at such time to new applicants for public housing.

SEC. 225. FAMILY CHOICE OF RENTAL PAYMENT.

(a) RENTAL CONTRIBUTION BY RESIDENT.—A family residing in a public housing dwelling shall pay as monthly rent for the unit the amount determined under paragraph (1) or (2) of subsection (b), subject to the requirement under subsection (c). Each public housing agency shall provide for each family residing in a public housing dwelling unit owned or administered by the agency to elect annually whether the rent paid by such family shall be determined under paragraph (1) or (2) of subsection (b).

(b) ALLOWABLE RENT STRUCTURES.—

(1) FLAT RENTS.—Each public housing agency shall establish, for each dwelling unit in public housing owned or administered by the agency, a flat rental amount for the dwelling unit, which shall—

(A) be based on the rental value of the unit, as determined by the public housing agency; and

(B) be designed in accordance with subsection (e) so that the rent structures do not create a disincentive for continued residency in public housing by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts.

The rental amount for a dwelling unit shall be considered to comply with the requirements of this paragraph if such amount does not exceed the actual monthly costs to the public housing agency attributable to providing and operating the dwelling unit. The preceding sentence may not be construed to require establishment of rental amounts equal to or based on operating costs or to prevent public housing agencies from developing flat rents required under this paragraph in any other manner that may comply with this paragraph.

(2) INCOME-BASED RENTS.—The monthly rental amount determined under this paragraph for a family shall be an amount, determined by the public housing agency, that does not exceed the greatest of the following amounts (rounded to the nearest dollar):

(A) 30 percent of the monthly adjusted income of the family.

(B) 10 percent of the monthly income of the family.

(C) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

Nothing in this paragraph may be construed to require a public housing agency to charge a monthly rent in the maximum amount permitted under this paragraph.

(c) MINIMUM RENTAL AMOUNT.—Notwithstanding the method for rent determination elected by a family pursuant to subsection (a), each public housing agency shall require that the monthly rent for each dwelling unit in public housing owned or administered by the agency shall not be less than a minimum amount (which amount shall include any amount allowed for utilities), which shall be an amount determined by the agency that is not less than $25 nor more than $50.

(d) HARDSHIP PROVISIONS.—

(1) MINIMUM RENTAL.—

(A) IN GENERAL.—Notwithstanding subsection (c), a public housing agency shall grant an exemption from application of the minimum monthly rental under such subsection to any family unable to pay such amount because of financial hardship, which shall include situations in which (i) the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program; (ii) the family would be evicted as a result of the imposition of the minimum rent requirement under subsection (c); (iii) the income of the family has decreased because of changed circumstance, including loss of employment; and (iv) a death in the family has occurred; and other situations as may be determined by the agency.

(B) WAITING PERIOD.—If a resident requests a hardship exemption under this paragraph and the public housing agency reasonably determines the hardship to be of a temporary nature, an exemption shall not be granted during the 90-day period beginning upon the making of a request for the exemption. A resident may not be evicted during such 90-day period for nonpayment of rent. In such a case, if the resident thereafter demonstrates that the financial hardship is of a long-term basis, the agency shall retroactively exempt the resident from the applicability of the minimum rent requirement for such 90-day period.

(2) SWITCHING RENT DETERMINATION METHODS.—Notwithstanding subsection (a), in the case of a family that has elected to pay rent in the amount determined under subsection (b)(1), a public housing agency shall provide for the family to pay rent in the amount determined under subsection (b)(2) during the period for which such election was made if the family is unable to pay the amount determined under subsection (b)(1) because of financial hardship, including—

(A) situations in which the income of the family has decreased because of changed circumstances, loss or reduction of employment, death in the family, and reduction in or loss of income or other assistance;

(B) an increase, because of changed circumstances, in the family's expenses for—

(i) medical costs;

(ii) child care;

(iii) transportation;

(iv) education; or

(v) similar items; and

(C) such other situations as may be determined by the agency.

(e) ENCOURAGEMENT OF SELF-SUFFICIENCY.—The rental policy developed by each public housing agency shall encourage and reward employment and economic self-sufficiency.

(f) INCOME REVIEWS.—Each public housing agency shall review the income of each family occupying a dwelling unit in public housing owned or administered by the agency not less than annually, except that, in the case of families that are paying rent in the amount determined under subsection (b)(1), the agency shall review the income of such family not less than once every 3 years.

(g) DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the rent payable under this section by a family whose income increases as a result of employment of a member of the family who was previously unemployed for 1 or more years (including a family whose income increases as a result of the participation of a family member in any family self-sufficiency or other job training

program) may not be increased as a result of the increased income due to such employment during the 18-month period beginning on the date on which the employment is commenced.

(2) PHASE-IN OF RENT INCREASES.—After the expiration of the 18-month period referred to in paragraph (1), rent increases due to the continued employment of the family member described in paragraph (1) shall be phased in over a subsequent 3-year period.

(3) TRANSITION.—Notwithstanding the provisions of paragraphs (1) and (2), any resident of public housing participating in the program under the authority contained in the undesignated paragraph at the end of section 3(c)(3) of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act) shall be governed by such authority after such date.

(h) PHASE-IN OF RENT CONTRIBUTION INCREASES AFTER EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), for any family residing in a dwelling unit in public housing upon the effective date of this Act, if the monthly contribution for rental of an assisted dwelling unit to be paid by the family upon initial applicability of this title is greater than the amount paid by the family under the provisions of the United States Housing Act of 1937 immediately before such applicability, any such resulting increase in rent contribution shall be—

(A) phased in equally over a period of not less than 3 years, if such increase is 30 percent or more of such contribution before initial applicability; and

(B) limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent of such contribution before initial applicability.

(2) EXCEPTION.—The minimum rental amount under subsection (c) shall apply to each family described in paragraph (1) of this subsection, notwithstanding such paragraph.

SEC. 226. LEASE REQUIREMENTS.

In renting dwelling units in a public housing development, each public housing agency shall utilize leases that—

(1) do not contain unreasonable terms and conditions;

(2) obligate the public housing agency to maintain the development in compliance with the housing quality requirements under section 232;

(3) require the public housing agency to give adequate written notice of termination of the lease, which shall not be less than—

(A) the period provided under the applicable law of the jurisdiction or 14 days, whichever is less, in the case of nonpayment of rent;

(B) a reasonable period of time, but not to exceed 14 days, when the health or safety of other residents or public housing agency employees is threatened; and

(C) the period of time provided under the applicable law of the jurisdiction, in any other case;

(4) contain the provisions required under sections 642 and 643 (relating to limitations on occupancy in federally assisted housing); and

(5) specify that, with respect to any notice of eviction or termination, notwithstanding any State law, a public housing resident shall be informed of the opportunity, prior to any hearing or trial, to examine any relevant documents, records or regulations directly related to the eviction or termination.

SEC. 227. DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES.

(a) AUTHORITY TO PROVIDE DESIGNATED HOUSING.—

(1) IN GENERAL.—Subject only to provisions of this section and notwithstanding any other provision of law, a public housing agency for which the information required under subsection (d) is in effect may provide public housing developments (or portions of developments) designated for occupancy by (A) only elderly families, (B) only disabled families, or (C) elderly and disabled families.

(2) PRIORITY FOR OCCUPANCY.—In determining priority for admission to public housing developments (or portions of developments) that are designated for occupancy as provided in paragraph (1), the public housing agency may make units in such developments (or portions) available on to the types of families for whom the development is designated.

(3) ELIGIBILITY OF NEAR-ELDERLY FAMILIES.—If a public housing agency determines that there are insufficient numbers of elderly families to fill all the units in a development (or portion of a development) designated under paragraph (1) for occupancy by only elderly families, the agency may provide that near-elderly families may occupy dwelling units in the development (or portion).

(b) STANDARDS REGARDING EVICTIONS.—Except as provided in subtitle C of title VI, any tenant who is lawfully residing in a dwelling unit in a public housing development may not be evicted or otherwise required to vacate such unit because of the designation of the development (or portion of a development) pursuant to this section or because of any action taken by the Secretary or any public housing agency pursuant to this section.

(c) RELOCATION ASSISTANCE.—A public housing agency that designates any existing development or building, or portion thereof, for occupancy as provided under subsection (A)(1) shall provide, to each person and family who agrees to be relocated in connection with such designation—

(1) notice of the designation and an explanation of available relocation benefits, as soon as is practicable for the agency and the person or family;

(2) access to comparable housing (including appropriate services and design features), which may include choice-based rental housing assistance under title III, at a rental rate paid by the tenant that is comparable to that applicable to the unit from which the person or family has vacated; and

(3) payment of actual, reasonable moving expenses.

(d) REQUIRED INCLUSIONS IN LOCAL HOUSING MANAGEMENT PLAN.—A public housing agency may designate a development (or portion of a development) for occupancy under subsection (a)(1) only if the agency, as part of the agency's local housing management plan—

(1) establishes that the designation of the development is necessary—

(A) to achieve the housing goals for the jurisdiction under the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act; or

(B) to meet the housing needs of the low-income population of the jurisdiction; and

(2) includes a description of—

(A) the development (or portion of a development) to be designated;

(B) the types of tenants for which the development is to be designated;

(C) any supportive services to be provided to tenants of the designated development (or portion);

(D) how the design and related facilities (as such term is defined in section 202(d)(8) of the Housing Act of 1959) of the development accommodate the special environmental needs of the intended occupants; and

(E) any plans to secure additional resources or housing assistance to provide assistance to families that may have been housed if occupancy in the development were not restricted pursuant to this section.

For purposes of this subsection, the term "supportive services" means services designed to meet the special needs of residents. Notwithstanding section 107, the Secretary may approve a local housing management plan without approving the portion of the plan covering designation of a development pursuant to this section.

(e) EFFECTIVENESS.—

(1) INITIAL 5-YEAR EFFECTIVENESS.—The information required under subsection (d) shall be in effect for purposes of this section during the 5-year period that begins upon notification under section 107(a) of the public housing agency that the information complies with the requirements under section 106 and this section.

(2) RENEWAL.—Upon the expiration of the 5-year period under paragraph (1) or any 2-year period under this paragraph, an agency may extend the effectiveness of the designation and information for an additional 2-year period (that begins upon such expiration) by submitting to the Secretary any information needed to update the information. The Secretary may not limit the number of times a public housing agency extends the effectiveness of a designation and information under this paragraph.

(3) TREATMENT OF EXISTING PLANS.—Notwithstanding any other provision of this section, a public housing agency shall be considered to have submitted the information required under this section if the agency has submitted to the Secretary an application and allocation plan under section 7 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act) that has not been approved or disapproved before such effective date.

(4) TRANSITION PROVISION.—Any application and allocation plan approved under section 7 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act) before such effective date shall be considered to be the information required to be submitted under this section and that is in effect for purposes of this section for the 5-year period beginning upon such approval.

(f) INAPPLICABILITY OF UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITIONS POLICY ACT OF 1970.—No resident of a public housing development shall be considered to be displaced for purposes of the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 because of the designation of any existing development or building, or portion thereof, for occupancy as provided under subsection (a) of this section.

(g) USE OF AMOUNTS.—Any amounts appropriated pursuant to section 10(b) of the Housing Opportunity Program Extension Act of 1996 (Public Law 104–120) may also be used, to the extent or in such amounts as are or have been provided in advance in appropriation Acts, for choice-based rental housing assistance under title III for public housing agencies to implement this section.

Subtitle C—Management

SEC. 231. MANAGEMENT PROCEDURES.

(a) SOUND MANAGEMENT.—A public housing agency that receives grant amounts under this title shall establish and comply with

procedures and practices sufficient to ensure that the public housing developments owned or administered by the agency are operated in a sound manner.

(b) ACCOUNTING SYSTEM FOR RENTAL COLLECTIONS AND COSTS.—

(1) ESTABLISHMENT.—Each public housing agency that receives grant amounts under this title shall establish and maintain a system of accounting for rental collections and costs (including administrative, utility, maintenance, repair, and other operating costs) for each project and operating cost center (as determined by the Secretary).

(2) ACCESS TO RECORDS.—Each public housing agency shall make available to the general public the information required pursuant to paragraph (1) regarding collections and costs.

(3) EXEMPTION.—The Secretary may permit authorities owning or operating fewer than 500 dwelling units to comply with the requirements of this subsection by accounting on an agency-wide basis.

(c) MANAGEMENT BY OTHER ENTITIES.—Except as otherwise provided under this Act, a public housing agency may contract with any other entity to perform any of the management functions for public housing owned or operated by the public housing agency.

SEC. 232. HOUSING QUALITY REQUIREMENTS.

(a) IN GENERAL.—Each public housing agency that receives grant amounts under this Act shall maintain its public housing in a condition that complies—

(1) in the case of public housing located in a jurisdiction which has in effect laws, regulations, standards, or codes regarding habitability of residential dwellings, with such applicable laws, regulations, standards, or codes; or

(2) in the case of public housing located in a jurisdiction which does not have in effect laws, regulations, standards, or codes described in paragraph (1), with the housing quality standards established under subsection (b).

(b) FEDERAL HOUSING QUALITY STANDARDS.—The Secretary shall establish housing quality standards under this subsection that ensure that public housing dwelling units are safe, clean, and healthy. Such standards shall include requirements relating to habitability, including maintenance, health and sanitation factors, condition, and construction of dwellings, and shall, to the greatest extent practicable, be consistent with the standards established under section 328(c). The Secretary shall differentiate between major and minor violations of such standards.

(c) DETERMINATIONS.—Each public housing agency providing housing assistance shall identify, in the local housing management plan of the agency, whether the agency is utilizing the standard under paragraph (1) or (2) of subsection (a).

(d) ANNUAL INSPECTIONS.—Each public housing agency that owns or operates public housing shall make an annual inspection of each public housing development to determine whether units in the development are maintained in accordance with the requirements under subsection (a). The agency shall retain the results of such inspections and, upon the request of the Secretary, the Inspector General for the Department of Housing and Urban Development, or any auditor conducting an audit under section 541, shall make such results available.

SEC. 233. EMPLOYMENT OF RESIDENTS.

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) is amended—

(1) in subsection (c)(1)—

(A) in subparagraph (A)—

(i) by striking "public and Indian housing agencies" and inserting "public housing agencies and recipients of grants under the Native American Housing Assistance and Self-Determination Act of 1996"; and

(ii) by striking "development assistance" and all that follows through the end and inserting "assistance provided under title II of the Housing Opportunity and Responsibility Act of 1997 and used for the housing production, operation, or capital needs."; and

(B) in subparagraph (B)(ii), by striking "managed by the public or Indian housing agency" and inserting "assisted by the public housing agency or the recipient of a grant under the Native American Housing Assistance and Self-Determination Act of 1996"; and

(2) in subsection (d)(1)—

(A) in subparagraph (A)—

(i) by striking "public and Indian housing agencies" and inserting "public housing agencies and recipients of grants under the Native American Housing Assistance and Self-Determination Act of 1996"; and

(ii) by striking "development assistance" and all that follows through "section 14 of that Act" and inserting "assistance provided under title II of the Housing Opportunity and Responsibility Act of 1997 and used for the housing production, operation, or capital needs"; and

(B) in subparagraph (B)(ii), by striking "operated by the public or Indian housing agency" and inserting "assisted by the public housing agency or the recipient of a grant under the Native American Housing Assistance and Self-Determination Act of 1996".

SEC. 234. RESIDENT COUNCILS AND RESIDENT MANAGEMENT CORPORATIONS.

(a) RESIDENT COUNCILS.—The residents of a public housing development may establish a resident council for the development for purposes of consideration of issues relating to residents, representation of resident interests, and coordination and consultation with a public housing agency. A resident council shall be an organization or association that—

(1) is nonprofit in character;

(2) is representative of the residents of the eligible housing;

(3) adopts written procedures providing for the election of officers on a regular basis; and

(4) has a democratically elected governing board, which is elected by the residents of the eligible housing on a regular basis.

(b) RESIDENT MANAGEMENT CORPORATIONS.—

(1) ESTABLISHMENT.—The residents of a public housing development may establish a resident management corporation for the purpose of assuming the responsibility for the management of the development under section 235 or purchasing a development.

(2) REQUIREMENTS.—A resident management corporation shall be a corporation that—

(A) is nonprofit in character;

(B) is organized under the laws of the State in which the development is located;

(C) has as its sole voting members the residents of the development; and

(D) is established by the resident council for the development or, if there is not a resident council, by a majority of the households of the development.

SEC. 235. MANAGEMENT BY RESIDENT MANAGEMENT CORPORATION.

(a) AUTHORITY.—A public housing agency may enter into a contract under this section with a resident management corporation to provide for the management of public housing developments by the corporation.

(b) CONTRACT.—A contract under this section for management of public housing developments by a resident management corporation shall establish the respective management rights and responsibilities of the corporation and the public housing agency. The contract shall be consistent with the requirements of this Act applicable to public housing development and may include specific terms governing management personnel and compensation, access to public housing records, submission of and adherence to budgets, rent collection procedures, resident income verification, resident eligibility determinations, resident eviction, the acquisition of supplies and materials and such other matters as may be appropriate. The contract shall be treated as a contracting out of services.

(c) BONDING AND INSURANCE.—Before assuming any management responsibility for a public housing development, the resident management corporation shall provide fidelity bonding and insurance, or equivalent protection. Such bonding and insurance, or its equivalent, shall be adequate to protect the Secretary and the public housing agency against loss, theft, embezzlement, or fraudulent acts on the part of the resident management corporation or its employees.

(d) BLOCK GRANT ASSISTANCE AND INCOME.—A contract under this section shall provide for—

(1) the public housing agency to provide a portion of the block grant assistance under this title to the resident management corporation for purposes of operating the public housing development covered by the contract and performing such other eligible activities with respect to the development as may be provided under the contract;

(2) the amount of income expected to be derived from the development itself (from sources such as rents and charges);

(3) the amount of income to be provided to the development from the other sources of income of the public housing agency (such as interest income, administrative fees, and rents); and

(4) any income generated by a resident management corporation of a public housing development that exceeds the income estimated under the contract shall be used for eligible activities under section 203(a).

(e) CALCULATION OF TOTAL INCOME.—

(1) MAINTENANCE OF SUPPORT.—Subject to paragraph (2), the amount of assistance provided by a public housing agency to a public housing development managed by a resident management corporation may not be reduced during the 3-year period beginning on the date on which the resident management corporation is first established for the development.

(2) REDUCTIONS AND INCREASES IN SUPPORT.—If the total income of a public housing agency is reduced or increased, the income provided by the public housing agency to a public housing development managed by a resident management corporation shall be reduced or increased in proportion to the reduction or increase in the total income of the agency, except that any reduction in block grant amounts under this title to the agency that occurs as a result of fraud, waste, or mismanagement by the agency shall not affect the amount provided to the resident management corporation.

SEC. 236. TRANSFER OF MANAGEMENT OF CERTAIN HOUSING TO INDEPENDENT MANAGER AT REQUEST OF RESIDENTS.

(a) AUTHORITY.—The Secretary may transfer the responsibility and authority for management of specified housing (as such term is defined in subsection (h)) from a public housing agency to an eligible management entity, in accordance with the requirements of this section, if—

(1) such housing is owned or operated by a public housing agency that is designated as a troubled agency under section 533(a); and

(2) the Secretary determines that—

(A) such housing has deferred maintenance, physical deterioration, or obsolescence of major systems and other deficiencies in the physical plant of the project;

(B) such housing is occupied predominantly by families with children who are in a severe state of distress, characterized by such factors as high rates of unemployment, teenage pregnancy, single-parent households, long-term dependency on public assistance and minimal educational achievement;

(C) such housing is located in an area such that the housing is subject to recurrent vandalism and criminal activity (including drug-related criminal activity); and

(D) the residents can demonstrate that the elements of distress for such housing specified in subparagraphs (A) through (C) can be remedied by an entity that has a demonstrated capacity to manage; with reasonable expenses for modernization.

Such a transfer may be made only as provided in this section, pursuant to the approval by the Secretary of a request for the transfer made by a majority vote of the residents for the specified housing, after consultation with the public housing agency for the specified housing.

(b) BLOCK GRANT ASSISTANCE.—Pursuant to a contract under subsection (c), the Secretary shall require the public housing agency for specified housing to provide to the manager for the housing, from any block grant amounts under this title for the agency, fair and reasonable amounts for operating costs for the housing. The amount made available under this subsection to a manager shall be determined by the Secretary based on the share for the specified housing of the total block grant amounts for the public housing agency transferring the housing, taking into consideration the operating and capital improvement needs of the specified housing, the operating and capital improvement needs of the remaining public housing units managed by the public housing agency, and the local housing management plan of such agency.

(c) CONTRACT BETWEEN SECRETARY AND MANAGER.—

(1) REQUIREMENTS.—Pursuant to the approval of a request under this section for transfer of the management of specified housing, the Secretary shall enter into a contract with the eligible management entity.

(2) TERMS.—A contract under this subsection shall contain provisions establishing the rights and responsibilities of the manager with respect to the specified housing and the Secretary and shall be consistent with the requirements of this Act applicable to public housing developments.

(d) COMPLIANCE WITH LOCAL HOUSING MANAGEMENT PLAN.—A manager of specified housing under this section shall comply with the approved local housing management plan applicable to the housing and shall submit such information to the public housing agency from which management was transferred as may be necessary for such agency to prepare and update its local housing management plan.

(e) DEMOLITION AND DISPOSITION BY MANAGER.—A manager under this section may demolish or dispose of specified housing only if, and in the manner, provided for in the local housing management plan for the agency transferring management of the housing.

(f) LIMITATION ON PHA LIABILITY.—A public housing agency that is not a manager for specified housing shall not be liable for any act or failure to act by a manager or resident council for the specified housing.

(g) TREATMENT OF MANAGER.—To the extent not inconsistent with this section and to the extent the Secretary determines not inconsistent with the purposes of this Act, a manager of specified housing under this section shall be considered to be a public housing agency for purposes of this title.

(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ELIGIBLE MANAGEMENT ENTITY.—The term "eligible management entity" means, with respect to any public housing development, any of the following entities:

(A) NONPROFIT ORGANIZATION.—A public or private nonprofit organization, which shall—

(i) include a resident management corporation or resident management organization and, as determined by the Secretary, a public or private nonprofit organization sponsored by the public housing agency that owns the development; and

(ii) not include the public housing agency that owns the development.

(B) FOR-PROFIT ENTITY.—A for-profit entity that has demonstrated experience in providing low-income housing.

(C) STATE OR LOCAL GOVERNMENT.—A State or local government, including an agency or instrumentality thereof.

(D) PUBLIC HOUSING AGENCY.—A public housing agency (other than the public housing agency that owns the development).

The term does not include a resident council.

(2) MANAGER.—The term "manager" means any eligible management entity that has entered into a contract under this section with the Secretary for the management of specified housing.

(3) NONPROFIT.—The term "nonprofit" means, with respect to an organization, association, corporation, or other entity, that no part of the net earnings of the entity inures to the benefit of any member, founder, contributor, or individual.

(4) PRIVATE NONPROFIT ORGANIZATION.—The term "private nonprofit organization" means any private organization (including a State or locally chartered organization) that—

(A) is incorporated under State or local law;

(B) is nonprofit in character;

(C) complies with standards of financial accountability acceptable to the Secretary; and

(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income families.

(5) PUBLIC HOUSING AGENCY.—The term "public housing agency" has the meaning given such term in section 103(a).

(6) PUBLIC NONPROFIT ORGANIZATION.—The term "public nonprofit organization" means any public entity that is nonprofit in character.

(7) SPECIFIED HOUSING.—The term "specified housing" means a public housing development or developments, or a portion of a development or developments, for which the transfer of management is requested under this section. The term includes one or more contiguous buildings and an area of contiguous row houses, but in the case of a single building, the building shall be sufficiently separable from the remainder of the development of which it is part to make transfer of the management of the building feasible for purposes of this section.

SEC. 237. RESIDENT OPPORTUNITY PROGRAM.

(a) PURPOSE.—The purpose of this section is to encourage increased resident management of public housing developments, as a means of improving existing living conditions in public housing developments, by providing increased flexibility for public housing developments that are managed by residents by—

(1) permitting the retention, and use for certain purposes, of any revenues exceeding operating and project costs; and

(2) providing funding, from amounts otherwise available, for technical assistance to promote formation and development of resident management entities.

For purposes of this section, the term "public housing development" includes one or more contiguous buildings or an area of contiguous row houses the elected resident councils of which approve the establishment of a resident management corporation and otherwise meet the requirements of this section.

(b) PROGRAM REQUIREMENTS.—

(1) RESIDENT COUNCIL.—As a condition of entering into a resident opportunity program, the elected resident council of a public housing development shall approve the establishment of a resident management corporation that complies with the requirements of section 234(b)(2). When such approval is made by the elected resident council of a building or row house area, the resident opportunity program shall not interfere with the rights of other families residing in the development or harm the efficient operation of the development. The resident management corporation and the resident council may be the same organization, if the organization complies with the requirements applicable to both the corporation and council.

(2) PUBLIC HOUSING MANAGEMENT SPECIALIST.—The resident council of a public housing development, in cooperation with the public housing agency, shall select a qualified public housing management specialist to assist in determining the feasibility of, and to help establish, a resident management corporation and to provide training and other duties agreed to in the daily operations of the development.

(3) MANAGEMENT RESPONSIBILITIES.—A resident management corporation that qualifies under this section, and that supplies insurance and bonding or equivalent protection sufficient to the Secretary and the public housing agency, shall enter into a contract with the agency establishing the respective management rights and responsibilities of the corporation and the agency. The contract shall be treated as a contracting out of services and shall be subject to the requirements under section 235 for such contracts.

(4) ANNUAL AUDIT.—The books and records of a resident management corporation operating a public housing development shall be audited annually by a certified public accountant. A written report of each such audit shall be forwarded to the public housing agency and the Secretary.

(c) COMPREHENSIVE IMPROVEMENT ASSISTANCE.—Public housing developments managed by resident management corporations

may be provided with modernization assistance from grant amounts under this title for purposes of renovating such developments. If such renovation activities (including the planning and architectural design of the rehabilitation) are administered by a resident management corporation, the public housing agency involved may not retain, for any administrative or other reason, any portion of the assistance provided pursuant to this subsection unless otherwise provided by contract.

(d) WAIVER OF FEDERAL REQUIREMENTS.—

(1) WAIVER OF REGULATORY REQUIREMENTS.—Upon the request of any resident management corporation and public housing agency, and after notice and an opportunity to comment is afforded to the affected residents, the Secretary may waive (for both the resident management corporation and the public housing agency) any requirement established by the Secretary (and not specified in any statute) that the Secretary determines to unnecessarily increase the costs or restrict the income of a public housing development.

(2) WAIVER TO PERMIT EMPLOYMENT.—Upon the request of any resident management corporation, the Secretary may, subject to applicable collective bargaining agreements, permit residents of such development to volunteer a portion of their labor.

(3) EXCEPTIONS.—The Secretary may not waive under this subsection any requirement with respect to income eligibility for purposes of section 222, family rental payments under section 225, tenant or applicant protections, employee organizing rights, or rights of employees under collective bargaining agreements.

(e) OPERATING ASSISTANCE AND DEVELOPMENT INCOME.—

(1) CALCULATION OF OPERATING SUBSIDY.—The grant amounts received under this title by a public housing agency used for operating fund activities under section 203(a)(2) that are allocated to a public housing development managed by a resident management corporation shall not be less than per unit monthly amount of such assistance used by the public housing agency in the previous year, as determined on an individual development basis.

(2) CONTRACT REQUIREMENTS.—Any contract for management of a public housing development entered into by a public housing agency and a resident management corporation shall specify the amount of income expected to be derived from the development itself (from sources such as rents and charges) and the amount of income funds to be provided to the development from the other sources of income of the agency (such as assistance for operating activities under section 203(a)(2), interest income, administrative fees, and rents).

(f) RESIDENT MANAGEMENT TECHNICAL ASSISTANCE AND TRAINING.—

(1) FINANCIAL ASSISTANCE.—To the extent budget authority is available under this title, the Secretary shall provide financial assistance to resident management corporations or resident councils that obtain, by contract or otherwise, technical assistance for the development of resident management entities, including the formation of such entities, the development of the management capability of newly formed or existing entities, the identification of the social support needs of residents of public housing developments, and the securing of such support. In addition, the Secretary may provide financial assistance to resident management corporations or resident councils for activities sponsored by resident organizations for economic uplift, such as job training, economic development, security, and other self-sufficiency activities beyond those related to the management of public housing. The Secretary may require resident councils or resident management corporations to utilize public housing agencies or other qualified organizations as contract administrators with respect to financial assistance provided under this paragraph.

(2) LIMITATION ON ASSISTANCE.—The financial assistance provided under this subsection with respect to any public housing development may not exceed $100,000.

(3) PROHIBITION.—A resident management corporation or resident council may not, before the award to the corporation or council of a grant amount under this subsection, enter into any contract or other agreement with any entity to provide such entity with amounts from the grant for providing technical assistance or carrying out other activities eligible for assistance with amounts under this subsection. Any such agreement entered into in violation of this paragraph shall be void and unenforceable.

(4) FUNDING.—Of any amounts made available under section 282(1) for use under the capital fund, the Secretary may use to carry out this subsection $15,000,000 for fiscal year 1998.

(5) LIMITATION REGARDING ASSISTANCE UNDER HOPE GRANT PROGRAM.—The Secretary may not provide financial assistance under this subsection to any resident management corporation or resident council with respect to which assistance for the development or formation of such entity is provided under title III of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act).

(6) TECHNICAL ASSISTANCE AND CLEARINGHOUSE.—The Secretary may use up to 10 percent of the amount made available pursuant to paragraph (4)—

(A) to provide technical assistance, directly or by grant or contract, and

(B) to receive, collect, process, assemble, and disseminate information,

in connection with activities under this subsection.

(g) ASSESSMENT AND REPORT BY SECRETARY.—Not later than 3 years after the date of the enactment of this Act, the Secretary shall—

(1) conduct an evaluation and assessment of resident management, and particularly of the effect of resident management on living conditions in public housing; and

(2) submit to the Congress a report setting forth the findings of the Secretary as a result of the evaluation and assessment and including any recommendations the Secretary determines to be appropriate.

(h) APPLICABILITY.—Any management contract between a public housing agency and a resident management corporation that is entered into after the date of the enactment of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 shall be subject to this section and any regulations issued to carry out this section.

Subtitle D—Homeownership

SEC. 251. RESIDENT HOMEOWNERSHIP PROGRAMS.

(A) IN GENERAL.—A public housing agency may carry out a homeownership program in accordance with this section and the local housing management plan of the agency to make public housing dwelling units, public housing developments, and other housing projects available for purchase by low-income families. An agency may transfer a unit only pursuant to a homeownership program approved by the Secretary. Notwithstanding section 107, the Secretary may approve a local housing management plan without approving the portion of the plan regarding a homeownership program pursuant to this section. In the case of the portion of a plan regarding the homeownership program that is submitted separately pursuant to the preceding sentence, the Secretary shall approve or disapprove such portion not later than 60 days after the submission of such portion.

(b) PARTICIPATING UNITS.—A program under this section may cover any existing public housing dwelling units or projects, and may include other dwelling units and housing owned, operated, or assisted, or otherwise acquired for use under such program, by the public housing agency.

(c) ELIGIBLE PURCHASERS.—

(1) LOW-INCOME REQUIREMENT.—Only low-income families assisted by a public housing agency, other low-income families and, entities formed to facilitate such sales by purchasing units for resale to low-income families shall be eligible to purchase housing under a homeownership program under this section.

(2) OTHER REQUIREMENTS.—A public housing agency may establish other requirements or limitations for families to purchase housing under a homeownership program under this section, including requirements or limitations regarding employment or participation in employment counseling or training activities, criminal activity, participation in homeownership counseling programs, evidence of regular income, and other requirements. In the case of purchase by an entity for resale to low-income families, the entity shall sell the units to low-income families within 5 years from the date of its acquisition of the units. The entity shall use any net proceeds from the resale and from managing the units, as determined in accordance with guidelines of the Secretary, for housing purposes, such as funding resident organizations and reserves for capital replacement.

(d) FINANCING AND ASSISTANCE.—A homeownership program under this section may provide financing for acquisition of housing by families purchasing under the program or by the public housing agency for sale under this program in any manner considered appropriate by the agency (including sale to a resident management corporation).

(e) DOWNPAYMENT REQUIREMENT.—

(1) IN GENERAL.—Each family purchasing housing under a homeownership program under this section shall be required to provide from its own resources a downpayment in connection with any loan for acquisition of the housing, in an amount determined by the public housing agency. Except as provided in paragraph (2), the agency shall permit the family to use grant amounts, gifts from relatives, contributions from private sources, and similar amounts as downpayment amounts in such purchase,

(2) DIRECT FAMILY CONTRIBUTION.—In purchasing housing pursuant to this section, each family shall contribute an amount of the downpayment, from resources of the family other than grants, gifts, contributions, or other similar amounts referred to in paragraph (1), that is not less than 1 percent of the purchase price.

(f) OWNERSHIP INTERESTS.—A homeownership program under this section may provide for sale to the purchasing family of any ownership interest that the public housing agency considers appropriate under the program, including ownership in fee simple, a condominium interest, an interest in a limited

dividend cooperative, a shared appreciation interest with a public housing agency providing financing.

(g) RESALE.—

(1) AUTHORITY AND LIMITATION.—A homeownership program under this section shall permit the resale of a dwelling unit purchased under the program by an eligible family, but shall provide such limitations on resale as the agency considers appropriate (whether the family purchases directly from the agency or from another entity) for the agency to recapture—

(A) from any economic gain derived from any such resale occurring during the 5-year period beginning upon purchase of the dwelling unit by the eligible family, a portion of the amount of any financial assistance provided under the program by the agency to the eligible family; and

(B) after the expiration of such 5-year period, only such amounts as are equivalent to the assistance provided under this section by the agency to the purchaser.

(2) CONSIDERATIONS.—The limitations referred to in paragraph (1) may provide for consideration of the aggregate amount of assistance provided under the program to the family, the contribution to equity provided by the purchasing eligible family, the period of time elapsed between purchase under the home-ownership program and resale, the reason for resale, any improvements to the property made by the eligible family, any appreciation in the value of the property, and any other factors that the agency considers appropriate.

(h) SALE OF CERTAIN SCATTERED-SITE HOUSING.—A public housing agency that the Secretary has determined to be a high-performing agency may use the proceeds from the disposition of scattered-site public housing under a homeownership program under this section to purchase replacement scattered-site dwelling units, to the extent such use is provided for in the local housing management plan for the agency approved under section 107. Any such replacement dwelling units shall be considered public housing for purposes of this Act.

(i) INAPPLICABILITY OF DISPOSITION REQUIREMENTS.—The provisions of section 261 shall not apply to disposition of public housing dwelling units under a home-ownership program under this section, except that any dwelling units sold under such a program shall be treated as public housing dwelling units for purposes of subsections (e) and (f) of section 261.

Subtitle E—Disposition, Demolition, and Revitalization of Developments

SEC. 261. REQUIREMENTS FOR DEMOLITION AND DISPOSITION OF DEVELOPMENTS.

(a) AUTHORITY AND FLEXIBILITY.—A public housing agency may demolish, dispose of, or demolish and dispose of nonviable or nonmarketable public housing developments of the agency in accordance with this section.

(b) LOCAL HOUSING MANAGEMENT PLAN REQUIREMENT.—A public housing agency may take any action to demolish or dispose of a public housing development (or a portion of a development) only if such demolition or disposition complies with the provisions of this section and is in accordance with the local housing management plan for the agency. Notwithstanding section 107, the Secretary may approve a local housing management plan without approving the portion of the plan covering demolition or disposition pursuant to this section.

(c) PURPOSE OF DEMOLITION OR DISPOSITION.—A public housing agency may demolish or dispose of a public housing development (or portion of a development) only if the agency provides sufficient evidence to the Secretary that—

(1) the development (or portion thereof) is severely distressed or obsolete;

(2) the development (or portion thereof) is in a location making it unsuitable for housing purposes;

(3) the development (or portion thereof) has design or construction deficiencies that make cost-effective rehabilitation infeasible;

(2) assuming that reasonable rehabilitation and management intervention for the development has been completed and paid for, the anticipated revenue that would be derived from charging market-based rents for units in the development (or portion thereof) would not cover the anticipated operating costs and replacement reserves of the development (or portion) at full occupancy and the development (or portion) would constitute a substantial burden on the resources of the public housing agency;

(5) retention of the development (or portion thereof) is not in the best interests of the residents of the public housing agency because—

(A) developmental changes in the area surrounding the development adversely affect the health or safety of the residents or the feasible operation of the development by the public housing agency;

(B) demolition or disposition will allow the acquisition, development, or rehabilitation of other properties which will be more efficiently or effectively operated as low-income housing; or

(C) other factors exist that the agency determines are consistent with the best interests of the residents and the agency and not inconsistent with other provisions of this Act;

(6) in the case only of demolition or disposition of a portion of a development, the demolition or disposition will help to ensure the remaining useful life of the remainder of the development; or

(7) in the case only of property other than dwelling units—

(A) the property is excess to the needs of a development; or

(B) the demolition or disposition is incidental to, or does not interfere with, continued operation of a development.

The evidence required under this subsection shall include, as a condition of demolishing or disposing of a public housing development (or portion of a development) estimated to have a value of $100,000 or more, a statement of the market value of the development (or portion), which has been determined by a party not having any interest in the housing or the public housing agency and pursuant to not less than 2 professional, independent appraisals of the development (or portion).

(d) CONSULTATION.—A public housing agency may demolish or dispose of a public housing development (or portion of a development) only if the agency notifies and confers regarding the demolition or disposition with—

(1) the residents of the development (or portion); and

(2) appropriate local government officials.

(e) COUNSELING.—A public housing agency may demolish or dispose of a public housing development (or a portion of a development) only if the agency provides any necessary counseling for families displaced by such action to facilitate relocation.

(f) USE OF PROCEEDS.—Any net proceeds from the disposition of a public housing development (or portion of a development) shall be used for—

(1) housing assistance for low-income families that is consistent with the low-income housing needs of the community, through acquisition, development, or rehabilitation of, or homeownership programs for, other low-income housing or the provision of choice-based assistance under title III for such families;

(2) supportive services relating job training or child care for residents of a development or developments; or

(3) leveraging amounts for securing commercial enterprises, on-site in public housing developments of the public housing agency, appropriate to serve the needs of the residents.

(g) RELOCATION.—A public housing agency that demolishes or disposes of a public housing development (or portion of a development thereof) shall ensure that—

(1) each family that is a resident of the development (or portion) that is demolished or disposed of is relocated to other safe, clean, healthy, and affordable housing, which is, to the maximum extent practicable, housing of the family's choice, including choice-based assistance under title III (provided that with respect to choice-based assistance, the preceding requirement shall be fulfilled only upon the relocation of the family into such housing);

(2) the public housing agency does not take any action to dispose of any unit until any resident to be displaced is relocated in accordance with paragraph (1); and

(3) each resident family to be displaced is paid relocation expenses, and the rent to be paid initially by the resident following relocation does not exceed the amount permitted under section 225(a).

(h) RIGHT OF FIRST REFUSAL FOR RESIDENT ORGANIZATIONS AND RESIDENT MANAGEMENT CORPORATIONS.—

(1) IN GENERAL.—A public housing agency may not dispose of a public housing development (or portion of a development) unless the agency has, before such disposition, offered to sell the property, as provided in this subsection, to each resident organization and resident management corporation operating at the development for continued use as low-income housing, and no such organization or corporation purchases the property pursuant to such offer. A resident organization may act, for purposes of this subsection, through an entity formed to facilitate homeownership under subtitle D.

(2) TIMING.—Disposition of a development (or portion thereof) under this section may not take place—

(A) before the expiration of the period during which any such organization or corporation may notify the agency of interest in purchasing the property, which shall be the 30-day period beginning on the date that the agency first provides notice of the proposed disposition of the property to such resident organizations and resident management corporations;

(B) if an organization or corporation submits notice of interest in accordance with subparagraph (A), before the expiration of the period during which such organization or corporation may obtain a commitment for financing to purchase the property, which shall be the 60-day period beginning upon the submission to the agency of the notice of interest; or

(C) if, during the period under subparagraph (B), an organization or corporation obtains such financing commitment and makes a bona fide offer to the agency to purchase the property for a price equal to or exceeding the applicable offer price under paragraph (3).

The agency shall sell the property pursuant to any purchase offer described in subparagraph (C).

(3) TERMS OF OFFER.—An offer by a public housing agency to sell a property in accordance with this subsection shall involve a purchase price that reflects the market value of the property, the reason for the sale, the impact of the sale on the surrounding community, and any other factors that the agency considers appropriate.

(i) INFORMATION FOR LOCAL HOUSING MANAGEMENT PLAN.—A public housing agency may demolish or dispose of a public housing development (or portion thereof) only if it includes in the applicable local housing management plan information sufficient to describe—

(1) the housing to be demolished or disposed of;

(2) the purpose of the demolition or disposition under subsection (c) and why the demolition or disposition complies with the requirements under subsection (c), and includes evidence of the market value of the development (or portion) required under subsection (c);

(3) how the consultations required under subsection (d) will be made;

(4) how the net proceeds of the disposition will be used in accordance with subsection (f);

(5) how the agency will relocate residents, if necessary, as required under subsection (g); and

(6) that the agency has offered the property for acquisition by resident organizations and resident management corporations in accordance with subsection (h).

(j) SITE AND NEIGHBORHOOD STANDARDS EXEMPTION.—Notwithstanding any other provision of law, a public housing agency may provide for development of public housing dwelling units on the same site or in the same neighborhood as any dwelling units demolished, pursuant to a plan under this section, but only if such development provides for significantly fewer dwelling units.

(k) TREATMENT OF REPLACEMENT UNITS.—

(1) PROVISION OF OTHER HOUSING ASSISTANCE.—In connection with any demolition or disposition of public housing under this section, a public housing agency may provide for other housing assistance for low-income families that is consistent with the low-income housing needs of the community, including—

(A) the provision of choice-based assistance under title III; and

(B) the development, acquisition, or lease by the agency of dwelling units, which dwelling units shall—

(i) be eligible to receive assistance with grant amounts provided under this title; and

(ii) be made available for occupancy, operated, and managed in the manner required for public housing, and subject to the other requirements applicable to public housing dwelling units.

(2) TREATMENT OF INDIVIDUALS.—For purposes of this subsection, an individual between the ages of 18 and 21, inclusive, shall, at the discretion of the individual, be considered a family.

(l) USE OF NEW DWELLING UNITS.—A public housing agency demolishing or disposing of a public housing development (or portion thereof) under this section shall seek, where practical, to ensure that, if housing units are provided on any property that was previously used for the public housing demolished or disposed of, not less than 25 percent of such dwelling units shall be dwelling units reserved for occupancy during the remaining useful life of the housing by low-income families.

(m) PERMISSIBLE RELOCATION WITHOUT PLAN.—If a public housing agency determines that because of an emergency situation public housing dwelling units are severely uninhabitable, the public housing agency may relocate residents of such dwelling units before the submission of a local housing management plan providing for demolition or disposition of such units.

(n) CONSOLIDATION OF OCCUPANCY WITHIN OR AMONG BUILDINGS.—Nothing in this section may be construed to prevent a public housing agency from consolidating occupancy within or among buildings of a public housing development, or among developments, or with other housing for the purpose of improving living conditions of, or providing more efficient services to, residents.

(o) DE MINIMIS EXCEPTION TO DEMOLITION REQUIREMENTS.—Notwithstanding any other provision of this section, in any 5-year period a public housing agency may demolish not more than the lesser of 5 dwelling units or 5 percent of the total dwelling units owned and operated by the public housing agency, without providing for such demolition in a local housing management plan, but only if the space occupied by the demolished unit is used for meeting the service or other needs of public housing residents or the demolished unit was beyond repair.

SEC. 262. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND CHOICE-BASED ASSISTANCE GRANTS FOR DEVELOPMENTS.

(a) PURPOSES.—The purpose of this section is to provide assistance to public housing agencies for the purposes of—

(1) reducing the density and improving the living environment for public housing residents of severely distressed public housing developments through the demolition of obsolete public housing developments (or portions thereof);

(2) revitalizing sites (including remaining public housing dwelling units) on which such public housing developments are located and contributing to the improvement of the surrounding neighborhood; and

(3) providing housing that will avoid or decrease the concentration of very low-income families; and

(4) providing choice-based assistance in accordance with title III for the purpose of providing replacement housing and assisting residents to be displaced by the demolition.

(b) GRANT AUTHORITY.—The Secretary may make grants available to public housing agencies as provided in this section.

(c) CONTRIBUTION REQUIREMENT.—The Secretary may not make any grant under this section to any applicant unless the applicant certifies to the Secretary that the applicant will supplement the amount of assistance provided under this section with an amount of funds from sources other than this section equal to not less than 5 percent of the amount provided under this section, including amounts from other Federal sources, any State or local government sources, any private contributions, and the value of any in-kind services or administrative costs provided.

(d) ELIGIBLE ACTIVITIES.—Grants under this section may be used for activities to carry out revitalization programs for severely distressed public housing, including—

(1) architectural and engineering work, including the redesign, reconstruction, or redevelopment of a severely distressed public housing development, including the site on which the development is located;

(2) the demolition, sale, or lease of the site, in whole or in part;

(3) covering the administrative costs of the applicant, which may not exceed such portion of the assistance provided under this section as the Secretary may prescribe;

(4) payment of reasonable legal fees;

(5) providing reasonable moving expenses for residents displaced as a result of the revitalization of the development;

(6) economic development activities that promote the economic self-sufficiency of residents under the revitalization program;

(7) necessary management improvements;

(8) leveraging other resources, including additional housing resources, retail supportive services, jobs, and other economic development uses on or near the development that will benefit future residents of the site;

(9) replacement housing and housing assistance under title III;

(10) transitional security activities; and

(11) necessary supportive services, except that not more than 10 percent of the amount of any grant may be used for activities under this paragraph.

(e) APPLICATION AND SELECTION.—

(1) APPLICATION.—An application for a grant under this section shall contain such information and shall be submitted at such time and in accordance with such procedures, as the Secretary shall prescribe.

(2) SELECTION CRITERIA.—The Secretary shall establish selection criteria for the award of grants under this section, which shall include—

(A) the relationship of the grant to the local housing management plan for the public housing agency and how the grant will result in a revitalized site that will enhance the neighborhood in which the development is located;

(B) the capability and record of the applicant public housing agency, or any alternative management agency for the agency, for managing large-scale redevelopment or modernization projects, meeting construction timetables, and obligating amounts in a timely manner;

(C) the extent to which the public housing agency could undertake such activities without a grant under this section;

(D) the extent of involvement of residents, State and local governments, private service providers, financing entities, and developers, in the development of a revitalization program for the development; and

(E) the amount of funds and other resources to be leveraged by the grant.

The Secretary shall give preference in selection to any public housing agency that has been awarded a planning grant under section 24(c) of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act).

(f) COST LIMITS.—Subject to the provisions of this section, the Secretary—

(1) shall establish cost limits on eligible activities under this section sufficient to provide for effective revitalization programs; and

(2) may establish other cost limits on eligible activities under this section.

(g) DEMOLITION AND REPLACEMENT.—Any severely distressed public housing demolished or disposed of pursuant to a revitalization plan and any public housing produced in lieu of such severely distressed housing, shall be subject to the provisions of section 261.

(h) ADMINISTRATION BY OTHER ENTITIES.—The Secretary may require a grantee under this section to make arrangements satisfactory to the Secretary for use of an entity other than the public housing agency to

carry out activities assisted under the revitalization plan, if the Secretary determines that such action will help to effectuate the purpose of this section.

(i) WITHDRAWAL OF FUNDING.—If a grantee under this section does not proceed expeditiously, in the determination of the Secretary, the Secretary shall withdraw any grant amounts under this section that have not been obligated by the public housing agency. The Secretary shall redistribute any withdrawn amounts to one or more public housing agencies eligible for assistance under this section or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the revitalization plan of the original grantee.

(j) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPLICANT.—The term "applicant" means—

(A) any public housing agency that is not designated as troubled pursuant to section 533(a);

(B) any public housing agency or private housing management agent selected, or receiver appointed pursuant, to section 545; and

(C) any public housing agency that is designated as troubled pursuant to section 533(a) that—

(i) is so designated principally for reasons that will not affect the capacity of the agency to carry out a revitalization program;

(ii) is making substantial progress toward eliminating the deficiencies of the agency; or

(iii) is otherwise determined by the Secretary to be capable of carrying out a revitalization program.

(2) PRIVATE NONPROFIT CORPORATION.—the term "private nonprofit organization" means any private nonprofit organization (including a State or locally chartered nonprofit organization) that—

(A) is incorporated under State or local law;

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

(C) complies with standards of financial accountability acceptable to the Secretary; and

(D) has among its purposes significant activities related to the provision of decent housing that is affordable to very low-income families.

(3) SEVERELY DISTRESSED PUBLIC HOUSING.—The term "severely distressed public housing" means a public housing development (or building in a development) that—

(A) requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems and other deficiencies in the physical plant of the development;

(B) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;

(C)(i) is occupied predominantly by families who are very low-income families with children, are unemployed, and dependent on various forms of public assistance; and

(ii) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area;

(D) cannot be revitalized through assistance under other programs, such as the public housing block grant program under this title, or the programs under sections 9 and 14 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act), because of cost constraints and inadequacy of available amounts; and

(E) in the case of individual buildings, is, in the Secretary's determination, sufficiently separable from the remainder of the development of which the building is part to make use of the building feasible for purposes of this section.

(4) SUPPORTIVE SERVICES.—The term "supportive services" includes all activities that will promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing development involved, including literacy training, job training, day care, and economic development activities.

(k) ANNUAL REPORT.—The Secretary shall submit to the Congress an annual report setting forth—

(1) the number, type, and cost of public housing units revitalized pursuant to this section;

(2) the status of developments identified as severely distressed public housing;

(3) the amount and type of financial assistance provided under and in conjunction with this section; and

(4) the recommendations of the Secretary for statutory and regulatory improvements to the program established by this section.

(l) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section $500,000,000 for each of fiscal years 1998, 1999, and 2000.

(2) TECHNICAL ASSISTANCE.—Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Secretary may use not more than 0.50 percent for technical assistance. Such assistance may be provided directly or indirectly by grants, contracts, or cooperative agreements, and shall include training, and the cost of necessary travel for participants in such training, by or to officials of the Department of Housing and Urban Development, of public housing agencies, and of residents.

(m) SUNSET.—No assistance may be provided under this section after September 30, 2000.

(n) TREATMENT OF PREVIOUS SELECTIONS.—A public housing agency that has been selected to receive amounts under the notice of funding availability for fiscal year 1996 amounts for the HOPE VI program (provided under the heading "PUBLIC HOUSING DEMOLITION, SITE REVITALIZATION, AND REPLACEMENT HOUSING GRANTS" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 14371 note) (enacted as section 101(e) of Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 110 Stat. 1321–269)) may apply to the Secretary of Housing and Urban Development for a waiver of the total development cost rehabilitation requirement otherwise applicable under such program, and the Secretary may waive such requirement, but only (1) to the extent that a designated site for use of such amounts does not have dwelling units that are considered to be obsolete under Department of Housing and Urban Development regulations in effect upon the date of the enactment of this Act, and (2) if the Secretary determines that the public housing agency will continue to comply with the purposes of the program notwithstanding such waiver.

SEC. 263. VOLUNTARY VOUCHER SYSTEM FOR PUBLIC HOUSING.

(a) IN GENERAL.—A public housing agency may convert any public housing development (or portion thereof) owned and operated by the agency to a system of choice-based rental housing assistance under title III, in accordance with this section.

(b) ASSESSMENT AND PLAN REQUIREMENT.—In converting under this section to a choice-based rental housing assistance system, the public housing agency shall develop a conversion assessment and plan under this subsection, in consultation with the appropriate public officials and with significant participation by the residents of the development (or portion thereof), which assessment and plan shall—

(1) be consistent with and part of the local housing management plan for the agency;

(2) describe the conversion and future use or disposition of the public housing development, including an impact analysis on the affected community;

(3) include a cost analysis that demonstrates whether or not the cost (both on a net present value basis and in terms of new budget authority requirements) of providing choice-based rental housing assistance under title III for the same families in substantially similar dwellings over the same period of time is less expensive than continuing public housing assistance in the public housing development proposed for conversion for the remaining useful life of the development;

(4) identify the actions, if any, that the public housing agency will take with regard to converting any public housing development or developments (or portions thereof) of the agency to a system of choice-based rental housing assistance under title III;

(5) require the public housing agency to—

(A) notify the families residing in the public housing development subject to the conversion, in accordance with any guidelines issued by the Secretary governing such notifications, that—

(i) the development will be removed from the inventory of the public housing agency; and

(ii) the families displaced by such action will receive choice-based housing assistance;

(B) provide any necessary counseling for families displaced by such action to facilitate relocation; and

(C) provide any reasonable relocation expenses for families displaced by such action; and

(6) ensure that each family that is a resident of the development is relocated to other safe, clean, and healthy affordable housing, which is, to the maximum extent practicable, housing of the family's choice, including choice-based assistance under title III (provided that with respect to choice-based assistance, the preceding requirement shall be fulfilled only upon the relocation of such family into such housing).

(c) STREAMLINED ASSESSMENT AND PLAN.—At the discretion of the Secretary or at the request of a public housing agency, the Secretary may waive any or all of the requirements of subsection (b) or otherwise require a streamlined assessment with respect to any public housing development or class of public housing developments.

(d) IMPLEMENTATION OF CONVERSION PLAN.—

(1) IN GENERAL.—A public housing agency may implement a conversion plan only if the conversion assessment under this section demonstrates that the conversion—

(A) will be more expensive than continuing to operate the public housing development (or portion thereof) as public housing; and

(B) will principally benefit the residents of the public housing development (or portion thereof) to be converted, the public housing agency, and the community.

(2) DISAPPROVAL.—The Secretary shall disapprove a conversion plan only if the plan is plainly inconsistent with the conversion assessment under subsection (b) or there is reliable information and data available to the Secretary that contradicts that conversion assessment.

(e) OTHER REQUIREMENTS.—To the extent approved by the Secretary, the funds used by the public housing agency to provide choice-based rental housing assistance under title III shall be added to the housing assistance payment contract administered by the public housing agency or any entity administering the contract on behalf of the public housing agency.

(f) SAVINGS PROVISION.—This section does not affect any contract or other agreement entered into under section 22 of the United States Housing Act of 1937 (as such section existed before the effective date of the repeal under section 601(b) of this Act).

Subtitle F—Mixed-Finance Public Housing

SEC. 271. AUTHORITY.

Nothwithstanding sections 203 and 262, the Secretary may, upon such terms and conditions as the Secretary may prescribe, authorize a public housing agency to provide for the use of grant amounts allocated and provided from the capital fund or from a grant under section 262, to produce mixed-finance housing developments, or replace or revitalize existing public housing dwelling units with mixed-finance housing developments, but only if the agency submits to the Secretary a plan for such housing that is approved pursuant to section 273 by the Secretary.

SEC. 272. MIXED-FINANCE HOUSING DEVELOPMENTS.

(A) IN GENERAL.—For purposes of this subtitle, the term "mixed-finance housing" means low-income housing or mixed-income housing (as described in section 221(c)(2)) for which the financing for production or revitalization is provided, in part, from entities other than the public housing agency.

(b) PRODUCTION.—A mixed-finance housing development shall be produced or revitalized, and owned—

(1) by a public housing agency or by an entity affiliated with a public housing agency;

(2) by a partnership, a limited liability company, or other entity in which the public housing agency (or an entity affiliated with a public housing agency) is a general partner, is a managing member, or otherwise participates in the activities of the entity;

(3) by any entity that grants to the public housing agency the option to purchase the public housing project during the 20-year period beginning on the date of initial occupancy of the public housing project in accordance with section 42(l)(7) of the Internal Revenue Code of 1986; or

(4) in accordance with such other terms and conditions as the Secretary may prescribe by regulation.

This subsection may not be construed to require production or revitalization, and ownership, by the same entity.

SEC. 273. MIXED-FINANCE HOUSING PLAN.

The Secretary may approve a plan for production or revitalization of mixed-finance housing under this subtitle only if the Secretary determines that—

(1) the public housing agency has the ability, or has provided for an entity under section 272(b) that has the ability, to use the amounts provided for use under the plan for such housing, effectively, either directly or through contract management;

(2) the plan provides permanent financing commitments from a sufficient number of sources other than the public housing agency, which may include banks and other conventional lenders, States, units of general local government, State housing finance agencies, secondary market entities, and other financial institutions;

(3) the plan provides for use of amounts provided under section 271 by the public housing agency for financing the mixed-income housing in the form of grants, loans, advances, or other debt or equity investments, including collateral or credit enhancement of bonds issued by the agency or any State or local governmental agency for production or revitalization of the development; and

(4) the plan complies with any other criteria that the Secretary may establish.

SEC. 274. RENT LEVELS FOR HOUSING FINANCED WITH LOW-INCOME HOUSING TAX CREDIT.

With respect to any dwelling unit in a mixed-finance housing development that is a low-income dwelling unit for which amounts from a block grant under this title are used and that is assisted pursuant to the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986, the rents charged to the residents of the unit shall be determined in accordance with this title, but shall not in any case exceed the amounts allowable under such section 42.

SEC. 275. CARRY-OVER OF ASSISTANCE FOR REPLACED HOUSING.

In the case of a mixed-finance housing development that is replacement housing for public housing demolished or disposed of, or is the result of the revitalization of existing public housing, the share of assistance received from the capital fund and the operating fund by the public housing agency that owned or operated the housing demolished, disposed of, or revitalized shall not be reduced because of such demolition, disposition, or revitalization after the commencement of such demolition, disposition, or revitalization, unless—

(1) upon the expiration of the 18-month period beginning upon the approval of the plan under section 273 for the mixed-finance housing development, the agency does not have binding commitments for production or revitalization, or a construction contract, for such development;

(2) upon the expiration of the 4-year period beginning upon the approval of the plan, the mixed-finance housing development is not substantially ready for occupancy and is placed under the block grant contract for the agency under section 201; or

(3) the number of dwelling units in the mixed-finance housing development that are made available for occupancy only by low-income families is substantially less than the number of such dwelling units in the public housing demolished, disposed of, or revitalized.

The Secretary may extend the period under paragraph (1) or (2) for a public housing agency if the Secretary determines that circumstances beyond the control of the agency caused the agency to fail to meet the deadline under such paragraph.

Subtitle G—General Provisions

SEC. 281. PAYMENT OF NON-FEDERAL SHARE.

Rental or use-value of buildings or facilities paid for, in whole or in part, from production, modernization, or operation costs financed under this title may be used as the non-Federal share required in connection with activities undertaken under Federal grant-in-aid programs which provide social, educational, employment, and other services to the residents in a project assisted under this title.

SEC. 282. AUTHORIZATION OF APPROPRIATIONS FOR BLOCK GRANTS.

There are authorized to be appropriated for grants under this title, the following amounts:

(1) CAPITAL FUND. For the allocations from the capital fund for grants, $2,500,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002; and

(2) OPERATING FUND.—For the allocations from the operating fund for grants, $2,900,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002.

SEC. 283. FUNDING FOR OPERATION SAFE HOME.

Of any amounts made available for fiscal years 1998 and 1999 for carrying out the Community Partnerships Against Crime Act of 1997 (as so designated pursuant to section 624(a) of this Act), not more than $20,000,000 shall be available in each such fiscal year, for use under the Operation Safe Home program administered by the Office of the Inspector General of the Department of Housing and Urban Development, for law enforcement efforts to combat violent crime on or near the premises of public and federally assisted housing.

SEC. 284. FUNDING FOR RELOCATION OF VICTIMS OF DOMESTIC VIOLENCE.

Of any amounts made available for fiscal years 1998, 1999, 2000, 2001, and 2002 for choice-based housing assistance under title III of this Act, not more than $700,000 shall be available in each such fiscal year for relocating residents of public housing (including providing assistance for costs of relocation and housing assistance under title III of this Act) who are residing in public housing, who have been subject to domestic violence, and for whom provision of assistance is likely to reduce or eliminate the threat of subsequent violence to the members of the family. The Secretary shall establish procedures for eligibility and administration of assistance under this section.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY of Massachusetts:

Page 96, strike line 1 and all that follows through page 97, line 22, and insert the following:

(c) INCOME MIX.—

(1) PHA-WIDE REQUIREMENT.—Of the public housing units of a public housing agency made available for occupancy by eligible families in any fiscal year of the agency—

(A) not less than 40 percent shall be occupied by families whose incomes do not exceed 30 percent of the median income for the area; and

(B) not less than 90 percent shall be occupied by families whose incomes do not exceed 60 percent of the median income for the area; except that, for any fiscal year, the Secretary may reduce to 80 percent the percentage under this subparagraph for a public housing agency if the agency demonstrates to the satisfaction of the Secretary that such reduction would be used for, and would result in, the enhancement of the long-term viability of the housing developments of the agency.

(2) PROHIBITION OF CONCENTRATION OF LOW-INCOME FAMILIES.—A public housing agency may not, in complying with the requirements under paragraph (1), concentrate very low-income families (or other families with relatively low incomes) in public housing dwelling units in certain public housing developments or certain buildings within developments. The Secretary may review the

income and occupancy characteristics of the public housing developments, and the buildings of such developments, of public housing agencies to ensure compliance with the provisions of this paragraph.

(3) AREA MEDIAN INCOME.—For purposes of this subsection, the term "area median income" means the median income of an area, as determined by the Secretary with adjustments of smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the percentages specified in this subsection if the Secretary finds determines that such variations are necessary because of unusually high or low family incomes.

Mr. KENNEDY of Massachusetts (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

□ 1845

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I will yield if I can be allowed to extend my 5 minutes.

Mr. LAZIO of New York. Mr. Chairman, I will make the unanimous consent request for him.

Would it be acceptable to the gentleman if we could establish some reasonable time limitations, 20 minutes, 10 minutes on each side, in order to debate this issue?

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, I think, as the gentleman knows, this amendment required a great deal of time in the full committee and, in fact, was very extensively debated at that time.

I would consider perhaps a full hour of debate, distributed equally, 30 minutes on each side. If we find there is less requirement for time, I would certainly enter into an idea of reducing time at some point throughout the debate.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman would continue to yield, how does the gentleman react to, say, 20 minutes on each side, so it would be a total of 40 minutes?

Mr. KENNEDY of Massachusetts. Reclaiming my time once again, Mr. Chairman, as I say, I think an hour would be an appropriate period of time.

We understand the gentleman's reaction to this amendment, and I understand why he would like to limit it, but I do think this is one of the most important issues that is going to be faced in this legislation. And while I think there are other amendments that might be appropriate to reach some time limit agreements on, I think this goes to the heart of what public housing policy will be.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman would continue to yield, I would say to the gentleman that I am prepared to withdraw the request. I know the gentleman wants to be heard. I respect that, I want to encourage that, and so if he needs the time, I will withdraw the request.

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, I appreciate the gentleman doing so.

This amendment, I think, really gets to the heart of what our housing policy is going to be in this country. Right now we have a housing policy which indicates, and I would like to go up to the well, and can I get that chart brought up here, this chart indicates, I think very graphically, what will happen to public housing if H.R. 2 proceeds through the amendment process without change.

Right now 75 percent of all the housing units in this country, both project-based as well as in public housing combined go to people with incomes below 30 percent of median. These are the poorest people in our country. They are the fastest growing population in America. If we look at any of the population tables, we will find out among who and where our population is really, really expanding today. It is among the poorest of the poor.

Under the proposals that have been made by the Republican side, H.R. 2, the number of lower income people that would no longer be able to occupy public housing over the period of the next 10 years would drop from its current 75 percent of individuals that are below 30 percent of median income down to about 20 percent.

So what happens, Mr. Chairman, is a number of the very poor people in this country that would be able to occupy public housing would drop so dramatically that it would drop to just 20 percent of the units that would be occupied across the country would be at 30 percent of median income. Eighty percent of the units would go to people that are at 80 percent of median income. What that means is we will take people that have incomes of $40,000 a year or more and we will put them into public housing, and we will go to the very poor people and we will kick them out. That is what the heart of this debate is all about.

Nobody on the Democratic side, and I guarantee my colleagues that we will hear over and over and over again, for the next half-hour or hour as this debate goes on, that we want to keep the status quo. Nothing could be farther from the truth. No one is suggesting that we simply warehouse the poorest of the poor in these housing units. Under the Democratic proposals, we will reduce the number of very poor people to about 50–50 over a 10-year period. What we will not do is simply go in to the very poor and the very vulnerable; that in our rush to judgment about why public housing has failed, what we are going to do is just automatically throw out vast numbers of very poor people.

Now, we have cut the housing budget in America from $28 billion to $20 billion. We cut the homeless budget in this country by about 26 percent at the same time. So what we are doing, effectively, is we will be able to stand up at the end of passing this bill, which I am sure ultimately this bill might very well pass out of this Chamber, but effectively what we will have done is say we are going to revamp policy by taking in a lot more wealthier people, not wealthy but wealthier than the poor that exist there today, and by virtue of doing that we will save public housing. But what we will never debate is what happens to the very poor and the very vulnerable who will end up getting thrown out onto the streets as a result of these proposals.

We should not make it a policy of this country to simply say that we can look better as legislators.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. KENNEDY] has expired.

(By unanimous consent, Mr. KENNEDY of Massachusetts was allowed to proceed for 1 additional minute.)

Mr. KENNEDY of Massachusetts. Mr. Chairman, what this goes to is whether or not we simply enact laws to make us look good before the people of our country, by virtue of the fact that we now have sustained public housing but we do nothing about the fact that we still have poor people in America.

These are going to be very, very poor people that are going to have no shelter, that are not going to have homeless programs, that are essentially going to be thrown out on the street in order for us to look good.

I believe, Mr. Chairman, that we should have a better mix of working families in public housing. The Democratic alternative will achieve a better mix. We are not suggesting that poorly run housing authorities should not be taken over; that well-run housing authorities that have poorly run housing projects should not be taken away. What we are suggesting is that we ought not to walk away from our basic commitment to the very poor and the very vulnerable in the mix.

That is essentially what H.R. 2 will do, and I ask my colleagues in the House to recognize our responsibilities and to protect the very, very poor.

Mr. VENTO. Mr. Chairman, I rise in support of the Kennedy amendment.

Mr. Chairman, this is really a very significant amendment. As has been indicated by my colleague, the change in focus in terms of who is going to be in public housing is really the heart of this bill, and it is recognized that over the last decades that the income mix in public housing, for a variety of reasons, because of the preferences that we provided for entry and admission into public housing, has in fact result in lower and lower income individuals qualifying for public housing as a preference ahead of other families.

Clearly, only about one quarter of the families that really qualify for public housing actually have that available because the limited number, amount of production, and the inability to afford on a local and State and Federal basis additional public housing. Clearly there is a need to change that mix so that we can have a population that is more stable and is better integrated economically, and this bill does it in such a radical way that I think it really causes some significant problem.

As an example, the way H.R. 2 is set up right now, nearly 12.8 million Americans, including 5 million children and 2 million elderly and disabled which have acute housing problems, would be excluded by virtue of the types of targeting or preferences in this bill.

What the gentleman from Massachusetts is proposing is that we not maintain the income levels as they are today but that he would actually, in his graph that was presented here on the House floor, double the number; in other words, that 40 percent of the population, or 4 out of 10 of those in public housing would have incomes below 30 percent of median income. Furthermore, he would provide that 90 percent would have incomes of less than 60 percent of median income.

Mr. Chairman, in committee we evaluated what that median income was and we found in any number of urban communities that median income in those communities, 90 percent of median was in excess of $40,000 a year. So, actually, if we change the people or the individual families that we are serving and then suggest we can be successful only if families have such high incomes, that really is redefining the problem of what we are trying to deal with in the context of public and assisted housing.

Unfortunately, most individuals that do not have income, it is not an option that they have low income; it is a result of the fact that they are economic casualties in terms of our society unable to earn jobs, they are disabled, they have other problems that inhibit them from earning higher incomes.

While we want to move and change the mix of individuals in public and assisted housing, we do not want to, and we should not as a matter of policy, set in place income guidelines that completely exclude those that are among the very neediest in our society from that public housing today and tomorrow.

We know that this could or should be accomplished over a period of time when it is phased in, but nevertheless, the end result of the policy path that this bill places before us is one of excluding time and time again those families that have lower incomes that have the greatest need in the name of social engineering in terms of trying to build higher income individual families in those units; in other words, rewarding work, trying to provide some law enforcement in others, in many others to live in public housing to have a better mix.

The fact is that while those goals are good goals and goals we share, we do not think it needs to be done to the extent that is being portrayed in this bill. In fact, this method and this means of accomplishing it, I think it will very quickly change the status of public housing and our entire Federal response to public housing would come into question, because the question would be how is it that we are excluding so many low-income persons and at the same time maintaining substantial types of subsidies for those that have higher incomes that are in such public housing. I think that would lead to the demise and the questioning of looking for different means in terms of providing shelter for individuals. We no doubt would end up with more individuals that would be homeless, because that has been one of the priorities.

So I urge the adoption of the Kennedy amendment. I think it makes the necessary reforms without doing violence to the people that are intended to be served, the poorest of the poor in this Nation.

Ms. WATERS. Mr. Chairman, I move to strike the last word.

I rise in support of this amendment, Mr. Chairman. I think this is the construction of what this legislation is all about. Are we going to change radically the face of those who live in public housing or are we going to maintain public housing for those who cannot afford to live anyplace else?

It does not make good sense to me that we try to artificially design a mix for who should live in public housing. Let me tell my colleagues about public housing and what it is and why, perhaps, even that income level that we are trying to attract will not be interested in this public housing. Most of the people who live there really cannot afford to live anyplace else, because, if they could, they would.

We have not invested very much in our public housing. We have allowed our public housing to become run down. We have not supported HUD and its ability to keep this public housing up to date. And so we do have the poorest of the poor who are living in rundown housing.

The fact of the matter is in far too many places the Government of the United States of America is a slum lord.

□ 1900

We are allowing people to live in housing that is not oftentimes safe or sanitary. What is wrong with public housing? Certainly we need to support public housing and have a place for people who cannot afford to live anyplace else. But we have not placed in those public housing environments the kind of support systems that would keep people in safe environments.

For example, in many of these public housing units in our cities, we kind of pile poor people on top of each other without services. Many of the cities act as if the public housing is not a part of the city. And so what happens? The local police department is not inside the public housing, do not want to go there, do not want to take care of the people there; and they have oftentimes their own private police forces without the support of the local police to do the job of protecting the people there.

In addition to that, we pile poor people on top of each other. Yes, many of the mothers are welfare mothers. But do we have child care? Do we have a situation where mothers would have someplace to leave these children while they look for work, while they are in job training? No, we do not. One would think that in every public housing situation in America we would have child care because these are the people we say we want to go to work, these mothers who oftentimes are not trained, who would go into a job training program if they had someplace to leave their children. They do not have transportation. So it is not easy to get out, to go look for child care, to go look for jobs, to go look for job training.

One would think that the cities and the private industry councils and JEPTA, job employment partnership training agencies, would bring the services where the people are. Some of these housing projects are bigger than little towns in America. But do they have the services? There are no employment offices oftentimes anywhere near the public housing project. Oh, but we want the people to go to work. Beside the fact that there are no employment agencies, we do not have the job training, the private industry councils or the JEPTA programs inside; we do not have the child care; we do not have police departments. Many of them now are left basically to fend for themselves without any of the services of the county government or the city government.

One would think that the county and the city agencies would find ways by which to say, we will not place all of the services outside of the public housing projects; we will place them inside the housing projects so that people could easily access the services in order to mainstream them, to change their life-styles and their way of life.

We can come here and we can talk about ways of getting rid of them. Get rid of them if they do not volunteer. Get rid of them instead of having a grievance procedure.

We do not talk about how we can increase the quality of life for people who live in these public housing projects. Do we have youth centers in public housing projects for young people to be

involved in sports activities? I have been in many throughout America who do not have anything for the young people of those communities. I support this amendment because we are not going to get a mix, because who wants to live there, given the lack of resources.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as we proceed with the majority's rope-a-dope strategy, I hope we can focus on the serious importance of this issue. Obviously public housing requires great change. The question is, in what direction? It is also important to inquire as to how it got to be a problem.

Public housing came to be a problem in substantial part because of inadequate resources. No one, certainly not the poor, thought it was a good idea to take the poorest of the poor and put them in very large buildings with no services and inadequate construction, in many cases not near any other facilities. Society decided to provide housing but, having decided that, decided a little later it ought to do it as cheaply as possible. So we created public housing which was destined to deteriorate.

But we should also remember that, as bad as the public housing is, no one lives there by force. As bad as public housing is, people live there voluntarily because it is the best they can get. As we denigrate and criticize and belittle public housing, remember that, when we do people the service of freeing them from this housing they live in voluntarily, we send them someplace worse. Unless we think they are totally insane, they live here voluntarily.

It is relevant to note that because the housing budget that will come forward, in addition to what it does about public housing, will deteriorate our alternative housing resources. So we will be critical of public housing, we will be calling for a diminution of public housing units, but at the same time we will be reducing any alternatives.

Indeed, I read in the New York Times Sunday that the chairman of the Committee on Ways and Means thought that one good way to raise taxes to offset some of the tax increases in the budget deal would be to kill the low income housing tax credit, so that it will produce even less housing. That is the context of the amendment of the gentleman from Massachusetts.

What the majority apparently says is this: We are not prepared to spend even as much on housing as we have. We know spending what we have spent has not been enough. How do we justify to ourselves spending considerably less? The answer is we will try to do much less.

One way they are going to try to do much less is by adopting the Lester Maddox theory of social service. Lester Maddox once said that he could not be expected to bring about prison reform until he was given a better class of prisoners to work with. Our Republican friends believe that there is not much they can do with poverty stricken people unless they get people who are not poor.

With the people who are not suffering from poverty, they are quite confident of their success. I am also confident. I am also confident that we will do better with people who have not been in the circumstances of poverty. Some people are in poverty because of circumstances; some of them, because they have got defects. There are people who do not work hard, who have disorganized personalities. I do not think the penalty for that ought to be homelessness. It certainly should not be the penalty for their children.

Because when we restrict the ability of the poorest of the poor to get into public housing, and, remember, we are cutting back in virtually every other housing program in this, and we are about to adopt a budget deal, I probably will not vote for it in the way it now looks, but we are going to adopt a budget deal that is going to restrict our ability to do housing in the future. So we are going to improve public housing not essentially by structural improvements, not by more resources for the poor. We are going to serve a better class of poor people, and by serving a better class of poor people, we will have better results.

If the end of this process was to judge how well housing authorities did, that would be rational. If the end is to be humane and compassionate to the poorest of the poor, it is not. This country is too well off to victimize that small number of people who will be victimized by this bill.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I agree with the gentleman's comments.

I was going to point out that, if we look at 50 to 80 percent of median income, only 5 percent of those renters with that type of income have a housing problem; 95 percent do not. So obviously serving that 5 percent, they are meeting their needs but as to the others they are not.

Mr. FRANK of Massachusetts. Mr. Chairman, I would say to the gentleman, I want to help them, but creating the war of the poor against the very poor is public policy at its worst. To make the very poor the enemy of the poor is a very grave mistake. What we do here is underfund the housing authorities. We are going to be rescinding some money.

Well, we have found that the housing department had saved more money than people had thought and had created some reserves. So we plan to rescind that and then we will claim that we cannot afford to help people. By the way, we should have added, it is not simply resources. I have heard people on the other side talk about how bad housing is.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FRANK] has expired.

(By unanimous consent, Mr. FRANK of Massachusetts was allowed to proceed for 30 additional seconds.)

Mr. FRANK of Massachusetts. Mr. Chairman, we ought to remember that for the 12 years before 1993, the Republicans controlled HUD, and for 8 of those years, under President Reagan, the most corrupt and inefficient Cabinet secretary in recent memory, Secretary Pierce, was in charge of HUD. Yes, there are serious problems there, but they are not the fault of the poor. They are not the fault of the people who have tried to help the poor. And the solution is not to say: You poor people are too much trouble, and we are going to deal with a better class of low-income people.

Mr. JACKSON of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Kennedy amendment to make targeting provisions in this bill more humane. We know that we face an affordable housing crisis in this Nation. There are 5.3 million Americans living under worst-case housing scenario needs. That is, they are forced to pay more than 50 percent of their income in rent or live under deplorable conditions. H.R. 2 will exacerbate this crisis by making public housing available to higher income residents who can pay higher rents at the expense of thousands of low-income families.

Without a firm commitment to the principle that housing is a right and not a privilege, we will never attain our stated objective of adequately housing our citizens, as demonstrated by our history. In the late 1960's, a White House conference on housing and urban issues called for 26 million new housing starts over the next 10 years in order to meet the housing needs of our Nation. That goal translated into 2.6 million housing starts each year, with 600,000 of those starts to be federally subsidized each year. The Nation has never even approximated that goal, and currently the figure is slightly more than 1.5 million new housing starts annually. As a result our affordable housing crisis has exploded where millions of Americans live paying entirely too much for housing or they live in unsanitary or unsafe conditions. That, Mr. Chairman, is a national disgrace.

When we talk about our priorities of enabling mixed income communities, which I believe is a laudable goal under ideal circumstances, we must be sure not to pull the housing safety net out from underneath the poorest and the

most vulnerable Americans. Over the course of this debate, we will speak at length about the dangerous targeting provisions in this bill which set aside only 35 percent of public housing units for those earning below 30 percent of area median income, leaving the remainder of units to house people who earn up to 80 percent of area median income. In Chicago that means 65 percent of all public housing units could be set aside for people earning $44,650. Should we be displacing full-time minimum wage workers to make room for professionals who can better afford to find housing in the private market? Even at this point, this is obviously a false debate.

Let me be clear. When we target low-income tenants as those with incomes under 30 percent of median income in a large metropolitan area like Chicago, we are talking about those who earn $16,312. This is $5,000 more than a full-time minimum wage worker earns in a year and nearly $10,000 more than a welfare recipient. People who will necessarily be displaced by the proposed income mix equation will include vast numbers of the working poor. As a result, low-wage workers and Americans who are ostensibly encouraged to successfully make the transition from welfare to work will either be forced into homelessness or to forgo basic human necessities like health care, groceries, and clothing in order to find alternative shelter.

We must be vigilant, Mr. Chairman, in our efforts to ensure that, just at the time we are requiring the most from the most vulnerable among us, we do not remove the stability and the security of adequate housing, an essential resource as people attempt to move from welfare to work. When we considered this legislation in the last Congress, welfare reform had not yet been enacted. Seventy percent of the residents of the Chicago Housing Authority receive public assistance, and half of the residents are children. If there are not enough jobs to meet the welfare-to-work requirements, the potentially devastating implications of this bill are magnified.

Mr. Chairman, without this amendment to the targeting provision of H.R. 2, we are literally pulling the rug out from the poor and the working class Americans. Let us not make such a tragic mistake in the name of reform. I urge my colleagues to support the amendment.

Mr. Chairman, I would ask the gentleman from New York, chairman of the subcommittee, to engage me in a brief colloquy.

Is it the gentleman's expectation that working class Americans would be willing to move under the targeting provisions of this bill into Cabrini Green or into Robert Taylor Homes in the city of Chicago?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Illinois. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, it is the intent and the desire of myself and, I think, other Members in support of the bill that residents who are working and who are earning more are not forced to leave Cabrini Green but can stay there and continue to be role models in that area.

Mr. JACKSON of Illinois. I thank the gentleman for the clarification.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Illinois. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I listened carefully to what the gentleman said. He made a very good statement. I think the point here is that under the preferences set up in this bill that there will be no new applicants under 35 percent of income. They could apply but the fact is the local housing authority will decide whether an upper income person, admittedly 80 percent of median income, and my colleague said it was in excess of $40,000 in Chicago. I do not know if it is that high in St. Paul, MN, but I think it is close to it. And the fact is that others with lower income, the housing authority could just deny them. So it is possible that over a period of attrition, as people move out or move up in income, that public housing would have higher and higher income persons in it.

□ 1915

Mr. WATT of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me spend a minute or two kind of putting this in perspective for my colleagues.

First of all, they got this issue of pitting the very poor against the working poor. If my colleagues were in the process of expanding the number of public housing units or low-income housing units available throughout the country, I do not think anybody could argue with a policy that would say it would be beneficial to have an economic mix in the new housing units. But we are not expanding public housing, we are not expanding low-income housing under this bill, we are not giving a dime of new public housing or low-income housing under this bill. They have a fixed number of units that we are dealing with.

And so the question then becomes, "Do you give that fixed number of units to the poorest of the poor, or do you give some of those units to the poorest of the poor and some to the working poor?" But however we cut this up, they are pitting the very poor against the working poor, and so they have got an argument being made here that they can never win. We cannot win this argument.

Sure the working poor need subsidized housing, but the very poor need subsidized housing also, and if they do not get subsidized housing, they do not have any alternatives but to be put out on the street.

So the question then becomes are we going to serve less of the very poor and more of the working poor, or are we going to serve more of the very poor to keep them from being on the street?

Now that is kind of like saying to me, look, I got a class of students who cannot read. Sure, they will be better off if we put them in a class with some people who can read a little bit better than them, but for those spaces that they are giving to the kids who can read a little bit better than those who cannot read at all, we do not have any place for those people to go.

It is a no-win argument, and that is what this bill does. It puts us in a no-win situation. And all the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] is doing is saying, look, we buy into the notion that it is a good thing to integrate housing economically, to have a mix of economic incomes in this housing; that is a good thing. But what are they going to do about those people who are forced out of public housing or subsidized housing who do not have anywhere to go other than homelessness? And that is what this is about.

We are in a no-win situation. We need to be allocating some more dollars to subsidized housing. We do not have enough. The numbers said that what are we serving; but what is the number of housing units, Mr. Ranking Member, that we are underserving?

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WATT of North Carolina. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. There are about 16 million people that are eligible for public housing, and there are only about 4½ million people that are actually getting served in terms of families.

Mr. WATT of North Carolina. So I mean what are we arguing about here? The question is are we going to give working poor people a little more help and let some people go out on the street and increase homelessness, and that is what this bill does, or are we going to cut the equation some other way, as Mr. KENNEDY's amendment would do it, and I do not like either approach. But, Mr. Chairman, as between the two I certainly support Mr. KENNEDY's approach.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first, I must recognize with disappointment and chagrin the drastic impact that this bill will have on a nation's commitment to providing a decent, a safe, and an affordable place to live for those most in need. Our Republican colleagues charge that the debate should focus only on such a commitment and how it cannot be met

under their budget and with scarcer Federal resources, yet they neglect the essential component of the debate on housing, the unassisted American families who have dire need for housing.

Mr. Chairman, these families are shut out of the private rental market because of the difficulty, in some cities the economic impossibility, for private owners to provide rental housing that is affordable to the poor. They are single-parent families supported by one minimum wage earner struggling to meet day care and juggling overlapping schedules. They are two-parent families who have suffered job displacement or trying to find a new job in order to support their families. They are the families at the bottom of the income ladder but who are grasping onto the ladder with two hands, struggling to reach the next rung.

Mr. Chairman, if my colleagues and I do not rise up and support the Kennedy amendment, we will have effectively pulled the ladder out from under that vulnerable family because we all know that a person cannot find employment if he or she has no home, no place of address, no phone, and we all know that a person cannot achieve in a job if he or she lives in unstable housing where children are in danger due to the unsafe living conditions and where the families' health and nutrition is suffering because their rent is eating up, literally speaking, all of their disposable income.

Obviously, there are wise policy reasons to provide affordable housing to those in need, but the next question to ask is, can we meet the needs of those families by targeting our public and assisted housing program as the gentleman from Massachusetts [Mr. KENNEDY] strongly suggests? Probably not, but we can meet those needs much better under the gentleman's amendment than under H.R. 2. The gentleman's amendment preserves a majority of housing assistance for those who need the most but balances that policy by also reserving housing assistance for those at relatively higher income levels in an effort to avoid the economic ghettoizing of the past.

Again, the need for subsidized housing is extremely great. Last year in a study released by HUD, we learned that 70 percent of the families at 30 percent or below the median area income has been and have suffered severe housing needs, meaning those families are living in substandard, unsafe, or are paying more than 50 percent of their disposable income to rent, or both. Yet we are reducing, even with the advances made by Mr. Kennedy's amendment, the availability of subsidized housing for those people in the name of economic integration. So we already will be keeping more families on the streets, reconcentrated in homeless shelters, or doubled up in the worst housing available.

But if this Congress fails the Kennedy amendment, the number of needy families without housing alternatives will grow by leaps and bounds, and all the good intentions of moving people to work and encouraging self-sufficiency will never be realized because people need stability in housing and sufficient disposable income to have the capability, let alone the wherewithal, to achieve, to succeed and be always grasping for the next rung on that ladder.

For all these reasons it is incumbent upon us to support the amendment of the gentleman from Massachusetts, [Mr. KENNEDY].

Mr. LEACH. Mr. Chairman, I move to strike the requisite number of words, and I yield to my distinguished colleague, the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I want to thank my friend, the distinguished chairman of the Committee on Banking and Financial Services, the gentleman from Iowa [Mr. LEACH] for yielding me the time, and I want to point the Houses's attention, if I can, to this diagram in response to the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

If we look over here at this diagram, we see over time, since 1992, how the average income in public housing has dramatically declined. This is not unique to one city or one community around the country. It is a generalization across the country that the median income for people living in public housing has dropped precipitously.

We see right over here from about 1980 until today the average median income in public housing has dropped from about 35 percent to about 17 percent, and as we see this line plummet down, so too could we track the downward trend in many low-income communities that have public housing around them; so too could we track the fact that basic services have been fleeing the low-income neighborhoods.

The gentlewoman from California was bemoaning the fact that there were not basic services. Mr. Chairman, the reason there is not basic services is because we have forced out the working poor from these very neighborhoods. That is why there are not enough people to support the local grocery store, that is why there is not enough people to support the local laundromat, that is why there is not enough people to ensure that we have basic banking services over here.

What we are talking about in H.R. 2 is to provide maximum flexibility to local communities while still assuring that the poorest of the poor are taken care of, because at least 35 percent of the units must be reserved for people at the lowest end of the economic ladder, below 30 percent of median income. But in this bill we say that no housing authority will be asked not to dedicate all of its units, if it wanted to, to people who are very poor, below 30 percent of median income. What we are trying to do is match our words and our rhetoric with our actions.

We are for mixed income, we are for keeping the working poor in public housing; we are not for punishing them. That is why we want to change the rent-setting rules. We are for local flexibility. This is very much about ensuring that the working poor can stay in there.

And let me say a few examples here. In Massachusetts in eight metropolitan counties families of four with two parents working full time making a $1.51 more than minimum wage will have to compete for 10 percent of public housing units if this amendment is adopted.

□ 1930

In Vermont, in 11 counties, a family of four with both parents working, making only 26 cents greater than minimum wage, will compete for only 10 percent. In Providence and in many counties in Rhode Island, the same families making $1.51 more than minimum wage will have to compete for 10 percent of the public housing units.

We are here to say that just because one is working does not mean that one ought to be biased against, it does not mean that one ought to be punished. We want to build that social capital capacity in public housing. We want to ensure that there are role models. We want to make sure that we do not force the working poor out, the people of modest income, simply because they have a job.

Mr. Chairman, back in 1968 under the Great Society when Lyndon Johnson was President, he signed into law a piece of legislation that would have targeted our resources to those people not making below 80 percent of median income, which is an absolute ceiling in our bill, but below 90 percent of median income.

However, what have we done over the years? This Congress year after year has said that there is more wisdom in Washington and we are going to impose more Federal preferences, and we are going to concentrate more poverty and we are going to drive more poor working people out of public housing and out of the inner city. So now we have doughnuts. We have decay in some inner city neighborhoods and we have the working poor, that would be stability, that would be the bedrocks of the community, moving out into the suburban areas.

We are trying to get that synergy of having the working poor and the poor live side by side because we think it is the right environment to help the very poor, because we know there is never going to be enough money, there will never be enough money to rebuild every building.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. LEACH] has expired.

Mr. LEACH. Mr. Chairman, I ask unanimous consent to proceed for an additional 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. DAVIS of Illinois. Mr. Chairman, reserving the right to object——

Mr. LEACH. Mr. Chairman, I withdraw my unanimous consent request.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the requisite number of words.

In fact, Mr. Chairman, this is about building that type of synergy. This is about ensuring that we reconnect, reconnect people with their civic duty, reconnect the working class with the people that are unemployed. We are not saying that people who are unemployed are not worthy of public housing; we are just saying where we have concentrated the unemployed, the people of very low incomes in certain communities, it has proven to be disastrous.

That is why virtually every public housing authority across the country and every large public housing association that represents housing authorities that work with these tenants are in support of more local flexibility, are in support of our approach.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I appreciate the gentleman yielding. The gentleman was talking about all of this local flexibility we are giving. I would ask the gentleman, where was that argument when we were talking about the local flexibility that we were trying to give them under the last section of the bill?

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, there is absolute local flexibility in terms of community work requirement. Any tenant and any housing authority can choose any number of ways in which they can fulfill that requirement.

This is basically about ensuring flexibility. This is putting your money where your mouth is. We have heard a lot of talk in this city about getting to mixed income, and when it comes down to the votes and doing something about it, people run and hide or they demagogue.

In fact, do not take my word for it. Listen to the housing authorities, the people who are rolling up their sleeves, who are doing this hard work month after month, year after year. They are asking for this. Even the best-run housing authorities in the country are finding that they are getting swamped by the social services needs when we concentrate, super concentrate poverty in some of our Nation's communities.

So we find the streets in Chicago with 4½ straight miles of public housing where virtually everybody is unemployed. What happens in that area? How many stores are in that area? How many banks are in that area? How many laundromats are in that area? There are none. I have been there, and the reason is that we have forced out the working poor that would support those basic services, that would help create the type of environment that we want for every American child.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I think the gentleman from New York [Mr. LAZIO] has a very interesting chart, and I would just like to bring the attention of the gentleman to the chart that we brought.

The truth is that we believe in a lot of the rhetoric that the gentleman has just talked about. What I would like to point out to the gentleman from New York is that under our proposal, we are not suggesting that we continue public housing at 17 percent of median income. We are allowing, under the Democratic alternative, we would allow that the amendment that is before us, over the period of 10 years we would go to a 50–50 mix.

All I am trying to suggest is that it is not just because of the Federal preferences, it is not just because of the directives that have come from the Federal Government; it is because the sheer number of very poor people in this country has grown so substantially. I just think we have to deal with that issue.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, the issue is not just the amount of poor people, because we have quadrupled our spending in housing since 1980. This is not just about money. This is about basic management, about creating the right incentives, about ensuring that we have mixed income.

If I can just finish, if I could just finish my thought to the gentleman from Massachusetts [Mr. KENNEDY], the real controversy that we have here is that while we say we are for mixed income, we say we are for keeping the working poor in public housing, the net effect of the gentleman's amendment, if it is adopted, is to condemn another generation of residents, of young people, to live in that same area, the same environment of super concentrations of poverty.

That is happening here in our own Nation's Capital. We do not think we can take another year like this. We do not think we can take another 5 years, we surely do not think we can take another 10 years like this.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I appreciate the gentleman yielding. There is a long, long waiting list to get into public housing, very poor people. What does the gentleman propose to do with those people? The gentleman is saying that he does not want them condemned to public housing. The alternative is to condemn them to the streets.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, we are going to spend over half of the additional spending in this budget deal on low-income housing. In addition, we spent over $1 billion on the homeless, which we will again.

Mr. DAVIS of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was just thinking that if H.R. 2 is a friend of the working poor, then I am certain that the people in Robert Taylor, Henry Horner and Cabrini Green, and some other places that I know, would say, "Do not send me any enemies."

The more I listen to the debate, the more I am firmly convinced that no matter what the intent, no matter what the hope, no matter what the most basic desire, I am convinced that the outcome of H.R. 2 would become a part of the continuing attack on the poor, would become a part of continuing to strip the poor people of this country of their last ounce of dignity.

That is why I rise to support the Kennedy amendment, because it attempts and it does restore some of that basic humaneness to public housing, in the public housing act in this country. It contains the kind of flexibility that is needed, that will allow people to work and remain in public housing. Everybody that works does not necessarily earn enough money not to need a subsidy. That is why we need a minimum wage that gives people a livable wage.

So this amendment attempts to say to America that we do not necessarily have to try and throw out the baby with the bath water every time we attempt to correct something.

I would agree with those who suggest that public housing is in need of reform. I would agree with those who suggest that it is laudable for people to volunteer. As a matter of fact, I come from a history of volunteerism, so much so that people generally do not know the difference between what they do for work, what they do for pay, and what they do because it needs to be done.

However, when we force people, when we take away their pride, we take away their dignity, we take away their most basic and most human of all instincts, and that is to make decisions for themselves.

So I would hope that after the dust settles, after all is said and done, that we will come to our senses and realize that if America is to ever be the one

America that we talk about it being, then we have to say to all of its citizens that no matter what their status, we will look after their interests; no matter what their status, we believe that they can live with dignity and they can live with pride.

So I would hope that we would vote for the Kennedy amendment, that we would restore dignity, pride and meaning to the public housing act in this country.

Mr. Chairman, I yield to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Chairman, let me just take a minute and commend the gentleman from Illinois [Mr. DAVIS] for the powerful words that he has spoken and for the manner in which he has spoken them. A lot of us have been involved in this debate for 2 or 3 days now, and some of us may be losing perspective, but the gentleman was right on point.

I am fascinated by the argument that our chairman of the subcommittee has used with this chart here, because as I recall, all of us supported what we call scattered-site housing. To hear my Republican colleagues now come back and say that by encouraging scattered-site housing and the movement out to the suburbs, all of a sudden we have created the problem now where we have public housing that has an over-concentration of the very poor, is amazing to me.

We did not create this problem; the problem got created because we have too many poor people in this country and not enough public housing, not enough housing for people whether they are very poor or whether they are the working poor.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DAVIS] has expired.

(On request of Mr. WATT of North Carolina, and by unanimous consent, Mr. DAVIS of Illinois was allowed to proceed for 30 additional seconds.)

Mr. DAVIS of Illinois. Mr. Chairman, I yield to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Chairman, I thank the gentleman for continuing to yield.

This whole notion that somehow we should just turn our backs on the poorest people in this country and let them go to the street, then I guess the next thing beyond this policy that is in this bill is they will be back in here a couple of years from now saying, well, we put all of these people on the street now, and now it is your fault because we were all trying to do something good.

Well, all of us are trying to do something good here. All of us are trying to do something good, and this holier than thou attitude, we have the right bill, we have the right cause, we are wrapping ourselves in the flag, is just ridiculous, and we should not be going through that in this body.

Mr. BAKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is very important to say that we do not believe we have all of the answers. All we have is the belief that what we have today simply does not work. We may well come back here, despite the chairman's best effort, next Congress and say, "Hey, guys, this did not do it. We're going to have to make some changes in the way we've tried it."

□ 1945

It was President Roosevelt who said, "We owe it to the American people to do bold things and try it, and and if they fail to work, come back, acknowledge it, and try again."

But to stand here together tonight after quadrupling the budget for housing four times over since 1980, I understand that the deal made in the budget, which I was not part of, of the $70 billion in discretionary spending, some $37 million is allocated to section 8 certificates over the next 5 years, with the effort made, honestly and frankly, to pour money into programs.

I will give the Members one that I do know, the section 235 program some years ago, an interest rate buydown program that allowed families to move in with interest rate subsidies, into homes. It was a good idea on paper. It did not work. People were taken from a poor public housing environment and placed into home ownership responsibilities. It was a disaster. The program was canceled because we did not do anything but provide for money.

This is more than just providing money. These are human beings. I listened to a Member earlier talk about the conditions in public housing. She is right: Dirty halls, doors off apartments where single women with children live. There was a suit at Desire Street housing project; a kid fell out of a window from a second story, was permanently disabled, and the window did not even have glass, did not have a frame, there was a hole in the wall. It had been reported to the housing authority for years.

Money spent on fire and smoke detectors; they were put in a warehouse, kept locked up for years, and a family died, the whole family. They have a lawsuit filed claiming damages against the housing authority. They still have not been paid. It is an outrage. It is an absolute outrage.

I share the frustrations some Members have on this side with our belief that by requiring people to work, by mixing families together of a different background and income level, that by counseling people with these silly schemes, that all this stuff is just simply going to make it worse. I do not believe that. I simply do not believe that.

What I know is what we have. It does not work. We need to take people who cannot read and give them an opportunity to learn, people who do not have job skills, and teach them how to work; people who have job skills, we need to get them into the community and do something where they live. There is nothing wrong with that.

But to say that we are going to allow more working poor into a public housing unit and bring their meager paycheck, despite the fact many call them rich, I cannot imagine raising a family of four in a city of New York on $30,000. I am sure people do it, but it has to be tough.

We are going to say to those people, no, you cannot come in and bring your families; and dads who go to work in the morning, and moms who stay home and try to take care of the kids, and kids, by the way, who go to school? You can run into individuals in public housing today, little kids, they have given up. That is why 13-year-olds shoot other 13-year-olds for tennis shoes, my friends, because they do not believe tomorrow will be any better than today. It is a terrible circumstance.

What I am suggesting is that taking the bold steps we take here tonight may not be the answer, but it has got to be better than what we have been doing for the last decade. Let us give it a try.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, first, I know we have now twice heard the argument that the budget deal is going to give all this money for section 8's. My understanding is that it is simply a renewal of the existing section 8's. That was originally cited as an answer to the question of the gentleman from North Carolina [Mr. WATT], when poor people are excluded from this because of the retargeting, where will they go? And the gentleman from New York said, well, we are giving all this money to section 8's. But that is to continue the existing section 8's. That is renewal. It does not add one unit. It prevents the loss of units. It does not add units.

I would say to the gentleman from Louisiana, I do not think there are solutions to these problems that exclude greater resources. I do not think you can counsel people into filling a hole in the wall.

Mr. BAKER. If I may reclaim my time, Mr. Chairman.

Mr. FRANK of Massachusetts. Mr. Chairman, when they talk about the budget deal, are they talking about the renewal of section 8's? And does the gentleman really consider the renewal of section 8's new resources for housing?

Mr. BAKER. I will respond to the gentleman on the housing information.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. BAKER] has again expired.

(On request of Mr. WATT of North Carolina and by unanimous consent, Mr. BAKER was allowed to proceed for 3 additional minutes.)

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, let me say, when we spend $37 billion additional dollars, which is over half of the increase in discretionary spending, to meet the needs for affordable housing where we subsidize units that does not run with the people, that means every time somebody vacates that unit, it opens up for new people to come in and to get the benefit of that assisted housing. So it means that literally tens of thousands of Americans, in addition to who we are serving right now, will be able to get the benefit of that situation.

Mr. BAKER. Reclaiming my time just for a moment, I would simply make the point the gentleman's view is that more money is the answer. My view is more money has not been the answer. I think that is one of the issues.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. More money is part of the answer. When we are worried about the military, more money is the answer. When we are worried about space, more money is the answer. Money only gets denigrated when it is poor people who may get some.

I would also say to the gentleman from New York, first of all, we are talking about section 8, not public housing.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. BAKER] has again expired.

(On request of Mr. FRANK of Massachusetts, and by unanimous consent, Mr. BAKER was allowed to proceed for 2 additional minutes.)

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, we are talking about the same number of section 8s. Yes, we are talking about renewing the existing section 8s. I am willing to bet most people who heard the gentleman when he talked about all this new money in the budget deal thought he was talking about new units. We now have a big waiting list. Maintaining the same number of units, preventing them from dropping, is not going to eat into the waiting list.

Mr. BAKER. Reclaiming my time, I would simply like to address the point that the question of more money has been demonstrated not necessarily always to be the answer, whether it is defense or whether it is any other appropriations measure. I think that is what the balanced budget deal is all about.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, let me make two quick points. No. 1, I want to tell the gentleman how much I respect the fact that he acknowledged he does not have the perfect solution.

Mr. BAKER. I have not heard one, either.

Mr. WATT of North Carolina. We are all interested in finding a better solution. I think one of the things we have been hearing over and over again is this bill is so perfect we cannot do anything to it to amend it and make it better. That is a bad, bad attitude about it.

Mr. BAKER. Mr. Chairman, if I could reclaim my time, I do believe the chairman did agree to amendments tonight, without objection, that were enhancements, so we are getting there.

Mr. WATT of North Carolina. If the gentleman will continue to yield, the second point I want to make is I understand that we try things. I have children and I tell them, hey, do not do this, you are making a mistake. Sometimes they have to go out and learn for themselves. But if you know that you have all these people on the waiting list with no housing for them——

Mr. BAKER. That is today.

Mr. WATT of North Carolina. And there is no place for them to go but either public housing or to the street; what is the answer? There is nothing in this bill that is addressing that.

Mr. BAKER. If I could reclaim my time, what the gentleman is suggesting, that we have people waiting today who cannot get access to housing, that is a tragedy, I agree. What I am saying is let us create a better environment where we do have public housing by enhancing the conditions for those who must live there. Certainly we have an unmet need, but let us do both.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. BAKER] has again expired.

(On request of Mr. KENNEDY of Massachusetts and by unanimous consent, Mr. BAKER was allowed to proceed for 1 additional minute.)

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would like to clarify some of the numbers utilized here this evening. First and foremost, we hear time and time again references back to 1980. I would point out to the gentleman from Louisiana as well as to the gentleman from New York that this country in 1980 spent $30 billion on affordable housing, and built over 300,000 new units of affordable housing for poor people in that year.

Prior to 1980 in this country we did not see a lot of homelessness, because we had a housing policy where we took care of the housing needs of our very poor. Since 1980, since Ronald Reagan was elected President, the housing budget in this country has been slashed and beaten unlike any other in the entire Federal budget. That is a decline. That is why we have the homeless.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I want to establish that the idea that more money and more money and more money is the answer to poverty is contradicted by the chart right behind the gentleman, which shows that since 1982, as median income has been going down, operating subsidies have been going through the roof, and we have not made a dent in poverty. We still have slums that have been subsidized by the Federal Government.

Mr. BAKER. I end where I began. Money is not always the answer.

Mr. BARRETT of Wisconsin. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not think that anybody is going to say that money is going to solve all the problems, but I understand why the housing authorities want to have this mixed population move in. The reason they want to have it move in is because, with the pressure on their budgets, they simply cannot afford to run these units if they are only serving poor people, so they have to get rid of the poor people in order to stay within budget, so they have economic pressures to move the poor people, the very people that these programs were designed to serve, out of these units.

I also find it amazingly ironic when we are talking about having mixed populations. I, along with the gentleman from North Carolina [Mr. WATT], agree that it is appropriate to have mixed populations. But I do not think we would be having the same debate that we are having here tonight if the mixed population debate we are talking about was moving these poor people out in the suburbs. Then, all of a sudden, this would not be such a great idea. But somehow, by having them move into these housing projects, it is a different scenario altogether.

I also want to take a moment, with the indulgence of my colleagues on the floor tonight, to address an issue that was raised earlier this evening because it deals with a housing unit in my district; and that is the Hillside housing unit. Earlier this evening, it was represented to this body that the Hillside housing unit is a model for the Nation because it has a work requirement in the lease and that is correct.

That was actually put into the lease, and this will be interesting to my colleagues, at the request of the tenants. The tenants asked that this be included. And it was done because there were literally millions of dollars that were put into the Hillside housing unit in Milwaukee. This is a wonderful housing unit. Incidentally, Oprah Winfrey at one point lived in this housing unit, so that will give Members an indication that it is not a terrible housing unit.

But the irony is, when I was listening to this debate this afternoon, I called the housing unit and I said, "What's the story? Is this a good provision?" And they explained to me it was put in at the request of the tenants. And I said, "Is this something that you are applying to all the other housing units in Milwaukee?" And they said, "No, no, no. We are opposed to this mandate."

The reason they are opposed to this mandate is because, as the gentleman from North Carolina and the gentleman from Illinois have argued earlier tonight, is that the bureaucratic cost of administering this without any funds from the Federal Government makes it too onerous. So what we have done is we have taken a project that serves 180 families, basically, and we have extrapolated it now to national policy.

My feeling is that, if this is such a great idea, and I believe in local laboratories of democracy we should be doing what we tried to do, and that is give the local units, the local authorities the opportunity to do this, or we should give the tenants themselves the opportunity to do this. But to have this mandated by big brother in Washington I think flies in the face of logic. So I wanted to set the record straight on that.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BARRETT of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank the gentleman for yielding.

First of all, let me say to the gentleman from Louisiana and the gentleman from New York that I appreciate their willingness to engage in the colloquies that they have in this debate. I would just like to come back to the fact that we are not suggesting that simply resources alone are enough to solve this problem.

But when the gentleman from New York [Mr. LAZIO] suggests that resources are not an answer to poverty, I would suggest that more money really is an answer to poverty. I think that is the definition of "poverty" is not having enough money. But, in any event, I think that what we are trying to suggest on our charts is that nobody wants to perpetuate the status quo, nobody is suggesting that we continue warehousing the very, very poor in these monstrosities where only the very poor live.

We are trying to achieve a glide path so that the very, very poor are not going to be simply thrown out and not have any safety net to take care of them. All I would ask the gentleman is, if he really believes in his heart that this is the correct policy, then how can he pursue this policy without contributing more money to this entire program? If he is suggesting that the answer to public housing is to get more working families involved in public housing, then how does he justify doing that by not taking care of the same number of very poor people that we have in the past by simply abandoning them?

That is essentially what is going to take place under this legislation. So I ask the gentleman from New York, what is he going to do with those very, very poor people who are no longer going to receive any benefit from their government and we have cut the homeless budget at the same time?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. BARRETT of Wisconsin. I am happy to yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I think what distinguishes us is the fact that, under our program, under this bill, we are hopeful of creating environments where poor people can actually transition out, where we can actually make more availability. We are going to spend more money on the homeless than we ever have in our history this year.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. BARRETT] has expired.

(On request of Mr. KENNEDY of Massachusetts, and by unanimous consent, Mr. BARRETT of Wisconsin was allowed to proceed for 2 additional minutes.)

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BARRETT of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, they are going to transition to where? The gentleman keeps saying they are going to transition to somewhere. He said before, we are going to spend all this money, it is just to renew the section 8, it is these same number of units. And this notion that they are going to transition to somewhere. Where? Oz? Fairyland?

This is out of sight, out of mind to the very poor. Of course we should make these changes. But, essentially, what the gentleman from Long Island [Mr. LAZIO] is saying is, dealing with these very poor people has not worked because they are too hard to deal with and let us start ignoring them and then we can claim success and God knows what will happen to them.

□ 2000

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. BARRETT of Wisconsin. I yield to the gentleman from Minnesota.

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

I think most of us could concede that income mix, H.R. 2's policy is going to be successful in terms of the working poor. The question is, at what price? At what cost? What happens? Do we have 16 million families in 4 million units? That is the problem.

The question is, who are we going to give priority to? My colleague is suggesting giving it to those who have upper income in this particular category, and the fact is that gentleman from Massachusetts' policy would be successful. We can concede that. But the fact is, how do we do it? How do we make that particular transition? I submit that is very important.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. BARRETT of Wisconsin. I yield to the gentleman from Louisiana.

Mr. BAKER. Mr. Chairman, I would just simply point out that the point I was making earlier is that we have miserable conditions today in two places. We have a waiting line. And we have terrible housing. What we are suggesting is let us try to improve the environment within the resources we have in those housing units. We certainly have a backlog with which we have to deal but that is there today.

My point is, are we going to simply ignore, as some perhaps think is appropriate, the conditions that people must live in now? The answer is no. Let us do something to improve the quality of life there. That is my point.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. BARRETT] has again expired.

(On request of Mr. VENTO, and by unanimous consent, Mr. BARRETT of Wisconsin was allowed to proceed for 1 additional minute.)

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. BARRETT of Wisconsin. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I would just point out the fact is that public housing is not the bleak picture that often is being portrayed here where we have some 75 troubled projects which do comprise a significant population of a half million or so people. There are many others that are very successful that are working in my communities, in the gentleman's community. In Milwaukee, public housing is among the best housing for low-income persons. It is working in St. Paul and Minneapolis. It is working in Milwaukee. We do have troubled housing projects some places though. This is the point in terms of what we are talking about here. As we change this so that it works in some of the troubled areas, let us not in fact do

it on the backs of the poor. We are creating a class of individuals that are too poor for public housing now.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BARRETT of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would just like to make the point that we have suggested that the reason for the problem that my colleague has articulated is because of the concentration of very poor people in public housing. When this argument shifts to the voucher program, we will no longer have the argument that we are simply putting all these poor people together in single projects.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. BARRETT] has again expired.

(On request of Mr. KENNEDY of Massachusetts, and by unanimous consent, Mr. BARRETT of Wisconsin was allowed to proceed for 20 additional seconds.)

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will continue to yield, under the voucher program people will be allowed to go across all city lines, go wherever they want. So whatever arguments my colleague is making today on the project based program or on public housing will not be appropriate to the voucher program which will come up tomorrow.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The amendment was rejected.

AMENDMENT NO. 5 OFFERED BY MR. FRANK OF MASSACHUSETTS.

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. FRANK of Massachusetts:

Page 102, strike line 1 and all that follows through line 7 on page 104, and insert the following:

SEC. 225. FAMILY RENTAL PAYMENT.

(a) RENTAL CONTRIBUTION BY RESIDENT.—A family residing in a public housing dwelling shall pay as monthly rent for the unit an amount, determined by the public housing agency, that does not exceed the greatest of the following amounts (rounded to the nearest dollar):

(A) 30 percent of the monthly adjusted income of the family.

(B) 10 percent of the monthly income of the family.

(C) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

(b) MINIMUM RENTAL AMOUNT.—Each public housing agency shall require

Page 105, strike line 21 and all that follows through line 19 on page 106.

Page 107, strike ", except that" on line 2 and all that follows through line 5, and insert a period.

Mr. FRANK of Massachusetts. Mr. Chairman, first let me say to the gentleman from Massachusetts, I know he has pointed out that the rationale presented will not apply to section 8, but have no fear, they will come up with one tomorrow night; by tomorrow, overnight, they will come up with a new reason.

Mr. Chairman, this is a further effort to get some of the unnecessary bureaucratic gobbledegook out of this bill.

Last year we debated at length in this bill an effort by the majority to raise the amount of rent that tenants could be forced to pay. The maximum is now 30 percent. The majority was determined to raise it.

I have to say to those Members on the majority side who were here last year and a few on our side who loyally voted with the chairman and supported him on vote after vote to raise the rents, maybe they feel a little bit perturbed that that was all in vain because that part has now been given up. I admire the fact that this bill no longer tries to raise the rents of the poor.

Instead it tries to complicate them unduly and unnecessarily for the low income people and for the housing authorities.

We agreed last year, although I must say the chairman of the subcommittee last year was determined not to be agreed with, when we kept agreeing with him, but we agreed that having the 30 percent be a minimum as well as a maximum was a bad idea. Our amendment last year said it should not be a minimum. It said it should be a maximum.

This amendment says very simply the housing authorities can charge whatever rents they want by whatever method they want as long as that amount does not exceed 30 percent of income.

The chairman of the subcommittee is fond of having a flat rent charged for apartments. What this bill does, and it takes about five or seven pages to do it, it once again orders the housing authority to engage in a very complicated choice process. It says the housing authority will set a flat rent for the unit, and it will have a 30-percent maximum rent. And then it will have the tenant choose each year which one he wants. But if the tenant has chosen the flat rent and the tenant's income goes down, then the tenant can be given a hardship exemption. If the tenant has chosen the 30 percent and the tenant's income goes up, then she has an 18-month phase-in, and during the 18-month phase-in she has a 12-month reelection period.

It is a seven-page complication, frankly, I think to save a little bit of face because the chairman was determined to take a nick out of the Brook amendment. And they decided last year they had taken the wrong nick. But there are seven pages of complication.

Once again, it orders it to every housing authority. The chairman is a fan of the flat rent method. Let the housing authorities decide. That might be appropriate for some housing authorities. It might be too difficult for others.

This amendment that I offer allows them to do that. It says to the housing authorities: You do whatever you want. If you want to tie it to income with a 30 percent cap, you can do that. If you want to give them a choice between a flat rent and a 30 percent, you can do that.

Are we now deciding that everywhere in the United States in every type of project there is this one method that works and that has to be done, and it is a method where you choose either a flat rent or a percentage of your income every year? But there is a way to get out of one and there is a way to get out of another, and it is, once again, piling on a complication. It is about the third or fourth additional mandate that we put on the housing authorities.

The alternative seems to me to be very simple. It says: No, there is no minimum. If you want to have a work incentive, you can have that. If you want to have a flat rent, you can have that. If you want to put a top of 20 percent, you can have that. You can do, as the housing authority, anything you want. You might decide for different tenants different things work.

The housing authorities might even want to experiment. My friend from Louisiana talked about the importance of experiments. Are we the only ones who can experiment? I do not think that is the best way to experiment. Why not give the housing authorities flexibility and let various housing authorities experiment with different types of rents rather than take the pet project of the chairman, which is this very complicated system. I hope, Mr. Chairman, that Members, before voting on this, will have a chance to read these seven pages.

In fact maybe instead of a vote on this we should have a test. And we will have a test on that. And if a majority of the Members can understand it and explain it, then we will have it enacted. And if a majority of the Members cannot, we will not have it enacted.

I have another provision that I want to suggest to my colleagues. They said that the tenants really want the work requirement and the tenants want the self-sufficiency.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FRANK] has expired.

(By unanimous consent, Mr. FRANK of Massachusetts was allowed to proceed for 30 additional seconds.)

Mr. FRANK of Massachusetts. Mr. Chairman, I am going to propose an amendment later on that we have a tenants' referendum on these things. I

do not doubt the sincerity of my colleagues in insisting that the work requirement and the self-sufficiency contract are really what the tenants want. They should want the tenants then to have a referendum on this because that would show how much they want it. And instead of this extraordinarily complicated seven-page scheme, why not simply say to the housing authorities: You can do flat rent if you want. You can do per unit rent. You can do a rent tied to income. The only thing you cannot do is go above 30 percent.

That is what this amendment says.

Mr. GONZALEZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to state my strong unequivocal support for the Frank amendment. It is simple. It is fair. And it is a reasonable compromise to the provisions of H.R. 2. It protects many of the Nation's most vulnerable from excessive rents. The Frank amendment caps, it does not set, income based rents at 30 percent of income. It provides for rent reform with ceiling rents and income disallowances. It allows the public housing authorities the flexibility to establish flat rent subsidies and eliminate the disincentives to earn additional income, just as the gentleman from New York [Mr. LAZIO] wants. And it requires the PHA's to establish market disciplines that are important to managing real estate and that rightfully are important to the chairman.

It does not permit PHA's to charge public housing residents flat rents that are higher than 30 percent of their limited incomes, as the Lazio provisions would permit and, along with other provisions of the bill, would encourage.

I believe that the provisions of H.R. 2 would tend to encourage flat rents set far higher than 30 percent of most of the public housing tenants' incomes, because the rents are to reflect market rents, not operating costs.

The Frank approach would tend to encourage rents set that were affordable to the overwhelming majority of the public housing residents, those whose incomes are 30 percent of median income.

I would like to remind the House of a few facts. Currently the average monthly rent paid by all public housing residents is $185, far less than operating costs or most market rents, and 75 percent of all current residents have annual incomes that are less than $10,000. Most public housing residents simply cannot afford to pay rents that equal operating costs or the market.

So the rent choice is hollow, also administratively burdensome and complicated. Few if any residents will choose to pay more than 30 percent of income for rent.

Finally, let me suggest that over time the rent setting methods in H.R. 2 could end up segregating the very poor in the worst and the most run-down developments. PHA's would direct families choosing to pay income based rents to those properties where the public housing authorities would lose the least money, and those who would agree to pay the higher flat rents would be steered, that is directed to the better properties. Although unintended, I believe that would be shameful.

I urge my colleagues to support the amendment of the gentleman from Massachusetts [Mr. FRANK]. It is a fair and a sensible compromise.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I am delighted to have the support of a man who has done more for public housing, I believe, than any man who has served in the Congress of the United States, and for the tenants.

I want to point that the complications here are such that some people are going to get trapped by it, and some people are going to wind up paying more than 30 percent of their income because there is a very complicated set of calculations that have to be made. There is also the possibility of coercion. So it is unnecessarily complicated, and it may lead to periods where people will wind up paying more than 30 percent. My amendment says again they have total flexibility but it makes that impossible.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

I would like to engage in a colloquy with the chairman of the Subcommittee on Housing and Economic Opportunity. We worked on this, on a version of this amendment last year. And the chairman has, I think, shown great leadership by changing the amendment that was offered last year and recognizing the fact that we both have in common the desire to take away work disincentives.

I believe that the amendment that the gentleman from Massachusetts [Mr. FRANK has offered has not only the benefit of getting rid of the work disincentive but it also creates another perverse aspect of what is currently contained in H.R. 2. I would appreciate it if the gentleman from New York would explain how this concern is going to be dealt with.

□ 2015

Under the bill as it is currently written, it seems that there would be an incentive by an individual who is in public housing, that has an opportunity to move to a housing authority's building that happens to be better than the building that they are currently in, if they have a little bit of additional income and they can pay above 30 percent in order to choose a better unit in another housing project, and because of the last debate, where the gentleman indicated his desire for public housing to have a greater mix of working families, our concern, and I think the amendment of gentleman from Massachusetts [Mr. FRANK], gets at what will in fact be a disincentive for those working families to go to some of the worst housing projects.

If part of our solution of fixing some of these bad housing projects is to get more working families to go there, and if we have, however, in the bill an incentive that says, listen, if they are willing to actually pay 35 percent of their income, and then they get to go to a better housing project, does the gentleman not feel that we have in fact, not intentionally, but in a sort of in a quirk of the law, created a disincentive for the very projects that the gentleman wants to improve?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I would say firstly that the object of H.R. 2 is to make sure there are no bad housing complexes.

Mr. KENNEDY of Massachusetts. Reclaiming my time, Mr. Chairman, I was not interested in going into a long debate on all the benefits of the gentleman's bill. I wanted to understand how he was going to fix this problem we are trying to deal with.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I would say to the gentleman that it is a valid point; that we are looking to ensure that we do not have any bad housing.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I would be glad to have my amendment say that this does not take effect until we have no bad housing projects. Once that happens, then this could take effect.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, first of all, I would say to the gentleman from Massachusetts [Mr. FRANK] that I would be willing to buy into his last comment.

I would say also, that just as in the case with poor people or the working poor that are in nonpublic housing, those people that have the ability to make a choice to move into another public housing unit, when one becomes vacant, will probably exercise that choice, and that is great.

Mr. KENNEDY of Massachusetts. Reclaiming my time, Mr. Chairman, what

we are trying to suggest is that the gentleman has created a perverse incentive that will actually funnel people away from the housing projects that perhaps are undesirable and leave those to the very poor, which will make them not better but, over a period of time, will create the warehousing effect that the gentleman has just said for the last hour and a half he is opposed to.

So what we have here is a situation where the gentleman is saying he is opposed to the warehousing effect, but what he is really going to do is he is going to back door the warehouse effect by virtue of the fact that he has created an incentive for anybody that has enough income to pay a little bit above 30 percent where some of that money will stick to the back pocket of the housing authority. So the housing authority now has an incentive to get the people into the better housing projects.

So we end up with, I think, a very perverse consequence to the provisions the gentleman has included in this bill. And I think the amendment of the gentleman from Massachusetts [Mr. FRANK] gets to the heart of that, which is we should just go back to the plain old Brooke amendment, which the Republican Senator wrote several years ago, and it seems to have worked very well.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I would say to the gentleman that the other choice that somebody has who is in public housing that does not like their unit is to leave public housing altogether, which would serve as it does right now to continue to concentrate the poor.

The discussion is whether to retain what we have right now, which taxes work and punishes working families, or to give them some other options and choices.

Mr. KENNEDY of Massachusetts. Reclaiming my time, Mr. Chairman, here again we have the situation where what we say is we are going to punish the poor and reward people that have a little bit more money. It is a perverse way of handling and dealing with a substantive problem.

Mr. TOWNS. Mr. Chairman. I rise today to express my deep concern about the future of families living in America's public housing developments. H.R. 2, the Housing Opportunity and Responsibility Act, represents a dramatic restructuring of public housing that will have consequences, perhaps unintended and detrimental to the millions of Americans the programs were intended to serve. I am especially concerned because this bill includes a section which would repeal the income-based rent cap of 30 percent in public housing, otherwise known as the Brooke Amendment.

In the borough of Brooklyn, which includes the 10th Congressional District which I represent, there are at least 33,485 public housing units—the second largest in New York City, and one of the largest in the Nation. A repeal of this rent cap, which has assisted families for decades, would lead to rent increases for numerous public housing residents and to further segregation for the poor. At a time when our Nation is facing an affordable housing crisis in which 5.3 million people are living under the worst housing conditions—paying more than 50 percent of their income in rent or living under substandard or deplorable conditions, this amounts to an outright abandonment of our commitment to adequate housing for poor and working class citizens.

Reform can be positive or negative. While I agree with my colleagues that our public housing system is in great need of comprehensive reform, I believe it is essential in any reform of public housing that we keep income-based rent at a 30 percent cap. Eliminating these provisions will exacerbate this affordable housing crisis by either forcing families into homelessness or causing them to forego basic human necessities such as clothing, food, and health care. About two-thirds of the families who would be affected by this provision would be families with children, including elderly grandparents raising their grandchildren. I also believe that in this time of fiscal restraint, Federal housing dollars should be targeted to those with the greatest need. According to HUD's study released in March 1996, Rental Housing Units at the Crossroads, 70 percent of the families below 30 percent of the area's median income have severe housing needs. Congress should pass a comprehensive housing reform bill that is responsive to Americans who are in need of housing assistance. I remain hopeful that the full House of Representatives will make further improvements to this bill.

The long history of public housing has many successes to its credit, and the lifting of current 30 percent rent cap will ultimately do more harm than good. I urge the adoption of the Frank amendment which would maintain a 30 percent rent cap.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FRANK of Massachusetts. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 133, further proceedings on the amendment offered by the gentleman from Massachusetts [Mr. FRANK] will be postponed.

Are there further amendments to title II?

AMENDMENT NO. 46 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment, No. 46.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 46 offered by Mr. KENNEDY of Massachusetts:

Page 164, strike lines 1 through 4 and insert the following:

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section for each of fiscal years 1998, 1999, 2000, 2001, and 2002—

(A) $500,000,000, which shall be available only for use for activities under paragraphs (1), (2), and (3) of subsection (a); and

(B) such sums as may be necessary, which shall be available only for use for activities under subsection (a)(4).

Page 173, strike lines 8 through 13 and insert the following:

(1) CAPITAL FUND.—For the allocations from the capital fund for grants, $3,700,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002.

(5) OPERATING FUND.—For the allocations from the operating fund for grants—

(A) $3,200,000,000 for fiscal year 1998; and

(B) for each of fiscal years 1999, 2000, 2001, and 2002, such sums as may be necessary to provide each eligible public housing agency with the full amount determined under the formula under section 204(c)(2) or 204(d)(1), as applicable, for such agency to cover operating expenses for the agency.

Mr. KENNEDY of Massachusetts. Mr. Chairman, this amendment goes to the basic issue of funding. Now, we have heard an awful lot of rhetoric this evening about how funding itself is not the major problem with public housing, it is not the major problem with poverty, but the truth of the matter is what we end up doing as a consequence of our condemnation of all these terrible public housing units is to then cut funding from almost $29 billion to just over $20 billion.

And I do not suggest for one moment that it is just the other side of the aisle that is guilty of this reaction, the truth of the matter is that the administration has come in with a budget that far underfunds the necessary, I think, levels that are required if we are going to actually deal with the issue of homelessness and shelter for our poor.

This amendment suggests that we do have the funds to achieve that in this country. We seem unwilling to take that money from other areas of the Government. When the Pentagon comes in last year and suggests that they want an additional request over and above what the Joint Chiefs of Staff requested on their behalf, we say here, here is $14 billion more than you even requested.

But when it comes to public housing, when it comes to the housing programs of this country, what we do is say, oh gosh, public housing is in terrible shape. What is our reaction? We cut it. We say, gosh, if we want to improve public housing in America, the best thing we can do is go out and cut funding for it.

I am not trying to suggest that the answer to getting people out of poverty at all times is to just give them money, but I would certainly suggest if we want to deal with homeless people on the street—I was out in California a couple of weeks ago, 2 or 3 weeks ago, and I was driving through one of the

wealthiest sections of America, down through the streets of Beverly Hills, the most incredible palaces we have built in the United States of America. And all the people are walking around looking at all the stars' homes, and it is an absolutely lavish kind of neighborhood. And yet there was something astounding; that on almost every lawn of that neighborhood there was a homeless person lying on the grass.

My colleagues, we have a problem in this country where we have not built housing for the poor. Over the course of the last several years we have seen the number of housing units that we have not built because we have not provided funding to go to about three or four million units. If we take the number of housing units that stopped being built going back in 1980, which is about when we saw the rise in homelessness in America, we will find that, if we add up all those numbers, we did not build about three to four million housing units.

Over that same period of time, if we go to talk to the people of our country that work with the homeless families in America, we will find that their best estimates are that there are about three or four million people in this country. The two are directly related.

We must not have a direct policy in our Nation of not providing funding for the housing needs of our people, of our very poor people. I would love to say that every poor person in America is going to be able to go out and become a computer programmer. In my heart I do not believe that is the case. There are going to be people that this country has to take care of, and we have to find it within our souls, within our own compassion to say that is worth our investment.

This will not break the budget of America. Nobody is suggesting that the United States does not have the resources to accomplish this. We can cut a little bit of corporate welfare that we so lavishly provide all the big corporations of our country, that we provide to all the B–2 bombers and the F–22 and every other major weapon system that we say are so vital to our national security even though the cold war has ended.

What we want to suggest in this amendment is that when the public housing authorities and HUD come in and tell us that they need $3.2 billion for their operating subsidies and we are only giving them $2.9 billion, and as the gentleman from Massachusetts, Mr. FRANK, and others have indicated, we will then load up that $2.9 billion with $65 million for this program or other millions of dollars for that program, the truth of the matter is we are stripping away the very capability of these housing authorities to serve the very people we are asking them to.

So what do we do? We say to the housing authorities, well, that is OK. Since we are not giving you the money to be able to take care of the poor, you can just take in a few more of the richer poor people and you can jack up the rents on those you are taking in and, therefore, some more money will stick to your back pockets. We do not care what happened to the poor, because now we can say, oh, gosh, look at that; is that not a wonderfully beautiful public housing program? And, gee, we must have done a terrific job in the Congress of the United States because, boy, do we have great looking public housing.

We will not do a darn bit to take care of the very poor.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. KENNEDY] has expired.

(By unanimous consent, Mr. KENNEDY of Massachusetts was allowed to proceed for 1 additional minute.)

Mr. KENNEDY of Massachusetts. Mr. Chairman, we will not really take care of the poor, we are not going to take care of the homelessness. In fact, we will cut homeless people by 26 percent, we will cut the housing budget by 25 percent, and we will come in and nickel and dime them and scold them a few times and tell them a few more things to do with themselves, but we are sure as heck not going to give them any more money.

And, boy, if somebody stands up on the House floor and suggests maybe we should be putting enough money in to actually take care of these people, we say, oh, they just want to throw money at all the problems, and throwing money at poverty is not going to solve it. Well, I want to say to the gentleman that if we want to make public housing work for the people of this country, we ought to provide the operating subsidies that HUD as well as the housing authorities suggest that they need in order to be able to survive. And we should provide the capital grants that are necessary not only to continue the existing public housing but to improve that public housing.

If we do not put money into these projects, into these well run-down projects and help them rebuild themselves, how the heck will they ever actually get better? We have to put money into them. There have been very successful programs that have rebuilt these large public housing units, have created tenant ownership and done wonderful things. We need to provide the operating subsidies and the capital grants.

Mr. SOLOMON. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, I was upstairs in my Rules office and I was listening to this debate while preparing a juvenile justice rule to bring to the floor here in a few minutes, but I was disturbed when I heard where this funding might come from, from the increases with the Kennedy amendment.

As I read the amendment, it says the amendment to section 282 (1) and (2) would increase authorization levels for the capital fund from $2.5 billion to $3.7 billion. Now, that is a $1.2 billion increase. And then it would, at the same time, increase the level of funding for operating subsidies from $2.9 billion to $3.2 billion. That is an increase of $300 million, as I am reading here.

I would just say to my good friend from Massachusetts, I have for years fought for the decent funding for the Department of Veterans Affairs. It was my legislation which created it, took it from being the Veterans Administration to a full Department of Veterans Affairs because they were not being funded properly.

At the same time, I wanted to try to create a separate subcommittee in the Committee on Appropriations so that the Department of Veterans Affairs would not be funded along with HUD and other independent agencies. The gentleman knows full well if this ever went through, a $1.2 billion increase in the capital fund and the increased level of funding for the operating subsidies, it would come directly out of the hides of veterans in this country. To me that is terribly, terribly irresponsible.

Even the veterans hospitals in Massachusetts, as they are in New York, have been hit by a redistribution of funds, and the gentleman's hospitals in Boston and in Albany, N.Y., and down in Dutchess County have suffered. This would just exacerbate that problem.

So the money comes out of one kitty, one 602(b) allocation, and we have to be very, very careful about where we take this money. This money will not come out of the defense budget, which is grossly underfunded. This will come directly out of Department of Veterans Affairs, HUD and Independent Agencies.

The gentleman is not going to vote to take it out of the Environmental Protection Agency.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield so I can explain to him where I am going to get the money?

Mr. SOLOMON. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, first of all, the gentleman understands that I am the No. 2 ranking Democrat on the Committee on Veterans' Affairs, and I would never stand for cutting the veterans programs. So I want to make sure the gentleman understands that. I have fought for them every year since I have been here.

Second, with regards to the issue of how we get these funds, there have been no 602(b) allocation and, in fact, the 602(b) allocation is simply a sham. I would hope the gentleman would support me in an effort to make sure this body, as a Congress of the United States, begins to take back control

from the appropriators. And instead of being able to not shift money from the accounts within the Veterans Affairs or the space station or the housing agency, let us go after, and the gentleman can join with me, and maybe we should knock a little bit of that B–2 money out. What would the gentleman say to that? Knock a little of the F–22 out.

□ 2030

Then we ought to knock out a little of those corporate subsidies. We could do that if the gentleman supported me.

Mr. SOLOMON. Reclaiming my time, I ask the gentleman to abide by the rules of the House, please.

I do not know if the gentleman has gone to any recruiting offices around the country or in Massachusetts, but I have. I will tell the gentleman that right now, today, we are suffering because we are not getting a good cross-section of American young men and women enlisting in the military today. Why? Because they are worried about that career. We are going right back to the 1970's when the military families that we are serving were on food stamps, their pay grade was so low. We could not keep noncommissioned officers. We could not keep commissioned officers in the military because of what happened to our military budget.

During the 1980's we went through something called peace through strength and we rebuilt the military, we rebuilt the benefits for these young men and women who are eventually going to become veterans, whether it was from a full career or just having served 3 or 4 years. But we are sliding back.

I can tell the gentleman right now, the money is not going to come out of the defense budget. It is going to come out of that portion of the pie which is set aside for the Department of Veterans Affairs, HUD and independent agencies.

Mr. KENNEDY of Massachusetts. We have got to think big, Mr. Chairman.

Mr. SOLOMON. That is why we ought to defeat the Kennedy amendment on behalf of the veterans of this Nation.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman urged my friend to abide by the rules. It is easy to abide by the rules when one can change them at will, as the gentleman can who is chairman of the Committee on Rules. I would also say I am disappointed in him.

In the first place, he talked about those agencies which are grouped with HUD once the 602(b)s are there, and he said EPA and Veterans and HUD. Did NASA slip his mind? Was that an unintentional error? I guess it must have been. NASA is one of those agencies. The gentleman left NASA out. Maybe he thought some people might think that a manned space shuttle is less important.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, the gentleman ought to check the voting records. I voted to abolish NASA's Space Station program.

Mr. FRANK of Massachusetts. The gentleman may have voted to abolish it, but that does not entitle him to abolish it in his mind and act as if it was abolished. The fact is that the gentleman just said, if you give more money to HUD, it must come under the 602(b) process once an allocation is made from EPA or the Department of Veterans affairs. He left out NASA.

Mr. SOLOMON. Will the gentleman yield?

Mr. FRANK of Massachusetts. No, I will not yield. I would say to the gentleman, as he said to the gentleman from Massachusetts, abide by the rules. I just heard someone say that.

I would say to the gentleman that he unintentionally, I am sure, gave a very inaccurate picture. But even more important is this in this diversionary effort by the gentleman from New York.

Mr. SOLOMON. I insist that the gentleman be good-natured and yield briefly.

Mr. FRANK of Massachusetts. I would say to the gentleman I will not.

The fact is that there has been no 602(b) allocation this year. The fact is that the gentleman from New York comes up here on the wholly inaccurate premise that this must come from HUD, VA, EPA or the unstated NASA, which he has implicitly abolished, but that assumes there has been a 602(b) allocation.

Mr. SOLOMON. My good friend must yield.

Mr. FRANK of Massachusetts. The gentleman seems to have forgotten that his side forgot to do a budget this year. He not only forgot about NASA, he forgot to do a budget. There has been no 602(b) allocation, so his whole argument is nonsensical.

What the gentleman from Massachusetts talked about is more money from HUD. The gentleman from New York said that must come from one of these other agencies, but there has not yet been the basic decision that allocates that money. In fact, if the gentleman's amendment were to pass, we could then have the appropriators or the Committee on the Budget give more money for the whole 602(b) issue. I have never seen an issue of less substance brought forward.

I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I just would like to ask unanimous consent that I correct my remarks and include NASA.

Mr. FRANK of Massachusetts. I would have to say to the gentleman that I only have 5 minutes.

Mr. SOLOMON. And all the other independent agencies.

Mr. FRANK of Massachusetts. I have to say to the gentleman I only have 5 minutes. I do not have enough time for the gentleman to correct all his remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FRANK of Massachusetts. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. FRANK of Massachusetts. Mr. Chairman, I do not want to set the precedent because I do not have enough time to entertain all the corrections that would be entailed.

The point is this, however. Money is denigrated whenever poor people are the recipients.

The gentleman from New York just correctly said that it would be very unfortunate for the veterans if they lost money. I agree. One reason I am skeptical about this budget deal is that among the items that will be capped in the budget deal will be the discretionary money for veterans' health, and I am unhappy with that, and I have been in a few veterans' hospitals lately.

When we talk about the military, the gentleman says we need more money. By the way, the gentleman from Massachusetts talked about cutting the B–2 bomber. I do not think that is a big recruiting item. We are told that we need more money for the Veterans Administration if we want to do better for veterans' health, and I agree. We are told we need more money for the military, if we think they are underfunded. I do not.

How come it is only when we talk about benefiting the poor that money somehow becomes irrelevant? Money is not some objectified thing in itself. It is a claim on resources.

What we are saying is a substantial part of the problem with public housing has been a lack of resources. The gentleman from New York said and the gentleman from Louisiana said there are housing authorities that are rotting; they have holes in the windows. Are we going to talk those holes away? Are we going to just give people counseling so that we fix heating systems?

Yes, for a lot of reasons there are serious physical deterioration problems. We are saying to you that all of your self-sufficiency contracts and your 8-hour-a-month work requirements, like them or not, do nothing, nothing to deal with these ongoing serious physical structural problems. The gentleman from Massachusetts is talking seriously about them.

To argue that you are going to transform, in fact, people on the majority side talk about public housing as this terrible, physically rotting sinkhole full of social problems, but somehow more money is irrelevant to dealing with them. It is the only context where

poor people are the potential recipients where people on the other side are inclined to denigrate the value of money. When it comes to getting wealthy people to work hard, they need more money. When it comes to defending the country, we need more money. When it comes to health for veterans, we need more money. When it comes to fixing up the admittedly terrible conditions in much of public housing, money somehow becomes irrelevant.

Mr. LEACH. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from New York if he so desires, if he has further clarification he would like to make.

Mr. SOLOMON. Mr. Chairman, again my good friend from Massachusetts had said that somehow I left out NASA but I wanted to point out that I did in fact, when there was a vote on the floor about the space station, that I voted to eliminate it. I do not know how the gentleman voted, but I did so because we really did need that money for the veterans budget, that part of the 602(b) allocations.

But there are other issues out there. We have a supplemental budget coming up before us in an appropriation bill sometime this week or next week, and in that is the continued funding for our troops in Bosnia.

Those funds are going to come out of not somewhere else, they are going to come out of the defense budget. It is out of the operation and maintenance of the defense budget and the research and development that it gives our young men and women today the kind of state-of-the-art equipment that, God forbid if they ever have to go into a war, they are going to have. They are going to have night vision goggles so that they can see the enemy and the enemy cannot see them. Those are so terribly important. When you let the defense budget go down to what it has, you jeopardize that.

I have got an amendment, as a matter of fact, to the supplemental appropriations bill that is going to say instead of taking this money out of the operation and maintenance, which means out of housing for these young men and women and their families, we are going to try to take it out of Nunn-Lugar. Do my colleagues know what that is? It pays for the dismantling of defense missile systems in a lot of the former Soviet bloc countries.

Today, for instance, in Ukraine and Kazakhstan, those two countries have already been denuclearized, yet there is over $800 million in the pipeline for this money to be used. We are going to try to transfer that money from Nunn-Lugar and put it into paying for those troops in Bosnia, instead of taking it out of the operation and maintenance budget.

These are the kind of things that we ought to be doing. We ought to be protecting our young men and women, we ought to be providing proper funding so that they can depend on a good, honorable career in the military, and there is nothing more honorable. It is a lot more honorable career in the military than it is a career in the Congress. I wish I could have had a career in the military instead of in the Congress.

Mr. KENNEDY of Massachusetts. Mr. Chairman, some of us wish the gentleman had stayed in.

Mr. SOLOMON. I tell the gentleman from Massachusetts that I will get into that later on.

Mr. LEACH. If I could reclaim the time, I want to thank the gentleman from New York for his very thoughtful representation to this body as well as defense of the U.S. military and the veteran.

I would only like to make one comment, because in all of this discussion about programmatic grouping, 601(b), 602(b), whatever it may be, the fact of the matter is, the greater relevance is how did the committee come up with the figure? And the figure in this budget is precisely, dollar for dollar the recommendation of the Clinton administration. This committee has worked vigorously and cooperatively with the administration on this housing budget.

I make this point because the figure of the gentleman from Massachusetts is somewhat over 50 percent greater than the majority on the committee has recommended, which means it is 50 percent greater than the administration has requested. There are a lot of things we could do with more money in all sorts of Federal areas.

I, personally, think maybe housing has been a little more short-shrifted than I would like, but the fact of the matter is we are dealing with a budget dilemma. This committee has come up precisely with the administration request, and I know it does not fit all on your side of the aisle, but I would think the committee might well get some appreciation for how closely we have worked with the administration, how hard we have worked to defend a particular dollar level that is their request, and instead the amendments come in calling for 50 percent increases. That makes it pretty difficult to deal with, because it is out of the scope of budget constraints, as we all recognize, and not just this discussion between the veterans' programs and the housing programs.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I did not exclude the Clinton administration from their culpability in this low number on housing allocations. What I wonder is if the gentleman might respond to the idea that the gentleman, as chairman of the Committee on Banking and Financial Services, as someone who has taken a great interest in housing policy over the years, would not in fact take the lead in trying to suggest that the Clinton administration as well as many others have not put enough money into this, and let us at least have the fight on the House floor. Instead of requiring this to be held on the Democratic side, why not come up with a budget that actually meets the needs? Does the gentleman really believe that the housing projects that are in such terrible shape can be brought up to code if they do not have more money?

Mr. LEACH. First, let me respond to the gentleman. We have worked forthrightly to come up with the maximum approach we believe that could receive the majority's support in this body.

Second, I do believe very firmly that there are few areas of Federal programming that have had more glaring mistakes in them than a number of our public housing projects. And I believe that without reform, more money is money down the proverbial difficult hole.

All I can say is that from the majority's perspective, we have worked with the administration to come up with a credible number, with credible reform, and as we come to the floor, each amendment calls either for a return to the status quo or for money outside the budget constraints that have been worked out between the executive branch and Congress. It is in that context that I have a difficult time looking at some of these amendments.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. LEACH] has expired.

(On request of Mr. FRANK of Massachusetts, and by unanimous consent, Mr. LEACH was allowed to proceed for 2 additional minutes.)

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I have to say to my friend with all sincerity, invoking the President is not an argument. Invoking the President, with whom you are free to disagree and disagree frequently, the fact that the gentleman coincide on this one, as the gentleman understands, is not an argument. It does not go to the merits.

Second, I have to say I am sorry to hear the gentleman talk about, oh, it is going to be money down a rathole. In some few places, yes. Nobody here is contesting the strengthening of HUD's ability to take over housing projects. We are all for that. But I will tell the gentleman that I have been to many of the housing authorities in my district and elsewhere, and they are well run; they are not ratholes, and giving them more money is not pouring money down a rathole. The gentleman knows that.

Mr. LEACH. Mr. Chairman, I recapture my time because the gentleman from Iowa has the time.

I would concur with the gentleman that many of these housing projects are very well run. I would like as a Member of Congress to be able to say "I can double your funds." But the fact is we have a totality of constraints placed in this body. Working with the administration may not be an argument in the sense of substance but it is a process circumstance of enormous import to this body that everybody in this body recognizes.

□ 2045

Mr. Chairman, what is being displayed on the floor today is an effort by a part of their wonderful political party that is saying we want to on this program increase substantially the resources as they argue on many other programs, and what the majority side is saying, that somehow there have to be limits when we are dealing with a totality of a budget of the nature we are dealing with.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman further yield?

Mr. LEACH. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. But many of us have also talked about substantial reductions, the space station, the B–2 bomber, areas that we consider——

Mr. LEACH. Mr. Chairman, to recapture my time, because it is my time, I would acknowledge to the gentleman that with the gentleman from New York and the gentleman from Massachusetts I had the same vote on the man orbiting laboratory issue. I also object to the B–2 bomber. And so all of us as individual Members have different judgments, but we have to live within the constraints of what the majority determines as well as the constraints of the executive branch.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. LEACH] has expired.

(On request of Mr. FRANK of Massachusetts, and by unanimous consent, Mr. LEACH was allowed to proceed for 1 additional minute.)

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. We are in the process, we are in the process of trying to determine what the majority determines. The majority, until it has voted on this, has not spoken yet. But finally I have to say I understand the gentleman can feel beleaguered sometimes when he says he is getting no appreciation for supporting the administration. I think my colleagues have to adopt what Harry Truman said with regard to friendship:

"If you want appreciation in Washington, get a dog."

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LEACH. Mr. Chairman, I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, my belief is that we are an authorizing committee, and as an authorizing committee it is not our responsibility to do the appropriations committees' work. We have a responsibility of telling the appropriators the funding levels that are necessary in order to achieve the kind of public housing policy that we believe is the right policy. It is up to the appropriators to then come back and tell us that they do not have enough money to do this or that or the other thing, and we have that fight out, and that is the process that the forefathers of this country set out in how they establish the rules of the House.

It seems to me that what has happened here is that we have allowed and that their side of the aisle has allowed the authorizing committees to simply be stifled. There is no debate between authorizers and appropriators any longer. This used to be a fight when the gentleman from Texas [Mr. GONZALEZ] ran this committee. It was a fight, and he put in more money, and we go to the appropriators, and every member of this committee would go before the Committee on Appropriations and fight for the programs that we believed in. That is not existing any longer. It is just that they give us a number and our colleagues accept it.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. LEACH] has expired.

(By unanimous consent, Mr. LEACH was allowed to proceed for 1 additional minute.)

Mr. LEACH. Mr. Chairman, this gentleman does not accept the statements of the gentleman from Massachusetts. The fact of the matter is it is the responsibility of this committee to work realistically with the budget constraints that exist. The gentleman from Massachusetts [Mr. FRANK] knows very well, and I do not want to reference names, but in the past, bills were introduced in our committee with gigantic pie-in-the-sky numbers, and they never were credibly received in the appropriations process, and they should not have been.

This committee is an authorizing committee, is requesting credibility. It is coming with numbers that we will be defending, numbers that will be accepted, numbers that are supported by the administration, numbers that have realistic relationships with other Federal programs in a budget constraint time, and this committee also is coming with philosophical reform.

The combination of realistic numbers and realistic reform I think gives decent hope that public housing in America can be improved.

Mr. WATT of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am having a little trouble following this debate because it sounds like everybody is saying the same thing, which is that we need more money. At least every once in a while I hear somebody on the other side acknowledge that we need more money, when they are running away from the notion that they are advancing that money will not solve the problem. And so that kind of has my head spinning. Maybe my head is spinning because it is so late tonight, but I keep hearing inconsistent philosophies from my colleagues here.

We were talking about opening new slots for working people and public housing so that working people could rotate out of public housing, and so we went around in a circle on that issue, and then we were talking about we always want to do what the President does, but the truth of the matter is the President does not even support this bill and the President has asked for additional funding for this purpose and our authorizing committee will not even ask for additional funding, even though we all acknowledge that we need the additional funding if we are going to rehabilitate public housing. We were talking about more flexibility for local housing authorities, and yet the bill keeps dictating various requirements from the Federal Government on local housing authorities.

So we are going around in circles that way, and now we are back here saying, hey, we are not going to ask for any more money because we are looking for credibility, and I do not know. What kind of credibility are we looking for? We got 16 million people out here that need housing, we got 4 million units, and nobody is saying we are going to build 12 million more housing units, but surely we need some more housing units and we need to rehabilitate the housing units that are not in good condition. And how are we going to do that if we on the authorizing committee do not take the fight and go to the appropriators and say we know we have got competing demands, we know we got budget constraints, but we need more money for housing in this country because we got 16 million housing families that need housing and we got only 4 million units?

We have got bad housing, which all of us acknowledge, and we need to rehabilitate it, and it seems to me that all of us on both sides have acknowledged that, and why Mr. KENNEDY's amendment would not be deemed a reasonable and good idea in that context I simply do not understand.

Maybe it is too late at night for me to understand. Maybe I have heard too many inconsistent rationales that I cannot understand.

Would the gentleman like for me to yield the balance of my time to him? Maybe he can explain it to me.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WATT of North Carolina. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentleman yielding. I think that the heart of this issue is where we believe our resources ought to be spent in this country. I understand that it is not popular to stand up for housing policy and for the homeless and to suggest that, if we even suggest that we want to put more money into homeless and housing issues, that we are going to be castigated as saying that we are maintaining the status quo, we are not willing to change. None of those things are true.

If anybody bothers to read our bill and recognizes that we give broad powers to the Secretary to take back badly-run housing agencies, well-run housing agencies that run badly run projects will also be taken back. We give broad powers, new powers at the local level, to accept many more working families to raise that to a 50/50 ratio over a period of 10 years.

I think that the housing reforms that we have constituted require us to have the faith that if we invest the money in these buildings that we can get them up to code and provide decent and affordable housing for the Nation's poor and vulnerable people, and I appreciate all the work that the gentleman from North Carolina [Mr. WATT] has done on this bill. He has done yeoman's work, and I am very proud to serve in the Congress with him.

Mr. HILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am wondering if the subcommittee chairman would yield for a colloquy on some questions that I have with regard to this issue.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I would be happy to.

Mr. HILL. Mr. Chairman, first of all perhaps I am not the only Member here that is a little bit confused about the issue of the 602 allocation. As I understand, the funding, if we have an increase of funding in this area, that funding comes out of where? Would the gentleman from New York explain that for us?

Mr. LAZIO of New York. Sure. There is something called the 602(b)s, and they are a cap on the money that each of the 13 appropriations bills can spend. The way the rules work are that we cannot take money from another 602(b) area to put it into a separate and distinct area.

Now if I can illustrate that, that means that if we increase funding, in this case for a particular housing program, it must come from within that area that is under the jurisdiction of that particular appropriations subcommittee, and in that subcommittee we have environmental enforcement, veterans benefits and veterans affairs, NASA and housing; those are the main areas. And so as we increase one; for example, if we were to adopt this amendment and the effect of it would be to increase funding in one part of housing, the offset might be to get rid of home ownership programs also for people of low income. The offset might also be to deny health benefits for veterans, to illustrate a point. It might be to eliminate a NASA program or an EPA program. It could not be, under the rules, the budget rules that exist in this House, we could not go out and take money away from the defense budget. That is not the way the rules work.

Mr. HILL. Now as I understand it, some of these public housing authorities have capital funds that have not been spent. Am I correct that some of these are the public housing administrations that have some of the poorest housing? Is that correct?

Mr. LAZIO of New York. The gentleman is absolutely correct. As a matter of fact, last year we had in America housing authorities that did not spend in excess of $900 million in their capital account, and in several cases there were tens of millions of dollars that were left unspent by the worst housing authorities in the country. So while people were living in squalor, they were sitting on money.

The idea that money alone will fix the problem is wrong, it is not factual, and the fact that we need to create environments where competitive forces reign, where we demand levels of excellence in terms of management and we begin to change and transform the community so that working people can achieve their American dream and people who are unemployed can also follow that American dream.

Mr. HILL. Mr. Chairman, this bill is intended to create greater responsibility on the part of a lot of folks that are involved in public housing. We have talked some about the work requirement, if my colleague will, the community service requirement, which is an effort to create greater responsibility on the part of residents, and our goal here, as I understand it, is that by their involvement in those communities it will strengthen those communities.

This section of the bill is intended to create greater responsibility in terms of the public housing administrators; is that not correct?

Mr. LAZIO of New York. Mr. Chairman, in that sense we are giving more money to the public housing administrators to administer the programs. They can use it in many different ways, but getting back to the core issue, if we had an unlimited amount of money, I would suggest that virtually every Member in this Chamber would look to see if we could increase spending in some way to ensure that we get better housing.

But not every solution to help house and provide better opportunities for the very poor and for the working poor involves funding housing authorities. Some of it involves exploring home ownership options, some of it means working with not for profits like Habitat For Humanity which we have been involved in, and when we do this in a way in which we deal with our budget, meaning we have limited money and we have to have offsets, we are taking from one of those areas and we are prioritizing, and we are saying that area is not as valid in terms of our spending increases as this one, and we are fully funding the President's request in this case.

As a matter of fact, I would say to the gentleman, there have been cases in which I have been on the floor to ask for amounts over and above the President's request when the administration put forward a budget that would reduce funding for seniors, for senior housing, or when the administration put forward a request to cut housing for people who are disabled. I offered the amendments, and this House followed suit, and I am grateful to that to restore that funding.

□ 2100

Mr. HILL. Mr. Chairman, I ask unanimous consent to proceed for 1 more minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would not have objected, because everybody else has been willing, if the gentleman who just had the time would acknowledge the fact that I am trying to get his attention.

Mr. Chairman, I would have been happy to yield to the gentleman from Montana [Mr. HILL] and given the gentleman more time, but the gentleman would never yield to me; no matter how many times I requested the gentleman to yield, he never yielded to me.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Montana.

Mr. HILL. Mr. Chairman, I was engaged in a colloquy and at the end of that colloquy I would have been more than happy to yield to the gentleman from Massachusetts [Mr. KENNEDY], and had the gentleman appropriately waited until the end, I would have done so.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would be happy to yield to the gentleman from Montana now.

Mr. HILL. Mr. Chairman, I thank the gentleman from Massachusetts.

I have one last question.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thought the gentleman was going to yield back to me.

In any event, let me reclaim my time briefly, Mr. Chairman, and if the gentleman from Montana has a question of me, I will be happy to yield to him.

Mr. HILL. Mr. Chairman, and then the gentleman will not object if I want another minute.

Mr. KENNEDY of Massachusetts. No, I will not.

Mr. Chairman, there is a very different way of thinking about this budget than the one that was just articulated between the two Members on the other side of the aisle. The truth of the matter is that there is no 602(b) allocation. We are not constrained within any number at this time. This is prior to when that entire procedure gets underway. Right now, we can come in and request whatever numbers we want. The appropriators are going to have to come in, and the Committee on the Budget is going to have to come up with what they feel is appropriate for us.

We can have fights about what we believe, whether or not the space station ought to be built; the space station would pay for these programs.

Mr. Chairman, my colleagues on the other side, if they read their own bill they will find, and we support the idea, that the funding that is contained, that is not unspent by housing authorities goes back to HUD and can be reallocated.

So yes, I am not trying to suggest that poorly run housing authorities ought to be able to continue to get this money. What we are trying to suggest is that we are not going to solve the problem of badly run housing projects unless we in fact give some more money to the people, in addition to the fact that we get a better income mix in those buildings.

We have a basic responsibility as authorizers to tell the appropriators that they do not just take a marching order from the Speaker of the House when he says, listen, here is the number, so then the chairman of the committee and the chairman of the subcommittee go, oh, OK, that is a realistic number, so therefore, we ought to take it.

I object when the gentleman from Iowa [Mr. LEACH] said earlier that we put big numbers up. Yes, there were some of us on the committee that feel we should put a lot more money into housing. Those bills were what I would call flagship bills. We never expected to get those bills that put $50 billion into housing. But, my goodness, we certainly expected to have the fight with the appropriators, and the gentleman from Texas [Mr. GONZALEZ] would put in at $38 billion levels all the years that I have served on the housing committee, since I first got here.

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Chairman, first, a correction for the gentleman. We are in a world which everyone that has a point wants to identify the Speaker. I have not spoken to the Speaker on this issue. I have spoken to Secretary Cuomo. We have put in the administration-requested numbers.

The second point I would like to make, the gentleman is absolutely right. The former chairman of this committee put in higher numbers, but they have not gotten them. We are putting in numbers and we intend to get them.

The chairman of the subcommittee and I have fought very vigorously within the Republican caucus to insist that public housing programs not be eliminated, and we have made a major personal time commitment. And I would say particularly the chairman of this subcommittee, and must tell the gentleman from Massachusetts that the implications of his words that the majority leadership and the Committee on Banking and Financial Services refuses to go and support the committee, unlike prior leadership of the Committee on Banking and Financial Services, is invalid.

Beyond that, I know of no committee at any time in this body that has not cooperated more with the department of jurisdiction on the area under control, controlled by another political party.

The CHAIRMAN. The Chair would point out that the gentlewoman from Texas [Ms. JACKSON-LEE] controls the time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me yield to the gentleman from Massachusetts [Mr. KENNEDY] and subsequently to the gentleman from North Carolina [Mr. WATT].

The CHAIRMAN. The time of the gentlewoman from Texas [Ms. JACKSON-LEE] has expired.

(By unanimous consent, Ms. JACKSON-LEE of Texas was allowed to proceed for 2 additional minutes.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. The chairman of the committee, who I have great respect for and recognize the independence that he brings to his job, but it is also true that under the leadership that he has served as chairman of the committee we have seen the most precipitous drop in the history of housing. We went from $28 billion to $20 billion overnight without a single hearing, without ever debating this issue whatsoever, and that is what happened, and that is the real record.

I do not care to condemn my friend from Iowa, because I know that he had very little to do with that particular policy, but that is the record of what has occurred while the gentleman has been chairman of this committee.

Ms. JACKSON-LEE of Texas. Mr. Chairman, reclaiming my time, I yield to the gentleman from North Carolina [Mr. WATT], and I would also like to yield to the gentleman from Iowa [Mr. LEACH] if the gentleman from North Carolina [Mr. WATT] would make his point.

Mr. WATT of North Carolina. Mr. Chairman, I want to make my point quick, because I made this point in committee.

I do not doubt at all that our chairman has fought within the Republican Caucus for what we are talking about, but I do not know why we would not as a committee go on record in support of the Kennedy amendment that allows bipartisan support for this, both Republicans and Democrats. The gentleman from Iowa should not be fighting this battle in only the Republican Caucus. We should be taking this battle to the full House, and we should be doing it together. That is what I said earlier, everybody is saying the same thing, everybody agrees we need this money, and both sides ought to be saying it together, not just in a Republican Caucus.

The CHAIRMAN. The time of the gentlewoman from Texas [Ms. JACKSON-LEE] has again expired.

(By unanimous consent, Ms. JACKSON-LEE of Texas was allowed to proceed for 2 additional minutes.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield to the gentleman from Iowa [Mr. LEACH] so that he may respond.

Mr. LEACH. Mr. Chairman, let me respond in context, one is the context of restraint, the second is in the context of housing.

In the context of restraint, this committee has brought forth the administration's proposal. This side is marching in what might be considered surprising lockstep with the administration; the Democrat side is not.

The second point I would like to make that I think is very important, housing is a large issue, public housing is a subset issue. It is the belief philosophically of the Republican side that if we can constrain spending, reduce interest rates, we can expand housing in America. That is occurring. A higher percentage of Americans each year now are coming to own their own homes, putting a lower burden on the public side.

Now, we can take every single subset of Federal programs and make a case for increasing them. When we do that, the sum total of effect is an economy that dwindles. We on the Republican side are very conscious of the macroeconomic dimension of the need to restrain. Based on that, of all programs in America where the benefits become

most clear-cut, it is housing. Homeownership in this country as a percentage is going up, and we are committed to continue to have that go up.

Ms. JACKSON-LEE of Texas. Reclaiming my time, Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would just like to point out that we have discussed the defense bill now and it sounds like we are back to supply-side economics.

The truth of the matter is I am in favor of a balanced budget. There is plenty of money in this budget, we just have to find out where we have to go spend it. All I am asking, all the gentleman from North Carolina [Mr. WATT] is asking, all the gentlewoman from Texas [Ms. JACKSON-LEE] is asking is that we go out and fight for money for the housing bill. Why go out and allow everybody else to grab the money? Go out and grab it with us, and we will help.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The amendment was rejected.

AMENDMENT NO. 31 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer Amendment No. 31.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 31 offered by Ms. JACKSON-LEE of Texas: Page 120, line 2, strike "and".

Page 120, line 23, strike the period and insert a semicolon.

Page 120, after line 23, insert the following:

(3) in subsections (c)(1)(A) and (d)(1)(A), by striking "make their best efforts," each place it appears and inserting "to the maximum extent that is possible and";

(4) in subsection (c)(1)(A), by striking "to give" and inserting "give"; and

(5) in subsection (d)(1)(A), by striking "to award" and inserting "award".

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me acknowledge the leadership of the Chairman and ranking member on a very difficult process and a difficult piece of legislation with varying perspectives, and I have offered my own perspective on issues involving a large number of my constituents who are in public housing or assisted housing. Houston is the fourth largest city in the Nation. Interestingly enough, as a southern city, we confront many of the ills that we see our eastern and northern counterpart cities facing.

I rise to offer an amendment that I believe can move forward in a bipartisan manner, and that is to alter the language that would mandate public housing authorities, their contractors and subcontractors, to be considered or to consider employing residents on projects funded with HUD dollars.

This will open up the widest range of job opportunities for residents and would be advantageous to the national economy. Again, let me emphasize that the language is to be considered, it is not a mandate to hire.

According to the National Public Housing Authority, there are many public housing residents who are looking for employment. This amendment addresses the job scarcity that affects many residents of public housing.

In fact, I was in a discussion some weeks ago where, going through my public housing developments, their main question is, where is the work? We would like to work. I think my counterparts throughout the Nation have heard the very same request.

We have checked on this particular amendment and it has no CBO impact. It is a cooperative amendment. It has the contractors, the businesses, the housing authority, the residents, working together.

This amendment will not only provide jobs for residents of public housing, it will increase moneys paid in rent to the housing authorities which assess rent schedules by the annual income of the residents. This amendment will also drive down the number of individuals who earn salaries below the average area mean. It will train young people in the housing developments. It will get families having a sense of pride and dignity as they work, to construct, to rehabilitate, to clean up, to landscape the areas of their housing and where they live. This will have a positive impact for public housing authorities, the Federal Government and the national economy.

Might I say that in my discussions with some of the contracting businesses, this is a positive for them. It is a positive for the unions. In fact, I might say that the unions have offered and wanted us to do more on job training in the housing developments so they could get more apprenticeships and have the individuals who live there, male and female, learn the building trades or learn landscaping.

So this is an amendment that says, let us make sure that those individuals who want to work, who live in housing developments, are considered for these very precious jobs.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the last word.

I want to compliment the gentlewoman from Texas [Ms. JACKSON-LEE] and announce that I am going to be supporting this amendment. I want to compliment the gentlewoman for her vision in terms of putting this amendment forward.

This amendment really does very much speak to one of the essential themes of this bill, which is to help recycle dollars, help to provide new opportunities for tenants, help to build skills; help to give people the kind of environment, even if they are of lower income, where they can transition back into the mainstream economy.

This amendment will help do that, I believe. I believe this sends a strong message out to public housing authorities throughout the country that this should be part of their mission, that they ought to be paying attention to their tenants, that they ought to be helping them build skills and they ought to be employing them, wherever possible.

So for these reasons, I am appreciative of the gentlewoman's amendment. I am happy to lend it my support, and I want to compliment her for the way she has handled it.

Mr. LEACH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would simply say that sometimes we get involved in rhetorical debates. What the gentlewoman's amendment does is something that is very close to the self-sufficiency efforts that are underway as well, and I think it makes a great deal of common sense, as I think self-sufficiency efforts make a great deal of common sense, but this side does have to recognize that it is a slightly greater burden on the public housing authorities, but it is a burden worth putting on the public housing authorities.

□ 2115

That was the same point we were trying to make earlier with the self-sufficiency approaches. This tightens that up. It is complementary. It makes great sense.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I appreciate the gentleman's willingness to support this. We have disagreed on the self-sufficiency, but I really appreciate the fact that the gentleman realizes I am at a different level, but we are on common ground. That is that this gives dignity and self-esteem, but it also gives the ability for those individuals to get valuable training, job skills, that may be parlayed even beyond these contracts. I appreciate the housing authorities being willing to at least let those applicants, those residents, get to those potential employers and see what happens.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas [Ms. JACKSON-LEE].

The amendment was agreed to.

AMENDMENT OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment as a substitute for amendment No. 50.

The Clerk read as follows:

Amendment offered by Ms. JACKSON-LEE of Texas: Page 152, line 2, strike "and".

Page 152, line 6, strike the period and insert "; and".

Page 152, after line 6, insert the following:

(7) how the agency will comply with the requirement under subsection (k)(3), if applicable.

Page 153, after line 15, insert the following:

(3) REPLACEMENT REQUIREMENT FOR PHA'S IN AREAS WITH PUBLIC HOUSING SHORTAGES.—

(A) IN GENERAL.—In the case only of public housing agencies described in subparagraph (B), such an agency may demolish or dispose of a public housing development (or portion of a development) only if the agency provides to the maximum extent that is possible an additional safe, clean, healthy, and affordable dwelling unit for each public housing dwelling unit to be demolished or disposed of. Such additional dwelling units may be provided for through acquisition or development of additional public housing dwelling units or as provided under paragraph (1).

(B) COVERED PHA'S.—A public housing agency described in this subparagraph is an agency whose jurisdiction includes any area within a metropolitan statistical area for which—

(i) the number of public housing dwelling units is less than 5,000 dwelling units.

Mr. LAZIO of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me, as I am presenting this amendment, say to the ranking member, I thank him for the discussions that we have had on this very important issue. If I may, to the ranking member, just for a moment, I am not going to ask him to comment right now, but I would like to lay this out. We have had some very good discussions, and I would like to lay this amendment out and enter subsequently into a colloquy on this issue dealing with a very special problem that I have seen not only in communities like Houston, but in communities around the Nation, if I might.

Mr. Chairman, I recognize that for a long period of time the leadership dealing with the housing issues have looked at this question called one-for-one replacement. I recognize that many of our major cities with large public housing agencies, with dwelling units over the 10,000, 25,000, 50,000 level, have faced consternation regarding the question of lack of flexibility in reevaluating how best to serve those who need public housing.

Let me highlight that Houston and communities that have a small number of public housing dwelling units face a dissimilar problem or a problem that is very distinct and unique. That is, for example, Houston is a city with over 1.5 million, comparable to other cities around the Nation, but also equal to some of the problems that our rural communities have with respect to housing. In many instances, they have not had the necessity to demolish large numbers of units, or have the situation where they have units over 10,000.

In our community in particular, we had a certain housing structure that became the symbol for what happens when individuals believe that we cannot demolish and be constructive and go forward. It happens that Allen Parkway Village now has been partly demolished. There is an effort to rehabilitate a certain number of units and an effort now to replace a certain number of units.

The amendment that I offered was really a discretionary amendment. It simply said that if a particular community had less than 5,000 units and was planning on demolishing, they should make every maximum effort to provide healthy, clean, affordable public housing dwelling units, recognizing that this might help many of our rural communities, give them an incentive, if you will, to replace the housing units for those who most need it.

In my community we are presently looking at trying to replace the units for Allen Parkway Village. The difficulty is that now all of a sudden the properties around Allen Parkway Village have become lucrative for developers, and there is a falling back, if you will, a reneging, on the replacing of housing for my constituents and constituents who need it.

What I would simply offer to say, Mr. Chairman, is that I would hope, both with the ranking member and of course with the chairman, that we could work through this issue and determine that what we need most in the U.S. Congress is to assure affordable, clean, healthy housing for those who need public housing. Where there is a demolishing, if we can have a discussion that makes sure that we do not go backward, but we go forward; that we enable, if you will, the individuals who need public housing to have good, clean public housing.

I would like to yield to the gentleman, because I am offering to withdraw this particular amendment, even as it has been softened, to be able to work further on the generic problem, and the generic problem is trying to get housing in communities that do not have 50,000 units, 25,000 units, 10,000 units or 5,000 units, but have under that, and through demolishing have lost the ability to serve those communities and individuals in those communities.

Mr. LAZIO of New York. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I thank the gentlewoman from Texas. I appreciate the spirit with which we have been entering into discussions on the part of the gentlewoman. She has offered, and I appreciate that, to continue speaking with me and with members of my staff, the committee staff, rather, to ensure that we try and meet the needs of low-income people in terms of housing in rural areas. I understand that there is an equal need for housing in rural areas, and that we need to look to new tools to try and enhance what we have right now.

With respect to the gentlewoman's particular amendment, we are going to take a look at it, because we have no hearing record. I want to make sure that I understand the implications and consequences of the amendment, and then I hope we will have several different discussions about this, to see if we can explore some ways of trying to meet on mutual concerns to try and deliver more and better housing for low-income people in rural areas.

The CHAIRMAN. The time of the gentlewoman from Texas [Ms. JACKSON-LEE] has expired.

(By unanimous consent, Ms. JACKSON-LEE of Texas was allowed to proceed for 30 additional seconds.)

Ms. JACKSON-LEE of Texas. I appreciate that, Mr. Chairman. I was hoping we could work in tandem and look at this issue so it could be represented in conference that there is a problem, not only with rural areas, I mentioned that, but cities that are not cities that have larger than 5,000 units.

In my instance, Houston is probably representative of some other cities that have less than that, or 2,500 units, who may have some problems on the replacement, and need to have that incentive to do so for those individuals.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent that the following Members be permitted to offer their amendments to title II, even after the reading has progressed beyond that title. That would be Mr. MORAN, printed amendment No. 51; the gentlewoman from New York, [Ms. VELÁZQUEZ], printed amendment No. 43. That would preserve their rights to offer their amendments tomorrow.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent that the amendment of the gentleman from Texas, [Mr. DELAY], also be protected, which is a correlary or related to the amendment of Mr. MORAN, and that he be permitted to offer his amendment to title II even after the reading has progressed beyond that title.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DOYLE. Mr. Chairman, the Klink-Doyle amendment will provide the general public with a simple practical protection from overzealous bureaucratic decisionmaking. It

amends the local cooperation provision of section 202 of the bill to ensure that public housing authorities notify and consult with potentially impacted local governments when initiating new public housing programs, including those which stem from an order, judgment, or decree of any court.

Current law does contain limited notification requirements, and H.R. 2 improves on these stipulations. Some might assume that such provisions are adequate to guarantee that communities receive expedient notification and consultation. However, based on experiences in Allegheny County, PA and in cities across the country, we feel that the clarification provided by this amendment is essential.

For 2 years now, the citizens of Allegheny County have been working to comply with the provisions of a consent decree designed to redistribute public housing throughout the county. As HUD and the housing authority began to implement the decree, towns and boroughs were often treated as if their interests and input were unnecessary and unwanted. Thousands of citizens and numerous councils of government were outraged by their nearly total exclusion from any part of the decisionmaking process.

To address this situation, I brought local officials in Allegheny County together into an intermunicipal working group. This group has come to stand together and demand the notification that the people deserve. Many citizens and elected officials in this group have worked tirelessly and have had some success in bringing more openness to the implementation process. Unfortunately, our extraordinary efforts have not been enough. The people need the force of law to guarantee that, at a bare minimum, public housing authorities will keep them apprised of their activities.

Usually, when a housing authority seeks funding from HUD for a new public housing initiative, they must gain some degree of local approval. However, because funding for compliance with a consent decree does not come through normal HUD channels, notification requirements do not have to be adhered to. In other words, housing authorities can and do legally turn a blind eye to local interests. Mr. Chairman, I believe that this is clearly a loophole which needs to be closed.

Regardless if a public housing initiative is the result of a bureaucratic decision or a judicial decree, the public should have the right to review proposals which will affect their communities. A judicial mandate should not provide a license to ignore the rights of citizens, or be used as a justification to avoid public scrutiny. We must insist these decisions and debates are taking place in the light of day, not behind closed doors, and this amendment does simply that. It guarantees the public's right to know. I thank the Committee for agreeing to include Amendment No. 47 in the en bloc amendment which was earlier today approved by voice vote.

Mr. LAZIO of New York. 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. JENKINS) having assumed the chair, Mr. GOODLATTE, 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. 2, to repeal the U.S. Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 478, FLOOD PREVENTION AND FAMILY PROTECTION ACT OF 1997

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–88) on the resolution (H. Res. 142) providing for the consideration of the bill, H.R. 478 to amend the Endangered Species Act of 1973 to improve the ability of individuals and local, State, and Federal agencies to comply with that Act in building, operating, maintaining, or repairing flood control projects, facilities, or structures, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3, JUVENILE CRIME CONTROL ACT OF 1997

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–89) on the resolution (H. Res. 143) providing for consideration of the bill, H.R. 3 to combat violent youth crime and increase accountability for juvenile criminal offenses, which was referred to the House Calendar and ordered to be printed.

SPECIAL ORDERS

The SPEAKER pro tempore. 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.

AMERICA'S 39TH POET LAUREATE, ROBERT PINSKY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, this fall, the acclaimed poet Robert Pinsky will take his place as America's 39th poet laureate.

I am very proud to point out to my colleagues that Mr. Pinsky was born and raised and graduated from the public high school in my hometown of Long Branch, NJ, a historic seashore community that was the inspiration for many of his poems.

Mr. Pinsky is truly the right poet laureate for our time in history. In announcing his appointment, the Librarian of Congress, James H. Billingham, noted that his accomplishments in translation, his interest in making poetry accessible through digital technology on the Internet, and his own probing poetry promise an exciting year for us in Washington.

He follows in the footsteps of many great poet laureates, including Robert Frost, Gwendolyn Brooks, Robert Penn Warren, and Conrad Aiken.

The duties of the poet laureate have traditionally included promoting poetry in this country through seminars, workshops, and speaking engagements. Judging from Mr. Pinsky's rich imagination and creative use of language in the computer, I am sure we can count on him to make his mark on the poet laureates' role in a significant and lasting way.

Mr. Speaker, Mr. Pinsky is the author of five collections of poetry, including his most recent publication, "The Figured Wheel: New and Collected Poems 1965 to 1995."

□ 2130

He is the poetry editor of the weekly Internet magazine called Slate. In 1994, Mr. Pinsky translated Dante's "Inferno" from the Italian and won great national acclaim for the deep poetic talent displayed in this formidable task. The students at Boston University where he is a professor are certainly fortunate to have him teaching in their creative writing program.

I know that I reflect the views of my constituents when I express how proud I am that a native son of the Sixth Congressional District of New Jersey will hold the esteemed and historic title of Poet Laureate.

So at this time I would like to share with my colleagues a few of Mr. Pinsky's poems so that we might welcome him to Washington with a deeper appreciation of his outstanding poetry.

First of all, these are from the Figured Wheel which I mentioned. The first one, if I could read it briefly, Mr. Speaker, is about my home town of Long Branch, which is also Mr. Pinsky's home town, and he talks about the ocean, which we are all so very fond of since Long Branch is along the shore. It is called "A Long Branch Song."

Some days in May, little stars.
Winked all over the ocean. The blue
Barely changed all morning and afternoon.
The chimes of the bank's bronze clock;
The hoarse voice of Cookie, hawking
The Daily Record for 35 years.

I have to say, Mr. Speaker, that brings home to me because I remember Cookie who was hawking the Daily Record, our local newspaper, for a long time when I was growing up.

The next poem is also about Long Branch. It is a little longer but not much. I would like to read it, if I could, to my colleagues, Mr. Speaker. It is called "Long Branch, New Jersey."

Everything is regional,
And this is where I was born, dear,
And conceived,
And first moved to tears,
And last irritated to the same point.
It is bounded on three sides by similar places
And on one side by vast, uncouth houses.
A glum boardwalk and,
As we say, The Beach.
I stand here now
At the corner of Third Avenue and Broadway.
Waiting for you to come by in a car,
And count the red carlights
That rush through a fine rain
To where Broadway's two branches—North Broadway and South Broadway—both reach
To the trite, salt, welcoming ocean.

I like to read that one, Mr. Speaker, because not only is Broadway near where I was born and grew up but it is also where my congressional office is, on Broadway.

The last one I would like to read, I hope there is time in the time I have allotted, is called "To My Father, for Milford S. Pinsky," who I remember was Robert Pinsky's father, a local obstetrician in Long Branch.

The glazed surface of the world, dusk.
And three mallard that land
In the dim lake, each
Scudding in a bright oval . . .
What chance, man, for the thin
Halting qualities of the soul?
Call this, prologue to an explanation,
Something like the way Uncle Joe Winograd
With a carpenter's flat silence
Might act on some given stretch
Of Uncle Italo Tarantola's lifelong
Lawyerly expanding monologue.
What I wanted, was to dwell
Here in the brain as though
At my bench, as though in a place
Like the live ongoing shop—
Between kitchen and factory—
Of a worker in wood or in leather.
Implements ranged in sizes and shapes,
The stuff itself stacked up
In the localized purposeful clutter
Of work, the place itself smelling
Of the hide, sawdust or whatever.
I wanted the exact words;
I wanted the way to pronounce
Evenly the judgment which a man
Who was quiet holds back as distinct
But not final in the presence
Of a good talker. I a good talker
Ask you a quiet man to recall the inside
Of a shop, glassdust and lenses
Everywhere, broken eyeglasses, forms
And odd pieces of paper, voices
Like phones ringing, tools
Broken and whole everywhere, mail
Unread, the sign—"Milford S." or
"Robert"—hanging like a straight face . . .
Surface, tyranny of the world visible,
Images that spread outward
From the brain like lines crazing—
Or like brief silvery ovals
That glide over the dark,
Ethereal, yet each wingbeat
Firm in time, of more
Substance than this, this mothlike
Stirring of words, work or affection.

TRIBUTE TO MARTIN STRAUSER

The SPEAKER pro tempore (Mr. JENKINS). Under a previous order of the House, the gentleman from Missouri [Mr. HULSHOF] is recognized for 5 minutes.

Mr. HULSOHF. Mr. Speaker, as you know, this is National Teacher Appreciation Week and today is National Teacher Day. I want to take time out to recognize the hundreds of men and women back home in Missouri's Ninth District whose dedication to educating our youth takes precedence over long hours and meager compensation. There are many who demonstrate such excellence within the classroom.

One shining example is Martin Strauser. For the last 30 years Mr. Strauser has taught at St. Clair High School. Just this past March Mr. Strauser was the proud recipient of the 1996 Educator of the Year Award. He was honored for his years of service, his contributions to the school system, and for helping thousands of young people throughout his lifetime.

According to his nomination letter, Mr. Strauser, quote, "has served as a fine example for high school students throughout his career." Many former students have given testimonials about his positive leadership.

Mr. Strauser, an industrial arts teacher, insists that one of his goals is to teach students not only occupational skills which will help them find future employment, but also to provide opportunities to teach students lessons in life to be successful.

Martin Strauser is known for his honesty, dependability and dedication to his profession and his students.

Mr. Speaker, Martin Strauser not only helps his students build shop projects, but helps young adults build their lives. Congratulations are in order for teachers like Martin Strauser, a lifelong educator and mentor.

TRIBUTE TO NANCY McROBERTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. SNOWBARGER] is recognized for 5 minutes.

Mr. SNOWBARGER. Mr. Speaker, it is appropriate that during Teacher Appreciation Week we pause to recognize the finest of those who have made positive differences in our lives and who likewise shaped the futures of our children and grandchildren.

It is my pleasure to recognize this evening a very special educator from my district, in fact from my home town of Olathe, KS. Nancy McRoberts is the 1997 Kansas Teacher of the Year. She was chosen as her district's nominee from among more than 30 teachers nominated by their staffs at their individual schools and was then selected Teacher of the Year from among 90 nominated teachers State-wide.

Nancy teaches family and consumer sciences at Olathe North High School. Her selection as Kansas Teacher of the Year recognizes her exemplary efforts in and out of the classroom during her more than 18 years as a teacher. She has also received the Superintendent's Personal Commitment to Excellence Award as well as her school's Faculty Eagle Award.

But Nancy's resume, as impressive as it is, cannot adequately convey the concern she shows for her students or the extraordinary commitment she has made to keeping pregnant teenagers and mothers in school. I had the pleasure of visiting with Nancy in the Capitol recently, and it was not hard to sense the fulfillment she gets from teaching. More importantly, her students sense it.

Nancy develops a close relationship with her students and quickly earns not only their trust but their respect. For instance, she has been known to call absent students at home to find out why they were not in school.

In addition to her normal classroom teaching duties, Nancy runs the Olathe school districts's Teens as Parents program, which endeavors to keep teen mothers and pregnant students in school until graduation. The program has been recognized as one of the best in the State and has earned the Kansas State Board of Education's Promising Practices Sunflower Award. Not only is she keeping students in high school, she also provides them with encouragement to continue their education beyond the 12th grade.

As a sponsor of the Future Homemakers of America Association, Nancy has organized students to purchase and donate bags of story books to young mothers they could read to their children, as well as to students in a local elementary school reading program. I might add that she is also a certified childbirth instructor and last summer interned at the Olathe Medical Center and Children's Mercy Hospital.

In one of the many newspaper articles written about this remarkable teacher, Nancy McRoberts said, "I see education as a field where you can make your mark in the world." Well, Nancy, you have made your mark, and it will echo through the lives of the students you have so conscientiously taught over almost 2 decades of public service.

It is my pleasure to honor and to thank the 1997 Kansas Teacher of the Year, Nancy McRoberts.

TRIBUTE TO CATHY PRIEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. NEY] is recognized for 5 minutes.

Mr. NEY. Mr. Speaker, just tonight I was talking to Rich Riley. He works for the Attorney General in Cleveland, OH. He has been a successful young man, and we were talking about his position. I was commending Rich on how well he has done service to the people

of the State of Ohio. His comment, Mr. Speaker, was that he owes it, his success, to his teachers. That is what I am here about tonight. This week we celebrate National Teacher Appreciation Week.

As a teacher by degree, I know firsthand the work and dedication it takes to be an educator. That is why I would like to take a few minutes to commend one of the many great teachers in Ohio's 18th Congressional District.

Cathy Priest is in her 11th year at Coshocton High School in Coshocton, Ohio. Last year Cathy was named Ohio Teacher of the Year and Ohio University Educator of the Year.

As her representative in Congress, I would like to personally thank Cathy Priest for her wonderful accomplishments and service to her community and to her students.

Cathy teaches world history, American history, sociology, current events, and was student council advisor for 9 years.

In 1992, she began an ongoing video library project as a member of the technology committee for Coshocton High School. She is also a member of the video classroom resource team for the Discovery Channel and the Learning Channel. In the capacity of consultant and workshop facilitator, she provides professional development in the use of television to enhance curriculum, media literacy education, and on-line training.

Cathy has worked with media specialist Sandra Marvin to develop an extensive video library featuring cable in the classroom programming to meet curricular needs for grades K through 12. She also conducts staff development workshops designed to enhance the curriculum by using television as an instructional tool while also incorporating media literacy education.

Mrs. Priest received her BA in English and history from West Liberty State College in West Virginia, her Masters in social science from Ohio University, and is a graduate of the Harvard Institute of Media Education and the International Space Program. She also did postgraduate work at the University of Alabama and Ashland University.

Over the years, Cathy Priest has made a real difference in her community. She is a model teacher who inspires her students through dedication and hard work. In 1992, three of Mrs. Priest's students won a national academic contest sponsored by the Discovery Channel. As grand prize winners, she and her students traveled to Tanzania for an extended safari. In large part because of her hard work and belief in her students, they were able to take part in a truly exciting, life-changing experience.

Mrs. Priest is currently involved as a mentor for the Coshocton Youth Foundation. This first-of-its-kind organization is philanthropy by, with and for young people.

Recently Cathy has been chosen to represent the State of Ohio in the People's Republic of China for the U.S. China Conference on Education. This conference has been set up for educators to learn about one another's cultures, customs and country, as well as to forge educational partnerships for the 21st century. During the conference, Mrs. Priest will present a paper titled "Technological Literacy, an Educational Goal."

There is nothing more important, Mr. Speaker, to the future of our country than the opportunity for a high quality education for all Americans. I commend teachers all over the country who have chosen the important task of educating tomorrow's leaders. In order to build on and improve our education system, we need to emphasize what works; namely, back-to-basics education, parental involvement, safe and disciplined schools, and sending dollars to the classroom. If we work together as lawmakers, teachers and parents, I believe all of our children can reach the limits of their talents to exceed their ambitions and to progress beyond the dreams of their parents.

With a strong educational foundation and teachers like Cathy Priest, there is nothing our children can not do. For that, we will be forever indebted to our Nation's teachers.

□ 2145

HONORING DR. ROBERT LASLEY

The SPEAKER pro tempore (Mr. JENKINS). Under a previous order of the House, the gentleman from California [Mr. ROGAN] is recognized for 5 minutes.

Mr. ROGAN. Mr. Speaker, it is a great privilege for me to join my Republican colleagues tonight in recognizing Teacher Appreciation Week, and in doing so I want to recognize and pay special tribute to a teacher who does not live in my district and is one who in fact never even voted for me, but one that I love very deeply and one who has had a profound impact on my life. His name is Dr. Robert Lasley.

Let me tell my colleagues a little about Bob. First, he was born in Doud, IA, in 1930. His family moved to California in 1934 after his father's business failed as a result of the Depression. He had his first job when he was 4 years old picking prunes on a farm. He laughingly refers to his family as fruit tramps. They settled in Red Bluff, where he attended schools.

He first served his country in the United States Air Force when he enlisted in 1950. Then he transferred to the United States Army. He attended Officer Candidate School. He was commissioned as a second lieutenant in 1952. He served until 1956 and left the military as a first lieutenant with a wife and 3 children.

He entered City College of San Francisco in 1956 and became the first member of his family to attend college. He received his Bachelor's Degree in English in 1961, his Master's Degree in educational administration in 1971 and a Doctor of Education in 1983.

He married his present wife, Jerry, while he was teaching at Ben Franklin Junior High School in Daly City, CA. Between the two of them, they have 6 children. Now, when Bob was growing up, he was the first member of his family to attend college. Each one of Bob and Jerry's 6 children have college degrees, three of them have Master's Degrees.

Bob has taught at San Diego State University and Imperial Valley Campus. He served as a department chair in drama at San Francisco Community College and worked as a superintendent in the Hopeville, Gustine and Lamont School Districts.

But I want to go back to one of those assignments that I mentioned earlier, his tenure at Ben Franklin Junior High in Daly City, CA.

Mr. Speaker, in 1970 and 1971 I was an 8th grade student at Ben Franklin Junior High, and I had a rudimentary interest in government and politics and we had one elective class that we were allowed to pick, so I chose a class called Advanced Government, taught by Dr. Robert Lasley. There were three other boys in that class who were good friends of mine, one named Roger Mahan, one Clint Bolick, and one named Dan Swanson. It was an incredible class. For an entire year we had a model United States Congress, where we represented individual States.

Bob Lasley taught us parliamentary law. He taught us procedure, he taught us how to debate, he taught us how to introduce bills. Mr. Speaker, I still have my class notes from that 8th grade class, and the parliamentary law he taught me a quarter century ago still serves me well in this Chamber.

That class not only taught me an appreciation and a love for the institutions of government and particularly a reverence for this Chamber; it taught me how to be a better citizen and it taught every other child that went through that class how to be better Americans.

Bob did a good job in that class. Dan Swanson today is a senior partner at a prominent law firm in Los Angeles. Roger Mahan works for the United States House of Representatives serving as a consultant on the Committee on the Budget. Clint Bolick is one of the premier constitutional scholars and lawyers in the United States and is right down the street on Pennsylvania Avenue as the cofounder of the Institute for Justice.

I am the failure of the group, I am the one who went into politics and

have the privilege of serving today in the Congress of the United States.

Those three friends and myself, if Bob were here, would offer him our heartfelt thanks for a life of public service and for what he has done for us. And if Bob is listening tonight, I want him to know that there are a generation of young people who have grown up under his tutoring and under his leadership. He has been a great teacher. He has been a role model. He has been truly an educator. He is a patriot and a very fine American, and so I salute him during Teacher Appreciation Week and I thank him from the bottom of my heart for all he has done for our community and for our country.

WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. SAM JOHNSON], is recognized for 5 minutes.

Mr. SAM JOHNSON of Texas. Mr. Speaker, last Friday, Dr. Mike McKinney, head of the Texas Department of Health and Human Services, traveled to Washington. He had been invited by the Clinton administration to discuss a compromise to allow Texas to move forward with its welfare reform plan.

It has been 10 months since the administration promised Texas an answer. So everyone thought. They were ready to bring to the table a proposal that would give Texas the ability to move forward and start implementing its welfare reforms.

We were dead wrong. After a 2½ hour meeting with Clinton officials, Dr. McKinney left the meeting empty handed. The meeting was a charade, a scam, a total waste of time.

This just proves that the administration has no intention of ever granting Texas the authority to make reasonable changes to its welfare system.

The administration could care less about the parents and children who would benefit from these bold and innovative proposals. They only care about elections, money, labor, and power.

The President has lost sight of what the welfare bill he signed is all about. It is about flexibility, State control, and helping lift welfare recipients out of poverty into work and prosperity. It is for our children.

Now the President's Deputy Secretary of HHS, Kevin Thrum, said that the Texas plan violates certain Federal Law, lacks credibility. I guess the Secretary herself is unwilling to face the issue. The statement clearly contradicts an April 4th memo to the President from his boss, the Secretary of HHS, the Secretary of Agriculture, and the chief domestic policy adviser which allowed Texas far more leeway and discretion than he described.

It is simply amazing the political games that the administration is playing with the lives of welfare recipients and their children. The State of Texas simply wants to enter into a public-private partnership to streamline, integrate, and consolidate its welfare system into a one-stop center to help recipients and children receive benefits.

It has been estimated that this plan would save the Texas taxpayers over $10 million a month or $120 million a year. That is enough money to provide health care to an additional 150,000 children in Texas each year.

The administration's latest actions also continue to support the reported news accounts that the White House is beholden to the big labor union bosses. It seems that they own the White House. Their continued control of the President denies Texas the ability to help the poor and needy escape poverty.

The control is spelled out in plain English in the April 4th memo where a chart was drawn that lists three options. The first is the Texas proposal. The second is the union proposal. The third is a proposed administration compromise.

I wasn't aware—and I'm sure most Americans are not aware—that the welfare reform package signed by President Clinton called for union approval of welfare reform proposals.

Let me state once again, if the administration continues to put the unions' political agenda above the real concerns of the citizens of Texas, we will not hesitate, in both the House and Senate, to go forward with legislation to give Texas the approval it deserves.

Mr. Speaker, it is time for the President to do what's right. Our States are our most valued resource. Texas and any other State should have immediate approval so they can make welfare reform real and help the children and the needy families of America.

A SUCCESSFUL EDUCATIONAL PROGRAM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Pennsylvania [Mr. GOODLING] is recognized for 60 minutes as the designee of the majority leader.

Mr. GOODLING. Mr. Speaker, we hear a lot about programs that fail, and I have seen a lot of them, financed by Federal taxpayers. I would like to talk a little bit tonight about a program that appears to be successful.

During my career in teaching and counseling, I saw a lot of National Defense Education Act money poured down the drain, millions of dollars, billions of dollars, primarily because there was no plan. The money was there; we were told to spend it. I watched then as a principal a lot of well-meaning programs that were instituted during the sixties that failed also, because, again, no planning.

I can remember both as a principal and as a superintendent receiving title I money, chapter 1 money. Normally we were told that this money was available in about October. School had already started in September. No planning. Money wasted.

I finally said, as a superintendent, to my early child education expert, "There must be something we can do with this Federal money to break the cycle of dependency, the cycle of illiteracy, the cycle of dropouts," because we pretty well knew which children were going to have trouble when they came to school because we had seen older brothers and sisters, we had seen parents all having trouble in school.

We decided that we have to look at the entire family, and I do not know why it took us 30 years since then to understand that nationally, that if you do not deal with the entire family, there is no way we can ever break the cycle of dependency on government, no way we can break the cycle of illiteracy.

And so she suggested that we work with the three and four-year-olds and their parents. So we began a program starting in the homes because we wanted to be in a position to help the parents learn the kind of parenting skills that are necessary so that the parent can become the child's first and most important teacher; so that the parent understands what it is you and I would normally do with our preschool children to help them become reading ready.

When I came to Congress, we introduced this as Even Start. Now, I am not here to tell my colleagues that all Even Start programs are successful in the country, just like so many other programs, but I am here to say that the most recent study would indicate that if the program is implemented the way it was supposed to be, if all four elements are part of that program, it appears to be quite successful.

What are those key elements? First of all, working with the parents, improving their literacy skills.

I remember an advertisement that was on television a year ago that drove the point home over and over again. The father was sitting on a chair and had his small child on his lap. What the father did not want the child to know was that he was, if not illiterate, functionally illiterate. So he was attempting to read to his child, which is what we hope every parent can do. The child, however, realized that the father was faking it and the child, even as small as he was, was correcting the father.

It was obvious that the father wanted to do what the father knew was right, and that was to read to his child and read with his child. But he could not. So the parenting skills and the literacy skills of the parent are very important.

The preschool program also deals with reading readiness, and it is part of this entire program. Many children will come to first grade. If there are 30 in a class, there may be 30 different reading levels. Some will not be ready to read until January or February. They are now a half year behind. If, unfortunately, they receive a social promotion at the end of the year, it is not long until they have dropped out, not physically because they are not allowed to, but have pretty well dropped out of any academic participation.

So those parenting skills, the early childhood reading readiness skills, the adult literacy skills are all part of the program, and then a period for parent

and child interaction so that the parent can put to use what they have learned in the program.

We have recently had, as I indicated, an evaluation. They took 30 programs from about six or seven different States, 30 programs where they knew all four components were very effectively put into being as part of the program.

I have said many, many times that after 30 years we should know where every chapter 1 child is and what they are doing as adults. We should know where every Head Start child is, what they are doing. Has it made a difference in their life? This program has only been in effect since actually 1989 and we do have some important results, and I would like to point out some of those.

As I indicated, the study covered programs of excellence in Arizona, California, Kentucky, New York, Pennsylvania, and Texas. The charts that I will show will demonstrate how effective these programs have been.

I do want my colleagues to keep in mind that in 1993 a single parent with two children receiving average benefits from AFDC, food stamps, Medicaid, housing assistance, WIC, and school meals received about $17,209 in direct payments or benefits. If the parent had four children, that amount was $25,000. More than half of the adults described in this Even Start research study reported public assistance as the primary income of their family, a total of $5.2 million each year for 260 families based on 1993 rates.

Now, the important thing is the rate of reduction. The rate of reduction in dependence on welfare seen in these studies that I will show to other Even Start programs, approximately 45 percent of those adults would be off public assistance or would have significantly reduced assistance within 4 years, a reduction each year of $2.6 million for every 500 families enrolled. The program apparently does work.

The first chart, these are Even Start youngsters in the lightly shaded area in kindergarten, and in the dark shaded area are youngsters in kindergarten who did not have the Even Start experience. And we can see the whole way across the obvious benefits of those children who were in an Even Start program.

The first is academic performance. Considerably higher. The second was motivation to learn. Again, considerably higher. The third was family support. Very, very important, because when we started our program, when I was superintendent, these families did not participate. They were embarrassed to come to PTA meetings, they were embarrassed to come to parent-children conferences. Here they are, family support, way above those who did not have that experience.

Relationship with other students. Again, way above. Attendance. Above all other students. Behavior. Considerably above all other students. Self-concept. Way above. And the last, probable success.

□ 2200

These were the ratings given by their current kindergarten teachers, those in good Even Start programs, and I keep emphasizing that, and those without that benefit.

On the second chart, my colleagues will see something that is extremely important. In so many programs, we discover that there is not a lasting effect, that it all wears off in a short amount of time. This is third grade. These are students now who went through the Even Start Program but now are in third grade.

These are the percent of the children who are rated by their current third grade teacher as average or above. The first, academic performance; second, motivation to learn; third, family support; fourth, relationship with student; fifth, attendance; sixth, self-concept; and seventh, over here, probable success. That is third grade. As I indicated, so many times we discover that what we thought was a good concept and a good program really did not pay off in the long run.

Mr. Speaker, the next chart deals with findings from Even Start family literacy research, and it deals with the percent of children receiving grades of satisfactory or above. Again the lightly shaded area are those children who had Even Start experiences, and the dark-colored are those without.

The first is reading, way above. Second is language, even higher. And the third is math. Again these are the percent of children receiving grades of satisfactory or above. And the Even Start youngsters, in good programs, the 30 that were chosen for this study, are doing exceptionally well.

Mr. Speaker, the next chart deals with percent of children having test scores at the level of average or above. Again, reading, language is almost off the chart, and math is way up.

Now some statistics about the children and their successes in their classes and the parents that are engaged in the schooling of their children. The percentage of the Even Start children rated average or above in their class by their current grade school teacher: 65 percent on overall academic performance, 77 percent on motivation to learn, 82 percent on support from parents, 87 percent on relations with other children, 88 percent on attendance, 82 percent on classroom behavior, 71 percent on self-confidence, 74 percent on probable success in school.

After participating in high quality Even Start family literacy programs, we have some good statistics about the adults, the parents who are participating: 62 percent of those parents that received their GED or some other high school equivalency certificate; 50 percent obtained a job or a better job; 40 percent are enrolled in some form of higher education or training; 45 percent reduced the amount of public assistance they received because of their improved employment; 3 percent no longer receive any public assistance.

What else have we found out about the adults that have participated in the program? Keep in mind, I mentioned these were parents and adults who were very reluctant to participate in anything in the community or participate at all in any school programs. What they have found among their accomplishments frequently identified through the interviews are, membership on school advisory committees, leadership roles in PTA or other school parent organization. They obtained their citizenship, they volunteer in schools. They volunteer in community libraries. They are teaching church classes. They register to vote and are voting. They are using community resources more effectively. They have established neighborhood development organizations and work actively in neighborhood improvement projects. They are tutoring other adults in programs or others who are seeking citizenship. They are helping the Even Start programs with recruitment. And they are practicing family planning. Those are the positive events or the positive results that we are finding in the Even Start programs that work.

So many times, we are quick to judge particularly public education and quick to badmouth public education.

Mr. Speaker, I want everyone to understand that the teachers did not ask for a prohibition to deal with unruly students. As a principal, I would last 30 seconds today, because everyone knew in the school that I was the authority figure. It was not the teachers who broke down the discipline that we once had in all schools. It was the parents. It was not the teachers who reduced or dumbed down academic achievement. Again, it was the parents.

Now my colleagues say: You have a lot of courage to make those kinds of statements. I also have a lot of experience. I saw my most talented teachers become very disillusioned. Why? Because parent after parent of a capable child would come to me, come to the teacher and say: Do you not realize my child is in football, basketball, a drum majorette, chorus, band and everything under the sun; and, therefore, they do not have time to do what you expect as a teacher.

A very demanding teacher, a teacher who believes that we must secure excellence from our students becomes very disillusioned when that happens.

It was not the teacher that brought that about. It was not the teacher or the administrator who brought about the decline in discipline in the schools. We should all recognize that, and we

should all see whether there is not some way that we can join together and bring about a return to demanding quality, to demanding excellence and demanding behavior that is fitting for a public setting such as a school.

Even Start is a program, as I indicated, that apparently is working. The research is showing that to be true, if the program is run properly, if they demand excellence, and if they expect participation of parents and students.

I take my hat off during this week, which I am not allowed to wear on the floor of the House, incidentally, to those who are out there in the field doing their very best under very trying conditions to make sure that our children are ready for the 21st century so we can be a very competitive Nation; because what was will not be good enough in the 21st century. Those teachers and those administrators cannot do it alone. They need all parents, they need the community support, they need everybody pulling together.

NAFTA

The SPEAKER pro tempore (Mr. JENKINS). Under the Speaker's announced policy of January 7, 1997, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes as the designee of the minority leader.

Mr. BONIOR. Mr. Speaker, a lot of attention has been focused on our relationship with Mexico, especially these last couple of days as the President prepared for his trip to visit Mexico and during his trip yesterday and today and his trip with Latin leaders in Central America, I believe tomorrow. He is in Mexico, the President, as we speak, meeting with President Zedillo on a number of important issues. They will be discussing drugs, they will be discussing immigration, and those are both very serious problems facing both of our countries. I wish them the best in trying to move a step or two closer to resolving those very difficult issues.

The drug issue, of course, is particularly disturbing, and it is a two-way street. We are both to blame for the problem with drugs affecting both of our people. Mexico is shipping it here. Seventy percent of the cocaine and 25 percent of the heroin coming into the United States comes through Mexico. We have created this insatiable unfortunate demand for it in this country. We need to work on both sides of the border to get this under control.

One of the problems with controlling it coming over here, of course, is the open border policy that we have with Mexico that was put into place during the North American Free Trade Agreement. And, of course, this open border policy allows trucks to pass over the border almost unimpeded, without inspection. In Texas there are about 11,000 trucks that will cross the border each and every single day from Mexico. One out of 200 get looked at, inspected, and one can read stories daily in the press of police finding trucks coming over the border once they are here, there was one story the other day in New York City where they opened up a truck that was carrying bananas and as they got into the cargo, they found cocaine, and it happens almost on a daily basis here in the United States. So this drug issue is a very serious one and we wish them all the best.

We had a serious debate as some of my colleagues may recall in this Chamber not too very long ago about drugs. There will be a serious discussion, as I say, in Mexico City. But one issue that is being just glossed over, just mentioned in passing, is the performance of the North American Free Trade Agreement, better known as NAFTA. We had, as my colleagues all remember, a very vigorous and a healthy and a strong and a deliberative debate on this issue 4 years ago. We are now into the 40th month of NAFTA. It was this same agreement that in effect economically married our two nations. We became almost one, because we broke down the barriers of trade. That is what free trade is all about, breaking down the barriers completely. I believe that this agreement deserves more than just a passing reference by our colleagues, by the national media, and by our two leaders.

I want to discuss on this floor tonight the issue of NAFTA and the prospects of expanding NAFTA, which by the way includes not only Mexico but Canada, expanding it to other Latin American countries, or the Caribbean Basin or most immediate and most discussed is expanding it to Chile.

I want to discuss in just a minute or two some of the things that NAFTA has done, some of the devastating things that NAFTA has done to the workers in this Nation. But before I do that, let me mention a few things that it has not done, because my colleagues will hear none of this in the talks they have in Mexico this week or the media coverage of the President's trip. Above all else, the supporters of NAFTA said, 40 months ago, that it would create 200,000 jobs in the United States and, more importantly, they said, it would create this huge consumer market in Mexico, a country of approaching 100 million people. That is what NAFTA would do, create this market where we could ship all these goods to Mexico, because they would have a strong and vibrant and prosperous middle class.

□ 2215

Mr. Speaker, those of us who have examined closely NAFTA for 40 months know these claims just do not pass the test of time, and you know what? We have a right. We knew that you could not create a consumer market in the Nation where workers make a dollar an hour, in a Nation where business and Government and the official union annually agree to suppress wages through something called el pacto. It is an agreement between business, the government and the unions to keep wages low. Actually it is a broader agreement than just that. It is an agreement that the Government gives the business, the multinational corporations that come down to Mexico, that it will guarantee their investment by keeping wages low, by not leveling any taxes against these corporations, which by the way are needed in order to develop the infrastructure so that the people who live near the plant and work at the plant can live with clean air and clean water, which they do not now, and I will talk about that in a second.

So the corporations pay no taxes, they pay very low wages to people, but it is an agreement, it is a strategy that was put together by the Government and the leaders of the unions in the business community. And we knew that the multinational corporations wanted to use Mexico as a labor market, not as a consumer market. And what do I mean by a labor market?

Mr. Speaker, they wanted to use the inexpensive labor of a dollar an hour or less, and it is less now. It was a dollar an hour when we were discussing NAFTA. It is down to about 70 cents an hour or about five or six dollars a day for an 8-hour day, a productive day, by the way, because the Mexican workers are hard workers and good people. They have just got everybody against them. They have got the Government against them, they have got this phony union that works with the Government in the business community, and of course they have the multinationals against them, and they are all by themselves looking for someone to stand up and say:

We deserve the right to earn a decent wage, we deserve the right to assemble, we deserve the right to bargain for our bread, we deserve the right to collectively bargain, the right to strike, to withhold our work. But they do not have that right.

Now there is something called the maquiladora, and people when they hear that term used, "What is a maquiladora?" It is an area along the Mexican-American border from Texas to California. On each side of the border there is a strip of land. Maquiladoras refer to the Mexican area just across the American border in Texas, New Mexico, Arizona and California because workers in those maquiladora factories that line this border today, as I said, are no longer making a dollar an hour. They are making 70 cents a hour.

Mr. Speaker, the multinational corporations took full advantage of the economic crisis in Mexico which contributed to this drop in the wages. Some of you may recall when we argued NAFTA the gentleman from New

York [Mr. LAFALCE] and myself and others got up and we said the peso is overvalued, it is going to crash, and when it crashes, the wages of the workers in Mexico will fall through the floor, there will be a financial crisis, and someone is going to have to bail out all these investors, these big shooters that invested because of NAFTA. Someone is going to have to take care of these big financial institutions.

And so we did; we guaranteed the money. We saved a collapse, a total collapse, which may or may not happen in the future because I think the peso is starting to be overvalued again. But nonetheless, the peso crashed, and we said it would crash, and it was one of the reasons we said we did not like that NAFTA because it was overvalued.

It was a huge financial crisis in Mexico, and people all over the country overnight had the value of their labor and their savings diminished by 40 percent. Now if you could imagine that, waking up tomorrow and knowing your life's savings, what you were earning that week, what you had saved, what you invested was 40 percent less, and that is what happened.

These corporations have expanded employment in the maquiladora by over 40 percent since NAFTA took effect, 40 percent. In Mexico the workers are not buying more consumer goods. On those wages it takes nearly a half a day's works to buy a carton of milk, and they work. They work hard. They do not last too long.

I visited 2 months ago the maquiladora down in Tijuana, and I went to the Hyundai plant and the Samsung plant and the Panasonic plant. You have got all these multinational large facilities, modern facilities. A lot. But you know you do not see any automobiles parked near there. Workers do not have the money to buy automobiles. You got an automobile factory in the maquiladora area. There are not any cars there. People do not have money to buy a car. What Henry FORD did in the early part of this century was say I am going to pay my workers a decent wage so they can buy the automobiles that they produce, and he dramatically increased their wages to $5 an hour.

Mr. Speaker, they take the opposite approach, the multinationals in Mexico. They keep wages at 70 cents an hour so you make five or six dollars a day. Try to buy milk on that because the milk is not any more expensive or any less expensive than it is here, believe me.

And you know, this is a remarkable fact. We sell more consumer goods to the small Nation of Switzerland, which is in the center of western Europe, small little country, a mountainous country, Switzerland, about 6 million people. We sell more goods to Switzerland than we do to the almost hundred million people in Mexico. But they are making more goods in Mexico and shipping them here. That is exactly what the maquiladoras in NAFTA were designed to do.

A surge in imports since NAFTA has exploded our trade deficit with Mexico. Before NAFTA, we were running about a $2 billion trade surplus with Mexico. We were selling them more, $2 billion worth more, of goods then they were selling us. Since NAFTA it is a $16 billion deficit.

One of the reasons are obvious. They do not have a class of people that can buy our goods if the value of their peso devaluated 40 percent and they are making 70 cents an hour. What are they going to buy? And the other reason of course is that these corporations are establishing their businesses right across the border and taking advantage of this inexpensive labor and then shipping the products right back here, right back here, and it does not take a PHD in economics to figure out that when you are buying things from Mexico that used to be made here you are losing jobs.

No, those 2,100 jobs have not materialized here as the NAFTA supporters said. What we do know is that nearly 120,000 American workers have been certified by the Government as loosing their jobs as a result of NAFTA, and using the same formula that NAFTA proponents used to estimate jobs gained in 1993 some people have suggested that we have lost up to 600,000 jobs.

So that is what NAFTA has done, and let me just say something about the people who lost their jobs because this is an interesting story.

People say, "Well, you know you are talking about these job losses. I mean isn't the economy doing well, BONIOR? I mean the unemployment rate is down to 4.9 percent. I mean the economy and consumer confidence is up."

Well, the fact of the matter is that those people who lost those jobs, they found other jobs here in this country, but studies that I have seen show that they have found those jobs at about two-thirds of what they were earning in their former jobs.

So what happens when that occurs? Well, they work a second job, or the other spouse goes to work, or they are working two or three jobs, and what happens when that occurs? The parents are not home when their children come home from school. They are not there to see them play soccer. They are not there to go to their school activities. And then the whole social fabric of our society starts to unravel a little bit.

So wages have an impact not only on what you can take home and what you purchase and what you have in terms of security for yourself and your family, but they have a social consequence as well.

The sad thing is what NAFTA has done.

Mr. Speaker, we have discussed this before on this floor, and I want to discuss it again tonight. It is the issue of using NAFTA as a weapon, and I choose that word carefully, "as a weapon," to dampen the efforts of workers here in America to earn a decent wage and seek the right to organize and collectively bargain, and I really want to focus on it tonight because I believe that this was the intention of NAFTA all along, to give corporations a license, in effect to pursue a race to the bottom strategy to drive down wages to bust unions and to move the living standard of Americans to a lower level.

And of course, as I say, Americans resist that. They will work two and three jobs in order to maintain that standard of living, but when they do that, they give up something else that is very precious to them, and that is time with their families. They give up their family life. They give up part of their spiritual life. They give up other things that create an atmosphere of community and caring and loving.

And I can tell you right now that we should not stand for this because our fathers and our mothers and our grandparents and our ancestors, they fought too hard and they fought too long over these past 100 years for the right to assemble, the right to organize, the right to collectively bargain, the right to earn a decent wage, the right to work in safe working conditions and on, and on, and on.

Corporations are now using NAFTA to erode these rights, not by changing the law in this case, but by pitting workers against each other and by threatening to move jobs to the lowest cost labor market available, and NAFTA gives them a license to do that because it protects their investment in Mexico. It does not require them to raise Mexican standards up to ours. It practically guarantees them that they will not be caught because NAFTA does not give workers a real voice in this decision. All it does is it says, "Let's talk." If corporations are violating worker rights, no sanctions, no fines, no consequences; if you are lucky, maybe a little discussion.

NAFTA put a stamp of approval on all of this behavior, and it should be a crime what some of these corporations are doing since NAFTA took effect.

Downward pressure on wages; look at this chart right here. NAFTA puts downward pressure on U.S. wages. Sixty-two percent of U.S. employers threaten to close plants rather than negotiate with or recognize a union, implying or explicitly threatening to move jobs to Mexico.

This was a study that was done at Cornell University. Sixty-two percent, a study that was done which the Department of Labor refused to release, and you can understand why when you see these numbers.

□ 2230

Basically this says that the corporations were going to the workers and saying, and I will demonstrate this vividly in just a second, you do not take a freeze in wages or a cut in wages or a cut in your health care benefits or your pension benefits; we are going south and you are not going to have any job at all. Yet, when workers in Mexico try to organize and try to form unions and try to fight for better pay and to try to take away this bargaining chip that the multinationals and corporations in this country are using on workers, what happens? I will tell my colleagues what happens. They get thrown in jail.

I was witness to a discussion with one of the leaders of the colonia, which is a village of workers who work in the Maquiladora in Tijuana, who told me that he got the line at this factory to stop. The workers protested because people were losing their fingers and their hands, and as a result of that, he got fired for organizing this work stoppage. And when he tried to organize an independent union because the union that was there is in cahoots with the government and the company, as are 95 percent of the unions in Mexico, when he tried to form an independent union he was arrested and thrown in jail.

Four years ago, we put our stamp of approval on the whole schematic that I have just developed here.

Mr. Speaker, let me read a passage from this Cornell study, because it will show our colleagues just exactly what NAFTA has done. This passage I am going to read discusses why companies, after an effort by workers to organize in the United States, have fled to Mexico at double the rates since NAFTA took effect than before NAFTA. I quote the study: The fact that the post-election plant closing rate has more than doubled, that is here, since NAFTA was ratified, suggests that NAFTA has both increased the credibility and the effectiveness of the plant closing threat for employers and embolden increasing numbers of employers to act upon that threat.

In fact, it goes on to say, in several campaigns the employer used the media coverage of NAFTA debate to threaten the workers. It threatened the workers with moving their plant to Mexico if the workers were to organize. In several campaigns the employers used the media coverage of NAFTA debate to threaten the workers that they were going to move their plant if the workers were to organize.

Mr. Speaker, let me now turn to a few examples of how corporations have used NAFTA to drive down wages in the United States, to do exactly what this Cornell study has suggested. Last week the gentleman from Ohio [Mr. KUCINICH] reminded us that one of the most dramatic examples took place in Michigan.

In 1994 workers were attempting to organize an ITT automotive plant in Michigan. The company was resisting. The company used the threat of moving to Mexico in a very blatant fashion. During the organizing campaign the management took apart an assembly line in the plant, shrink-wrapped it and loaded it on 13 flatbed trucks with bright pink signs that read, "Mexico transfer jobs." Mexico transfer jobs.

The same company drew employees from the Mexican facility to videotape Michigan workers on a production line which the supervisor claimed they were considering moving to Mexico. So they bring these Mexican workers up here, they videotape the American workers working on the line. The American workers say, "What is going on?" They say, "Well, we are videotaping the line because this production line is going to move to Mexico."

That type of threat is still going on today, and of course, needless to say, the union lost the election in that plant.

Let me show my colleagues another chart here. Companies use NAFTA to drive down wages for American workers. Just 2 months ago, a company called NTN Bauer used this same exact flyer which can be seen trying to undermine an organizing drive in McComb, IL.

As my colleagues can see, the flyer makes a blatant threat. It says if the worker decides to join the UAW, their jobs may go south for more than just the winter. The leaflet notes there are Mexicans willing to do their job for $3 and $4 an hour. The free trade treaty allows this.

The fact of the matter is, these jobs are being done not for $3 or $4 an hour, they are being done for 70 cents an hour. This is perhaps one of the most blatant example of how companies are using NAFTA to stop the wages from going up, and benefits. It is happening every day and 62 percent of employers are doing the same thing.

The author of the Cornell study, professor Kate Rothenbrenner, concluded the following, and I quote. This is her conclusion: NAFTA has created a climate that has emboldened employers and terrified workers. I want to repeat that again: NAFTA has created a climate that has emboldened employers and terrified workers.

These same companies that promised to create jobs under NAFTA, but who are instead using it as a threat to drive down wages in this country, now want to expand into other nations without any protection for workers. This problem will only get worse because it is not only Mexico that is being used as a bargaining chip. NAFTA supporters, as I said earlier, would like to add next Chile to NAFTA, but the nation of Chile is being used as a bargaining chip as well.

Mr. Speaker, some of my colleagues may be familiar with a recent strike of workers at Goodyear Tire & Rubber Co. More than 12,500 workers went on strike to demand decent wages and benefits and limiting outsourcing. That is when the company decided to produce parts in another country, and pretty soon we have this part and that part and we have the whole thing being produced elsewhere. Outsourcing of course is a major concern of workers in this country, especially in the manufacturing sector, in the industrial manufacturing sector.

Well, as I said, one of the major issues of that strike was the announcement by Goodyear that it was transferring production from its Akron, OH plant to Santiago, Chile, resulting in 150 lost jobs in order to lower labor costs. So this is a trend that will continue on and on and on unless we seriously address the issues of wages and workers' rights in our trade agreements.

People suggest to me, well, we cannot do that. We cannot address the environment and workers' wages and workers's rights in these agreements, and the reason we cannot do that is because the other countries that we are bargaining with will not allow it. If we just go along with them, and we improve their economies or we help improve their economies and their people become more prosperous and middle class, that will bring with it the freedoms that we cherish and have worked so hard for in this country. That is the other argument against the position that I and others take.

The fact of the matter is that history has shown that if we do not address these things in these agreements, they just do not get addressed at all; that there is no countervailing force in Mexico or in some of these countries to bring prosperity and to bring a rising middle class, and there is no historical proof that when this is done, democratization flourishes.

Democratization flourishes when people are allowed to assemble and bargain for their own bread and their own rights. The unions have brought depth and dignity to democracy in this country and in Western Europe and they can do it in Latin America, they can do it in Asia, as they are doing it now in Korea, by the way, they can do it in Africa and they can do it in other places, other developing countries. But they have to have the ability to come together without having the fear of being thrown in jail.

All we are asking our Government to do is to take these principles that made us so strong, that made us the envy of the world, that gave rise because of organized labor to the largest and most prosperous middle class the world has ever known, to allow those principles, those democratic principles to be used in Mexico and other developing countries in the world. That is what we are after, so that workers there and workers here can benefit.

Not this insatiable race to the bottom, to the lowest standard.

NAFTA is a flawed agreement. It is not just about Mexico. It is about giving corporations a license to do this to workers.

It is unconscionable what they are doing on the border and the Maquiladora area, these multinational corporations, dumping their sewage and their plant effluents into the rivers that the people live right next to, bathe in, drink out of. The American Medical Association said that these corporations have created a cesspool of infectious disease. That is their words. They refuse to be taxed in order to provide an infrastructure to clean up this pollution.

These manufacturing jobs that pay a decent wage, allow workers to send their kids to college, talking about the jobs that we have here, buy a home, take a nice vacation, have a secure retirement with good health care, they are going to be gone unless the country wakes up and decides that it wants to export our worker values and principles, not our jobs, so that the workers in Mexico and in other places can have lives like we have developed over the last 100 years.

We are creating jobs in this Nation, but they are not the types of jobs that can sustain this economy. We are going to wake up one morning and we are going to hit a hollowed bottom, a hollowed bottom, where the top 20 percent or the top 25 percent in America are doing very, very well, but then they are going to discover the folks below them, their earning power is slipping and slipping and slipping and slipping, and they pretty soon will not have the wherewithal to purchase the products that they once made. In the not so distant future, clearly this is going to catch up to us.

Mr. Speaker, this debate we are engaged in tonight is not simply about tariffs, investment rules, and trade agreements, it is in essence about our economic future. It is about whether or not we as a nation will go forward with the bright and wonderful hope of exporting our principles of democracy and our right to organize and the right to collective bargaining, and all of those things that helped make us prosperous, or we are going to go backward and we are going to export greed that denies people the ability to come together in a community to better their own lives.

This is nothing more than a masquerade for greed. That is what we are dealing with here. I do not say that flippantly. I have thought about this and I have tried to rationalize it from the perspective of those who argue on the other side, and I have looked at the data and I have talked to the workers, both here and there, and I have come to the conclusion it is about greed.

Nobody will say no to the rapacious and inexorable march of the multinational corporations today, and it is very, very scary. There is no countervailing force. We have indifferent government, we have weakened, if nonexistent labor, and we have an economic, how should I describe it, intertwined media with the economic powers that be in this country, the multinationals, so that that independent message is very, very difficult to penetrate.

I must say, though, that I have sensed a little bit of hope. As we all remember during the NAFTA debate, at least I certainly remember, I suspect a lot of people do, but I certainly do, the New York Times was unabashedly in favor of NAFTA. There was an editorial board and a columnist there that I respect very much for their integrity, for their depth, their knowledge, but I really had a serious disagreement over this issue. I remember coming to the floor and railing against the New York Times, I was so mad one evening, and taking off on a little box they have in the left-hand top corner of the front page every day that says, "All the news that is fit to print."

But in the last several months, I have noticed that a few editorials in the Times are starting to address indirectly, not directly but indirectly, the question of poverty in Latin America.

□ 2245

There was one, I think, that was just this morning that talked about how the wealth is not reaching them because of the growth in Latin America, which needs to grow. It needs to grow at a 6 or 7 percent clip to keep up with its population growth. But the wealth has been going to a select few. As I just described, in Mexico we have huge numbers of people, huge numbers of people that are falling further and further behind, who are working harder and harder to make ends meet.

So the wealth is just moving to the top, and we are exacerbating the problems of the poor and the working poor. I would take that argument a step further. The New York Times, in an editorial today, came up with a series of formulas to try to eradicate this problem and focus attention on the poor and working poor. But my suggestion to you is that until you get the governments and the multinational corporations dealing fairly and honestly and with integrity with the workers, that is not going to happen. It will not happen. They have enslaved, they have enslaved a generation of workers.

I hope they keep examining and looking at this, because I do not think that they can come to any other conclusion than that. There are a couple of people at the Times, Abe Rosenthal, Bob Herbert, wonderful people, Duke Collins, who I think share my view with respect to these trade agreements: That we need to have them, that they are helpful to all concerned if done well, but that what we have been doing is taking us back to the 19th century and not forward.

I regret to say that my President, who I respect so much on so many other different issues, we have such a difference of opinion on this one. I would like for him to go down to a maquiladora area. I would like for him to talk to the workers in those colonias, to see for himself what we are talking about here, to see the pollution, to see the despair, to see the hopelessness and the alienation.

Someone is going to have to lead an international effort, Mr. President, on wages, on labor rights, on environmental rights. It might as well be us. We have benefited more than anyone else in the world. We have, and our European cousins. We need to share that with the workers in Asia and Africa and Latin America and the Caribbean Basin. We have to hold the multinational-transnational corporations responsible.

In conclusion, Mr. Speaker, let me again at the end of my comments here wish President Zedillo and President Clinton and all the Latin leaders in Costa Rica tomorrow well in their discussions, and I look forward to a vigorous debate as we proceed to discuss this fast-track trade authority. With China, which will, I assume, follow that, or precede it, but certainly will be before us within the next 4 or 5 months, these trade issues are terribly, terribly important because of the globalization efforts underway, and tearing down borders, marrying our countries to each other economically, and creating a situation in which workers will have hopefully a fair and a decent ability to compete.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. REYES (at the request of Mr. GEPHARDT) for today and tomorrow, Wednesday, May 7.

Mr. SCHIFF (at the request of Mr. ARMEY) for today and the balance of the week on account of medical reasons.

Mr. KOLBE (at the request of Mr. ARMEY) for today and tomorrow on account of traveling to Mexico with the President.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. VISCLOSKY, for 5 minutes, today.

(The following Members (at the request of Mr. HULSHOF) to revise and extend their remarks and include extraneous material:)

Mr. MICA, for 5 minutes, today.

Mr. HULSHOF, for 5 minutes, on May 13.

Mr. CANNON, for 5 minutes, on May 7.

Mr. SAM JOHNSON of Texas, for 5 minutes, today.

Mr. SHIMKUS, for 5 minutes, today.

Mr. BRADY, for 5 minutes, today.

Mr. NEY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. SCHUMER.

Mr. CAPPS.

Ms. DELAURO.

Ms. LOFGREN.

Mr. BONIOR.

Mr. KILDEE.

Mr. UNDERWOOD.

Ms. WOOLSEY.

Mr. KANJORSKI.

Mr. HASTINGS of Florida.

Mr. BARRETT of Wisconsin.

Mr. FROST.

Mr. DOYLE.

Mr. WAXMAN.

Mrs. LOWEY.

(The following Members (at the request of Mr. HULSHOF) to revise and extend their remarks and include extraneous material:)

Mr. MANZULLO.

Mr. WALSH.

Mr. SHUSTER.

Mrs. JOHNSON of Connecticut.

Mr. NEY.

Mr. LEWIS of California.

Mr. SHIMKUS.

Mr. ROGERS.

Mr. MCKEON.

Mr. EVERETT.

Mr. YOUNG of Florida.

Mr. BOB SCHAFFER of Colorado.

Mr. SOLOMON.

Mr. RILEY.

(The following Members (at the request of Mr. BONIOR) and to include extraneous matter:)

Mr. SAM JOHNSON of Texas.

Mr. SNOWBARGER.

Mr. GOODLATTE.

Ms. NORTON.

Mrs. EMERSON.

Mr. CHRISTENSEN.

BILL 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, a bill of the House of the following title:

On May 6, 1997:

H.R. 968. An act to title XVIII and XIX of the Social Security Act to permit a waiver of the prohibition of offering nurse aide training and competency evaluation programs in certain nursing facilities.

ADJOURNMENT

Mr. BONIOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 7, 1997, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3130. A letter from the Under Secretary for Rural Development, Department of Agriculture, transmitting the Department's final rule—Rural Rental Housing (RRH) Assistance (Rural Housing Service) [Workplan Numbers 96-009 and 96-010] (RIN: 0575-AC15) received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3131. A letter from the Under Secretary for Rural Development, Department of Agriculture, transmitting the Department's final rule—Processing Requests for Section 515 Rural Rental Housing (RRH) Loans (Rural Housing Service) [Workplan Number 95-001] (RIN: 0575-AB93) received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3132. A letter from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting the Administration's final rule—Referral of Known or Suspected Criminal Violations [12 CFR Part 617] (RIN: 3052-AB33) received April 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3133. A letter from the Acting Administrator, Farm Service Agency, transmitting the Agency's final rule—1997 Marketing Quota and Price Support for Flue-Cured Tobacco [Workplan Number 96-053] (RIN: 0560-AF00) received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3134. A letter from the Acting Administrator, Farm Service Agency, transmitting the Agency's final rule—Amendments to the Peanut Poundage Quota Regulations [Workplan Number 96-033] (RIN: 0560-AE82) received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3135. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's report on Safe and Drug-Free Schools and Communities National Programs—Grants to Institutions of Higher Education, pursuant to 5 U.S.C. 801(a)(1)(B); to the Committee on Education and the Workforce.

3136. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's report on Safe and Drug-Free Schools and Communities National Programs—Federal Activities Grants Program, pursuant to 5 U.S.C. 801(a)(1)(B); to the Committee on Education and the Workforce.

3137. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Announcement of Proposal Guidelines for the Competition for the 1997 National Brownfields Cleanup Revolving Loan Fund Demonstration Pilots [FRL-5822-7] received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3138. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Designation of Areas for Air Quality Planning Purposes; Minnesota [MN41-01-7266a; FRL-5820-8] received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1))(A); to the Committee on Commerce.

3139. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plan; Indiana [IN54-1a; FRL-5819-3] received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3140. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Act Approval and Promulgation of State Implementation Plan; Utah; Standards of Performance for New Stationary Sources [UT-001-0003a; FRL-5818-6] received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3141. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Promulgation of Reid Vapor Pressure Standard; Michigan [MI50-01-7257; FRL-5819-5] received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3142. 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; California State Implementation Plan Revision, South Coast Air Quality Management District [CA 192-0037a; FRL-5816-9] received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3143. A letter from the Associate Managing Director—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Cle Elum, Washington) [MM Docket No. 96-233, RM-8908] received May 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3144. A letter from the Associate Managing Director—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Grenada, Mississippi) [MM Docket No. 96-130, RM-8818] received May 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3145. A letter from the Associate Managing Director—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Humboldt, Kansas) [MM Docket No. 96-217, RM-8880] received May 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3146. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Amargosa Valley, Nevada) [MM Docket No. 96–180, RM–8863] received May 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3147. A letter from the Associate Managing Director—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Advanced Television Systems and Their Impact upon the Existing Television Broadcast Service [MM Docket No. 87–268] received May 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3148. A letter from the Associate Managing Director—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Advanced Television Systems and Their Impact upon the Existing Television Broadcast Service [MM Docket No. 87–268] received May 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3149. A letter from the Assistant Legal Advisor 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.

3150. A letter from the Acting Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Financial Assistance for Research and Development Projects to Strengthen and Develop the U.S. Fishing Industry [Docket No. 960223046–7086–02; I.D. 031897A] (RIN: 0648–ZA09) received May 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3151. A letter from Director, Bureau of Prisons, Department of Justice, transmitting the Department's final rule—Postsecondary Education Programs for Inmates (Bureau of Prisons) [BOP–1035–F] (RIN: 1120–AA35) received May 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3152. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report regarding the economic policy and trade practices of each country with which the United States has significant economic or trade relationships, pursuant to 15 U.S.C. 4711; jointly, to the Committee on International Relations and Ways and Means.

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. LINDER: Committee on Rules. House Resolution 142. Resolution providing for consideration of the bill (H.R. 478) to amend the Endangered Species Act of 1973 to improve the ability of individuals and local, State, and Federal agencies to comply with that act in building, operating, maintaining, or repairing flood control projects, facilities, or structures (Rept. 105–88). Referred to the House Calendar.

Mr. SOLOMON: Committee on Rules. House Resolution 143. Resolution providing for consideration of the bill (H.R. 3) to combat violent youth crime and increase accountability for juvenile criminal offenses (Rept. 105–89). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CALVERT (for himself, Mr. ABERCROMBIE, Mr. STUMP, Mr. BONO, Mr. ROYCE, Mr. BROWN of California, Mr. HAYWORTH, Mr. HUNTER, Mr. CANADY of Florida, Mr. GILMAN, Mr. MCCOLLUM, Mr. BONILLA, Mr. BARR of Georgia, Mr. MICA, Mr. HYDE, Mr. GREENWOOD, Mr. MILLER of Florida, Mr. BILBRAY, Mr. SHIMKUS, Mr. SOLOMON, Mr. LEWIS of Kentucky, Mr. WATTS of Oklahoma, Mr. QUINN, Mr. WYNN, Mr. HOLDEN, Mr. GREEN, Mr. NORWOOD, Mr. BROWN of Ohio, Mr. MCKEON, Mr. SAXTON, Mr. LEWIS of California, Mr. SAM JOHNSON, Mr. GUTKNECHT, Mr. MANTON, Mr. BILIRAKIS, Mr. ENGLISH of Pennsylvania, Mr. MASCARA, Mr. PETERSON of Minnesota, Mr. JENKINS, Mr. EVERETT, Mr. FROST, Ms. LOFGREN, Mr. COOKSEY, Mr. SMITH of New Jersey, Mrs. KELLY, Mr. GEKAS, Mr. ARMEY, Mr. RAMSTAD, Mr. SKELTON, Mr. MEEHAN, Mr. DOYLE, Mr. BISHOP, Mr. REGULA, Mr. VENTO, Mr. DICKS, Mr. FOLEY, Mr. ROHRABACHER, Ms. KAPTUR, Mr. THOMAS, Mr. ENSIGN, Mr. ROEMER and Mr. SMITH of Michigan):

H.R. 1532. A bill to amend title 18, United States Code, to create criminal penalties for theft and willful vandalism at national cemeteries; to the Committee on the Judiciary.

By Mr. ANDREWS:

H.R. 1533. A bill to amend title 23, United States Code, relating to environmental improvements, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. GALLEGLY:

H.R. 1534. A bill to simplify and expedite access to the Federal courts for injured parties whose rights and privileges, secured by the U.S. Constitution, have been deprived by final actions of Federal agencies, or other government officials or entities acting under color of State law; to prevent Federal courts from abstaining from exercising Federal jurisdiction in actions where no State law claim is alleged; to permit certification of unsettled State law questions that are essential to resolving Federal claims arising under the Constitution; and to clarify when government action is sufficiently final to ripen certain Federal claims arising under the Constitution; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.R. 1535. A bill to amend the Public Law 99–548 to expand the right of the city of Mesquite, NV, to purchase certain public lands in the vicinity of the city; to the Committee on Resources.

By Mr. GOODLATTE (for himself and Mr. GOODE):

H.R. 1536. A bill to amend title 18, United States Code, to reduce the size of grand juries; to the Committee on the Judiciary.

By Mrs. MEEK of Florida:

H.R. 1537. A bill to amend subchapter III of chapter 13 of title 31, United States Code, popularly known as the Anti-Deficiency Act, to allow the United States to enter into contracts or obligations during a lapse in appropriations if the President determines that a sufficient appropriation is likely to be made for that purpose before the end of the fiscal year, and for other purposes; to the Committee on Government Reform and Oversight.

By Ms. NORTON:

H.R. 1538. A bill to direct certain Federal law enforcement agencies to enter into cooperative agreements with the Metropolitan Police Department of the District of Columbia to assist the department in crime prevention and law enforcement activities in the District of Columbia; to the Committee on Government Reform and Oversight, and in addition to the Committee on the Judiciary, 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. NORWOOD (for himself, Mr. TURNER, Mr. OXLEY, Mr. DEAL of Georgia, Mr. KLINK, Mr. HASTERT, Mr. BOUCHER, Mr. GILLMOR, Mr. WHITFIELD, Mr. GORDON, Mr. CRAMER, Ms. CARSON, Mr. CLEMENT, Mr. SMITH of New Jersey, Mr. JENKINS, Mr. DUNCAN, Mr. OBERSTAR, Mr. MURTHA, Mr. RILEY, Mr. PETERSON of Minnesota, Mr. KINGSTON, Mr. KUCINICH, and Mr. DEFAZIO):

H.R. 1539. A bill to amend the Communications Act of 1934 to require the Federal Communications Commission to preserve low-power television stations that provide community broadcasting, and for other purposes; to the Committee on Commerce.

By Mr. PETERSON of Minnesota:

H.R. 1540. A bill to amend title 38, United States Code, to provide a presumption of service connection for certain specified diseases and disabilities in the case of veterans who were exposed during military service to carbon tetrachloride; to the Committee on Veterans' Affairs.

By Mr. PRICE of North Carolina (for himself and Mr. HORN):

H.R. 1541. A bill to amend the Federal Election Campaign Act of 1971 to require that communications advocating the election or defeat of a candidate for election for Federal office contain specific information regarding the sponsor of the communication and whether or not the communication is authorized by the candidate involved; to the Committee on House Oversight.

By Mr. BURTON of Indiana (for himself, Mr. GILMAN, Mr. BUNNING of Kentucky, Ms. ROS-LEHTINEN, Mr. ACKERMAN, Mr. ENGEL, Mr. HASTINGS of Florida, Mr. BORSKI, Mrs. MALONEY of New York, Mr. FOLEY, Mr. WOLF, Mr. EHRLICH, Mr. KING of New York, and Mr. MANTON):

H. Con. Res. 73. Concurrent resolution concerning the death of Chaim Herzog; to the Committee on International Relations.

By Mr. HASTINGS of Florida:

H. Con. Res. 74. Concurrent resolution concerning the situation between the Democratic People's Republic of Korea and the Republic of Korea; to the Committee on International Relations.

By Mr. BEREUTER:

H.J. Res. 144. Resolution to express support for the bicentennial of the Lewis and Clark expedition; to the Committee on Resources.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 15: Mr. MARTINEZ, Mr. GOODE, Mr. PARKER, Mr. SAWYER, and Mr. ABERCROMBIE.

H.R. 38: Mr. PASCRELL, Mr. MICA, Mrs. MORELLA, Mr. WISE, and Ms. DELAURO.

H.R. 65: Ms. KAPTUR, Mr. MICA, Mr. CHAMBLISS, Mr. WISE, Mr. GORDON, and Mr. BROWN of California.

H.R. 66: Mr. WHITFIELD, Ms. WOOLSEY, Mrs. CUBIN, and Mr. SENSENBRENNER.

H.R. 76: Mr. HINCHEY, Mrs. EMERSON, Mr. SPRATT, Mr. OLVER, Mr. BROWN of California, Mr. LAMPSON, Mr. PALLONE, Mr. LINDER, Mr. CHAMBLISS, Mr. LATOURETTE, Mr. DIAZ-BALART, Mr. SANDERS, Mr. WEXLER, Mr. BOYD, Mr. NEY, Mr. ALLEN, Mr. COMBEST, Mr. WISE, Mr. TRAFICANT, and Ms. SANCHEZ.

H.R. 96: Mr. POMEROY and Mr. CHAMBLISS.

H.R. 107: Ms. KAPTUR, Mr. GEJDENSON, Mr. MCINTYRE, Mr. LEWIS of Kentucky, and Mr. CRAPO.

H.R. 124: Mr. WELDON of Florida.

H.R. 125: Mr. MANZULLO.

H.R. 145: Mr. SKELTON, Mr. STARK, Mr. HAMILTON, and Mr. WEXLER.

H.R. 192: Mr. WHITE, Mr. TRAFICANT, Mr. LIVINGSTON, Ms. SANCHEZ, and Mr. MCINNIS.

H.R. 197: Mr. CRANE, Mr. MCDERMOTT, Mr. ENGLISH of Pennsylvania, Mrs. KENNELLY of Connecticut, Ms. DUNN of Washington, Mr. CAMP, Mr. LEWIS of Georgia, Mr. NEAL of Massachusetts, and Ms. LOFGREN.

H.R. 202: Mr. POSHARD and Mr. MALONEY of Connecticut.

H.R. 216: Mr. TIERNEY.

H.R. 230: Mr. WEXLER.

H.R. 303: Mr. DIAZ-BALART, Ms. KAPTUR, Mr. CHAMBLISS, Mr. WISE, Mr. GORDON, and Mr. BROWN of California.

H.R. 306: Mr. BONIOR, Mr. FAZIO of California, Mr. STUMP, and Mr. PASTOR.

H.R. 399: Mr. DAVIS of Virginia, Mr. KIM, Ms. WOOLSEY, Mr. FRANK of Massachusetts, and Mr. PETERSON of Minnesota.

H.R. 404: Mr. PASTOR, Mr. ENGLISH of Pennsylvania, Mr. PETRI, and Ms. STABENOW.

H.R. 407: Mr. HASTINGS of Florida, Ms. DEGETTE, and Mr. MURTHA.

H.R. 414: Mr. TALENT, Mr. TRAFICANT, Ms. SANCHEZ, and Mr. MCINNIS.

H.R. 446: Mr. MARTINEZ.

H.R. 475: Mr. KINGSTON.

H.R. 521: Mr. PORTER, Mr. TIERNEY, and Mr. ROGERS.

H.R. 531: Mr. KLECZKA, Mr. HERGER, Mr. LEWIS of Georgia, Mr. ENGLISH of Pennsylvania, Mr. NEAL of Massachusetts, and Mr. ENSIGN.

H.R. 532: Mr. LEWIS of Georgia, Mr. CALLAHAN, Mr. HEFLEY, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BACHUS, Mr. HOUGHTON, Mr. LAMPSON, and Mr. SESSIONS.

H.R. 556: Ms. ESHOO.

H.R. 577: Mr. ENGEL.

H.R. 641: Mr. PICKERING.

H.R. 650: Mr. PARKER and Mr. BORSKI.

H.R. 695: Mr. ROHRABACHER and Mr. COOKSEY.

H.R. 715: Mr. BAKER and Mr. DAVIS of Virginia.

H.R. 753: Ms. HOOLEY of Oregon, Mr. TORRES, Mr. TRAFICANT, Mr. RANGEL, and Mr. UNDERWOOD.

H.R. 754: Ms. LOFGREN, Mr. CLEMENT, Mr. DIAZ-BALART, Mrs. MEEK of Florida, Mr. ENGEL, Ms. DEGETTE, Mr. WISE, and Mr. MARTINEZ.

H.R. 768: Mr. KNOLLENBERG.

H.R. 804: Mr. BAKER.

H.R. 815: Mr. LIPINSKI, Mrs. JOHNSON of Connecticut, and Mr. WELDON of Florida.

H.R. 866: Ms. DANNER.

H.R. 877: Mr. BACHUS, Ms. LOFGREN, Mr. FATTAH, Mr. LIPINSKI, and Mr. NETHERCUTT.

H.R. 880: Mr. SKEEN, Mr. BLUNT, Mr. CRAMER, Mr. BURTON of Indiana, Mr. STUMP, and Mr. SCHIFF.

H.R. 897: Mr. DOYLE.

H.R. 902: Mr. MARTINEZ, Mr. HANSEN, Mr. NETHERCUTT, and Mr. NEY.

H.R. 910: Mrs. ROUKEMA.

H.R. 916: Mr. SOLOMON, Mr. POMEROY, Mr. BOUCHER, Mr. BALDACCI, Mr. LAMPSON, Mr. PALLONE, Mr. OLVER, Mr. ISTOOK, Mr. REGULA, Ms. DELAURO, and Mr. CRAPO.

H.R. 947: Mr. HULSHOF, Mr. MARTINEZ, and Ms. WOOLSEY.

H.R. 950: Mr. CONYERS and Mr. CLAY.

H.R. 956: Ms. KAPTUR and Mr. SENSENBRENNER.

H.R. 965: Mr. BAKER.

H.R. 978: Mr. GUTIERREZ.

H.R. 986: Mr. DEAL of Georgia, Mr. TIAHRT, and Mr. SAM JOHNSON of Texas.

H.R. 991: Mr. SALMON.

H.R. 1022: Mr. HYDE.

H.R. 1023: Mrs. MCCARTHY of New York, Mr. HULSHOF, Mr. CALVERT, Ms. LOFGREN, Ms. DANNER, Mr. THOMPSON, Mr. ROTHMAN, Mr. PETERSON of Minnesota, Mr. CAPPS, Mr. LEACH, and Mr. OBERSTAR.

H.R. 1031: Mr. BAKER and Mr. BRYANT.

H.R. 1036: Mr. MILLER of Florida, Mr. PAUL, Mr. SOLOMON, Mr. GIBBONS, Mr. METCALF, Mr. COBLE, Mr. NEUMANN, Mr. LARGENT, and Mr. CHRISTENSEN.

H.R. 1054: Mr. BUNNING of Kentucky, Mr. WICKER, Mr. COOK, Mr. BONO, Mr. DOOLITTLE, and Mr. ROHRABACHER.

H.R. 1060: Ms. DANNER, Mr. COMBEST, Mr. DIAZ-BALART, Mr. BOUCHER, Mr. THORNBERRY, Mr. PACKARD, and Mr. GREENWOOD.

H.R. 1062: Mr. WHITFIELD and Mr. CRAPO.

H.R. 1070: Mr. GONZALEZ, Ms. KILPATRICK, Ms. PELOSI, Mr. KASICH, Mr. SCOTT, and Mr. MCGOVERN.

H.R. 1101: Mr. BUNNING of Kentucky, Mr. BISHOP, Mr. ENGLISH of Pennsylvania, Mrs. MEEK of Florida, Mr. FALEOMAVAEGA, Mr. KUCINICH, Mr. GONZALEZ, Mr. WATTS of Oklahoma, Mr. YATES, Mr. FROST, Mr. UNDERWOOD, and Mr. HINCHEY.

H.R. 1102: Ms. NORTON, Mr. HILLIARD, Mr. CLYBURN, Mr. FORD, Ms. RIVERS, Mr. BROWN of California, and Mr. FROST.

H.R. 1104: Mr. HORN, Mr. QUINN, and Mr. FARR of California.

H.R. 1111: Mr. DEFAZIO, Mr. KUCINICH, Ms. KILPATRICK, Ms. SLAUGHTER, Mr. MARTINEZ, Mr. ROTHMAN, Mr. PARKER, and Mr. MORAN of Kansas.

H.R. 1117: Mr. DELAHUNT, Mr. ROTHMAN, Mr. FROST, Ms. RIVERS, Mr. KUCINICH, and Mr. BOUCHER.

H.R. 1126: Mr. CAMPBELL.

H.R. 1130: Mr. TIERNEY and Mr. EVANS.

H.R. 1132: Mr. GONZALEZ, Mr. DEFAZIO, and Mr. TORRES.

H.R. 1134: Mr. CASTLE and Mr. MATSUI.

H.R. 1151: Mr. FALEOMAVAEGA, Mr. WEYGAND, Mr. CONDIT, Mr. COYNE, Mr. TORRES, and Mr. KOLBE.

H.R. 1161: Mr. PAPPAS, Mr. SAXTON, Mr. SAM JOHNSON, and Mr. BILIRAKIS.

H.R. 1162: Mr. BAKER.

H.R. 1169: Mr. WELDON of Pennsylvania, Ms. CHRISTIAN-GREEN, Mr. SAM JOHNSON, Mr. SMITH of New Jersey, Ms. EDDIE BERNICE JOHNSON of Texas, and Ms. WOOLSEY.

H.R. 1173: Mr. WEXLER, Mr. CLAY, Mr. WYNN, Mr. GONZALEZ, Mr. FROST, Mr. MCHALE, Mr. HILLIARD, Mr. MCGOVERN, Mr. OBERSTAR, Mr. FORD, Mr. RAHALL, Mr. DAN SCHAEFER of Colorado, Mr. GUTKNECHT, Ms. STABENOW, Ms. MCKINNEY, Mr. SHERMAN, Mr. RAMSTAD, Mr. SABO, Mr. CONDIT, Mr. MATSUI, Mr. BONIOR, Ms. MCCARTHY of Missouri, Mr. CRAMER, Ms. CHRISTIAN-GREEN, Mr. BARRETT of Wisconsin, Mr. WISE, Mr. BLUMENAUER, Mr. HINCHEY, Mr. VISCLOSKY, Mr. MCNULTY, Mr. EVANS, Mr. CARDIN, Ms. LOFGREN, Mr. DELAHUNT, Mr. ALLEN, Mr. STRICKLAND, Mr. FAZIO of California, Mr. LANTOS, Mr. BROWN of California, Mr. GREEN, Mr. NEAL of Massachusetts, Ms. FURSE, Mr. COBLE, Mr. WELLER, Mr. BERMAN, Mr. RIGGS, Mr. SMITH of New Jersey, Mr. MEEHAN, Mr. METCALF, Mr. LEWIS of Georgia, Ms. KILPATRICK, Mr. BISHOP, Mr. STUPAK, Mr. HOYER, Mr. GORDON, Mr. FILNER, Mr. POSHARD, Mr. SCHUMER, Ms. DANNER, Mr. HALL of Ohio, Mr. BROWN of Ohio, Mr. BARCIA of Michigan, Mr. MALONEY of Connecticut, Mr. MANTON, Mr. WALSH, and Mr. SCHIFF.

H.R. 1227: Mr. MCKEON, Mr. TALENT, Mr. CUNNINGHAM, Mr. LATHAM, and Mr. CRAPO.

H.R. 1259: Ms. KILPATRICK.

H.R. 1270: Mr. BALLENGER, Mr. JOHN, Mr. SENSENBRENNER, Mr. CALLAHAN, Mr. INGLIS of South Carolina, Mrs. MYRICK, Mr. LINDER, and Mr. BOYD.

H.R. 1295: Mr. LUTHER and Mr. LATHAM.

H.R. 1301: Mr. BARRETT of Wisconsin, Ms. SLAUGHTER, Mr. FATTAH, Mr. BALDACCI, Mr. WEYGAND, and Mr. BROWN of California.

H.R. 1311: Ms. STABENOW, Mr. HINCHEY, and Mr. MANTON.

H.R. 1323: Mr. LEWIS of Georgia and Mr. TIERNEY.

H.R. 1329: Ms. LOFGREN, Ms. PELOSI, and Mr. SANDERS.

H.R. 1348: Mr. ORTIZ, Mr. WELDON of Pennsylvania, Mr. SOLOMON, Mr. WATTS of Oklahoma, Mr. MCHALE, Mr. FORBES, Mr. HALL of Texas, Mr. CHABOT, Mrs. FOWLER, Mr. COOKSEY, Mr. EVERETT, Mr. LEWIS of Kentucky, and Mr. TIAHRT.

H.R. 1350: Mr. BARCIA of Michigan.

H.R. 1353: Mr. TORRES.

H.R. 1354: Mr. BISHOP, Ms. DEGETTE, Mr. HINCHEY, Mr. RANGEL, and Ms. SLAUGHTER.

H.R. 1356: Mr. ENSIGN, Mr. FILNER, Mr. FALEOMAVAEGA, Mr. BISHOP, Mr. BILBRAY, Mr. OLVER, and Mr. CHAMBLISS.

H.R. 1357: Mr. CHAMBLISS and Mr. TRAFICANT.

H.R. 1358: Mr. KLECZKA.

H.R. 1370: Mr. MALONEY of Connecticut.

H.R. 1375: Mr. MCDERMOTT, Mr. SKAGGS, Mr. REGULA, and Mr. BALDACCI.

H.R. 1378: Mr. PORTER, Mr. FRELINGHUYSEN, Mr. DEAL of Georgia, Mr. SPENCE, Mr. MCCOLLUM, Mr. BARTLETT of Maryland, Mr. THORNBERRY, Mr. BAKER, Mr. SAM JOHNSON, and Mr. RYUN.

H.R. 1385: Mr. FATTAH.

H.R. 1398: Mr. PAPPAS and Mr. HOLDEN.

H.R. 1428: Mr. BAKER, Mr. LIPINSKI, Mr. WELDON of Florida, and Mr. ROHRABACHER.

H.R. 1464: Mr. HOUGHTON.

H.R. 1492: Mr. SENSENBRENNER.

H.R. 1496: Mr. WELLER.

H.R. 1503: Mr. BURR of North Carolina.

H.R. 1511: Mr. WELDON of Pennsylvania, Mr. WELDON of Florida, Mr. FORD, and Mr. KNOLLENBERG.

H.J. Res. 54: Ms. ROS-LEHTINEN.

H.J. Res. 70: Mr. CALVERT and Mr. DAN SCHAEFER of Colorado.

H. Con. Res. 44: Mr. PORTER.

H. Con. Res. 52: Mr. FORD, Mrs. LOWEY, Mr. TORRES, and Mr. SNYDER.

H. Con. Res. 65: Mr. WHITFIELD, Mr. SAXTON, Mr. TORRES, Mr. NADLER, Mr. BLAGOJEVICH, Mr. GEJDENSON, Mr. KILDEE, Mr. MCCRERY, Ms. PELOSI, and Mr. MANTON.

H. Res. 132: Mr. GONZALEZ, Mr. DAVIS of Illinois, Mr. FALEOMAVAEGA, and Mr. MCGOVERN.

H. Res. 138: Mr. FATTAH, Mr. FLAKE, Ms. NORTON, and Mr. KILPATRICK.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 478

OFFERED BY: MR. BOEHLERT

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 1. Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Flood Prevention and Family Protection Act of 1997".

SEC. 2. PURPOSE.

The purpose of this Act is to ensure that the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) does not delay flood control facility repairs that are required to respond to an imminent threat to human lives and property.

SEC. 3. AMENDMENTS TO ENDANGERED SPECIES ACT OF 1973.

Section 7(a) of the Endangered Species Act of 1973 (16 U.S.C. 1536(a)) is amended by adding at the end the following new paragraph:

"(5)(A)(i) Consultation and conferencing under paragraphs (2) and (4), with respect to a project to repair or replace a flood control facility located in any area in the United States that is declared a Federal disaster area in 1997, shall only be required in the same manner and to the same extent as would be required for that project if it were carried out in the area in California that is subject to the United States Fish and Wildlife Service Policy on Emergency Flood Response and Short Term Repair of Flood Control Facilities, issued on February 19, 1997.

"(ii) This subparagraph shall not apply to projects in a Federal disaster area after the earlier of—

"(I) the date the Assistant Secretary of the Army for Civil Works determines that all necessary emergency repairs to flood control facilities in the area have been completed; or

"(II) December 31, 1998.

"(B)(i) Consultation and conferencing under paragraphs (2) and (4), with respect to any project to repair a flood control facility in response to an imminent threat to human lives and property, shall only be required in the same manner and to the same extent as would be required under the policy referred to in subparagraph (A)(i) for a project that is substantially similar in nature and scope.

"(ii) This subparagraph shall not apply after December 31, 1998.

"(C) This paragraph shall not affect the authority of the President under section 7(p).".

H.R. 478

OFFERED BY: MR. CAMPBELL

(Page and line numbers refer to H.R. 478 as introduced in the House)

AMENDMENT NO. 2: Page 3, after line 12, insert the following new line after the word 'authorization':

where necessary to protect human life or to prevent the substantial risk of serious property damage.

Page 4, after line 8, insert the following new line after the word 'authorization':

where necessary to protect human life or to prevent the substantial risk of serious property damage.

H.R. 478

OFFERED BY: MR. TAUZIN

AMENDMENT NO. 3: In section 3 of the bill, insert "(where necessary to protect human life or to prevent the risk of serious property damage") after "operation of a project or a facility" each place it appears.

H.R. 478

OFFERED BY: MR. TAUZIN

AMENDMENT NO. 4: On page 3, strike lines 10 through 15 and insert instead:

"(B) consists of maintenance, rehabilitation, repair, or replacement of a Federal or non-Federal flood control project, facility or structure; or

"(C) consists of the operation of a project or facility in accordance with a previously issued Federal license, permit or other authorization where necessary to protect human life or to prevent the risk of serious property damage.".

On page 4, strike lines 7 through 12 and insert:

"(B) consists of maintenance, rehabilitation, repair, or replacement of a Federal or non-Federal flood control project, facility or structure; or

"(C) consists of the operation of a project or facility in accordance with a previously issued Federal license, permit or other authorization where necessary to protect human life or to prevent the risk of serious property damage.".

H.R. 1469

OFFERED BY: MR. CRAPO

AMENDMENT NO. 1: At the end of title III, add the following new title:

TITLE IV

DEFICIT REDUCTION LOCK-BOX

DEFICIT REDUCTION LOCK-BOX LEDGER

SEC. 401. (a) Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

"DEFICIT REDUCTION LOCK-BOX LEDGER

"SEC. 314. (a) ESTABLISHMENT OF LEDGER.—The Director of the Congressional Budget Office (hereinafter in this section referred to as the "Director") shall maintain a ledger to be known as the "Deficit Reduction Lock-box Ledger". The Ledger shall be divided into entries corresponding to the subcommittees of the Committees on Appropriations. Each entry shall consist of three parts: the 'House Lock-box Balance'; the 'Senate Lock-box Balance'; and the 'Joint House-Senate Lock-box Balance'.

"(b) COMPONENTS OF LEDGER.—Each component in an entry shall consist only of amounts credited to it under subsection (c). No entry of a negative amount shall be made.

"(c) CREDIT OF AMOUNTS TO LEDGER.—(1) The Director shall, upon the engrossment of any appropriation bill by the House of Representatives and upon the engrossment of that bill by the Senate, credit to the applicable entry balance of that House amounts of new budget authority and outlays equal to the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by that House to that bill.

"(2) The Director shall, upon the engrossment of Senate amendments to any appropriation bill, credit to the applicable Joint House-Senate Lock-box Balance the amounts of new budget authority and outlays equal to—

"(A) an amount equal to one-half of the sum of (i) the amount of new budget authority in the House Lock-box Balance plus (ii) the amount of new budget authority in the Senate Lock-box Balance for that bill; and

"(B) an amount equal to one-half of the sum of (i) the amount of outlays in the House Lock-box Balance plus (ii) the amount of outlays in the Senate Lock-box Balance for that bill.

"(3) CALCULATION OF LOCK-BOX SAVINGS IN SENATE.—For purposes of calculating under this section the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the Senate on an appropriation bill, the amendments reported to the Senate by its Committee on Appropriations shall be considered to be part of the original text of the bill.

"(d) DEFINITION.—An used in this section, the term 'appropriation bill' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of a fiscal year.".

(b) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 313 the following new items:

"Sec. 314. Deficit reduction lock-box ledger.".

TALLY DURING HOUSE CONSIDERATION

SEC. 402. There shall be available to Members in the House of Representatives during consideration of any appropriations bill by the House a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported.

DOWNWARD ADJUSTMENT OF SECTION 602(A) ALLOCATIONS AND 602(B) SUBALLOCATIONS

SEC. 403. (a) Section 602(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following new paragraph:

"(5) Upon the engrossment of Senate amendments to any appropriation bill (as defined in section 314(d)) for a fiscal year, the amounts allocated under paragraph (1) or (2) to the Committee on Appropriations of each House upon the adoption of the most recent concurrent resolution on the budget for that fiscal year shall be adjusted downward by the amounts credited to the applicable Joint House-Senate Lock-box Balance under section 314(c)(2). The revised levels of budget authority and outlays shall be submitted to each House by the chairman of the Committee on the Budget of that House and shall be printed in the Congressional Record.".

(b) Section 602(b)(1) of the Congressional Budget Act of 1974 is amended by adding at the end the following new sentence: "Whenever an adjustment is made under subsection (a)(5) to an allocation under that subsection, the chairman of the Committee on Appropriations of each House shall make downward adjustments in the most recent suballocations of new budget authority and outlays under subparagraph (A) to the appropriate subcommittees of that committee in the total amounts of those adjustments under section 314(c)(2). The revised suballocations shall be submitted to each House by the chairman of the Committee on Appropriations of that House and shall be printed in the Congressional Record.".

PERIODIC REPORTING OF LEDGERS

SEC. 404. Section 308(b)(1) of the Congressional Budget Act of 1974 is amended by adding at the end the following new sentence: "Such reports shall also include an up-to-date tabulation of the amounts contained in the ledger and each entry established by section 314(a).".

DOWNWARD ADJUSTMENT OF DISCRETIONARY SPENDING LIMITS

SEC. 405. The discretionary spending limits for new budget authority and outlays for any

fiscal year set forth in section 601(a)(2) of the Congressional Budget Act of 1974, as adjusted in strict conformance with section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985, shall be reduced by the amounts set forth in the final regular appropriation bill for that fiscal year or joint resolution making continuing appropriations through the end of that fiscal year. Those amounts shall be the sums of the Joint House-Senate Lock-box Balances for that fiscal year, as calculated under section 602(a)(5) of the Congressional Budget Act of 1974. That bill or joint resolution shall contain the following statement of law: "As required by section 6 of the Deficit Reduction Lock-box Act of 1997, for fiscal year [insert appropriate fiscal year] and each outyear, the adjusted discretionary spending limit for new budget authority shall be reduced by $ [insert appropriate amount of reduction] and the adjusted discretionary limit for outlays shall be reduced by $ [insert appropriate amount of reduction] for the budget year and each outyear." Notwithstanding section 904(c) of the Congressional Budget Act of 1974, section 306 of that Act as it applies to this statement shall be waived. This adjustment shall be reflected in reports under sections 254(g) and 254(h) of the Balanced Budget and Emergency Deficit Control Act of 1985.

EFFECTIVE DATE

SEC. 406. (a) This title shall apply to all appropriation bills making appropriations for fiscal year 1998 or any subsequent fiscal year.

(b) As used in this section, the term "appropriation bill" means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of a fiscal year.