SENATE—*Monday, October 5, 1998*

(Legislative day of Friday, October 2, 1998)

The Senate met at 11 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

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

Almighty God, Sovereign of this Nation and Lord of our lives, grant us Your peace for the pressures of this week. May Your peace keep us calm when tensions mount and serene when strain causes stress. Remind us that You are in control and that there is enough time to do what You want us to accomplish.

Fill this Senate Chamber with Your presence. May we hear Your whisper in our souls, "Be not afraid; I am with you." Bless the women and men of this Senate with a special measure of Your strength for the demanding schedule ahead. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. ASHCROFT. Mr. President, this morning the Senate will be in a period for morning business until 2 p.m. Following morning business, it will be the leaders' intention to begin consideration of the agriculture appropriations conference report under a short time agreement. The Senate may also resume consideration of S. 442, the Internet tax bill. At 5:30 p.m., under a previous order, the Senate will vote on the motion to invoke cloture on the motion to proceed to H.R. 10, the financial services modernization bill.

Further votes could occur following the cloture vote in relation to the motion to proceed, and if consent is granted, a vote on or in relation to the agriculture conference report, the Internet tax bill, or any other legislative or executive items cleared for action.

Members are reminded that a cloture petition was filed on Friday to the Internet tax bill. That vote will occur immediately following the adoption of the motion to proceed to the financial modernization bill, if cloture is invoked today at 5:30 p.m.

In addition, as a result of cloture being filed on the Internet bill on Friday, members have until 1 p.m. today to file first-degree amendments to the Internet bill.

Mr. President, finally, I ask unanimous consent that the time under the control of Senator MACK begin at 12 noon today.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

The PRESIDING OFFICER. The Senate will now proceed to a period for the transaction of morning business until 2 p.m., with Senators permitted to speak for up to 10 minutes with the following exceptions: The Senator from Missouri controls the time until 12 noon; the Senator from Florida, Mr. MACK, 15 minutes; the Senator from Montana, Mr. BAUCUS, controls the time from 1 p.m. until 2 p.m.

The Senator from Missouri.

Mr. ASHCROFT. Mr. President, thank you.

TAX CUTS

Mr. ASHCROFT. Mr. President, I am pleased to have this opportunity to begin a discussion today which should clarify some of the competing rhetoric and certainly some of the misinformation that is being spoken about the potential for tax cuts in our culture.

We are taxed at the highest rates in history. Never before have the American people been asked to devote so much of their hard-earned resources to government. Yet there are lots of statements made about the incapacity of this government to afford tax cuts to the American people, to give them some more of what they have earned in return for their hard work.

I rise today to speak the truth about tax cuts, to speak the truth about the so-called emergency spending, about Social Security, and about the budget surplus. A group of like-minded Senators and I have been engaged in a long and arduous fight to return to the American taxpayers more of their own money. We are here to announce that we are not giving up that fight. It may now be clear that the Senate will not be passing a tax cut this year.

Even if the majority leader were to bring the House-passed bill to the floor, there are just too many Members, big spenders, if you will, who are more interested in spending the surplus than returning the surplus to the rightful owners—those who generated the surplus. I only wish the advocacy groups who attack tax cuts would be honest enough to criticize the President and the other big spenders as they spend the surplus on more and more government programs and projects.

Senators INHOFE, GRAMS, BROWNBACK, BOB SMITH and I have waged a long battle, battle after battle, as a matter of fact, since May of this year, when we opposed the Senate Budget Committee resolution, because it contained only $30 billion in tax cuts over the next 5 years. Because of our strong and vocal opposition to that particular measure, our leadership made a commitment to us to fight for more tax relief, to adopt the House-passed tax cut number, to make eliminating the marriage penalty a priority of the Senate in a tax cut bill, and to move the budget reconciliation package so that tax cuts would be protected.

In June, the House did pass a budget resolution that included $101 billion in tax relief. The other Senators and I, in accordance with the previous agreement with the leadership of this House, assumed that this would be the amount of tax relief that would be delivered to hard-working Americans this year. You have $101 billion in the House and an agreement by the Senate that it will go to the House figure; you would think you would be able to get to $101 billion.

As the August recess loomed before us, the tax cuts remained elusive. That is why on July 17, a group of Senators and I came to the floor during consideration of the legislative branch appropriations bill and attempted to add a marriage penalty elimination amendment to that bill. To eliminate the marriage penalty would effectively reduce taxes for about 21 million couples who are penalized simply because they are married. Our point was simple and clear: Congress should not receive the funding under the legislative branch appropriations before the American people got the opportunity to keep a reasonable amount of what they earned. Why give all the money that Congress wants to Congress while we don't honor the need for the American people to fund their families?

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

We were prevented from offering our amendment at that time by the Democrats. We came back 2 weeks later while this body was considering the Treasury-Postal Services appropriations bill and we offered our amendment again. Our amendment would have eliminated the unfair and discriminatory marriage penalty, that extra tax that people pay just because they are married, which affects 21 million American families to the tune of about $29 billion a year.

We did not rely on spending the surplus in order to advocate that tax cut. We called for reductions in spending. We said that the Government has been on a budget high in fat for too long, it is time for us to provide the people with some relief, and we should do that by cutting spending. So we called for reductions in spending to offset the reduced revenues that would have come as a result of the tax cut.

On July 29, a majority of the individuals serving in this Senate voted in favor of eliminating the marriage penalty when they voted not to table our amendment. A majority of the Senate said that it is time to stop imposing Washington's values on the people and start imposing the people's values on Washington. The marriage penalty is perhaps one of the best examples of an elitist Washington imposing its values on the principles of the American people. We know that the American people understand the value of marriage and families in our culture. We know that they understand that if we expect to succeed in the next century, if we don't want to sink, if we want to swim, we had better make it possible for families to meet their needs. One way to do that is to stop penalizing people for being families, and we ought to do that.

Unfortunately, we had to withdraw the amendment because of the constitutional requirement that revenue bills originate in the House of Representatives. But the Senate did go on record supporting a marriage penalty elimination—this tax cut. A majority of this body voted to support eliminating the marriage penalty, but today we are facing the disappointing reality that the Senate will not pass, or probably will not even vote on, tax relief.

Much has been made about the surplus that is now attendant to the financial situation in Washington. Last week, the President happily announced that, for the first time in almost 30 years, the Federal budget is in balance—not just in balance, but there is a budget surplus of almost $70 billion. President Clinton even took credit for the balanced budget and the budget surplus.

Well, who is really responsible for the budget surplus? Was it the President and his party who voted for the largest tax increase in American history in 1993? Or was it the Republicans who made balancing the budget a national priority? Let me suggest that it wasn't the President, and let me suggest that it wasn't the Republicans, but that it was the American people who continued to work hard, to pay their taxes, continued to demand from their elected officials that we have some fiscal discipline. The American people should be credited with balancing the budget through their hard work, creativity, innovation, and their industry. Government doesn't generate revenue, it doesn't create wealth, people do, when they work hard.

Make no mistake, the Federal budget surplus is up because Federal income taxes are up. Income tax revenues have increased $83.7 billion, or 11 percent, just since last year. Where do those tax revenues come from? They come from the American people.

The President's record on taxes is threefold: Increase, increase, and increase. He has not proposed cutting taxes. Rather, his latest budget proposed increasing taxes by $100 billion over the next 5 years. Americans pay more in taxes today than they have in any other time in our history. President Clinton raised taxes by $242 billion in 1993, the largest hike in U.S. history, and sought to increase them another $290 billion as part of his plan to nationalize the Nation's health care system in 1994. And he sought to increase taxes by another $500 billion-plus this year as part of a tobacco tax bill. In 1995, he vetoed the first major tax cut since Ronald Reagan was President. We all remember when the President mused aloud about his 1993 tax increase. He put it this way: "It might surprise you to know that I think I raised them too much, too."

Well, frankly, I believe the President is right that he raised taxes too much. If we raised taxes too much, wouldn't it behoove us to begin to settle the account and start to let the American people have some of their hard-earned resources for expenditure in their families? It is one thing to confess that you raised taxes too much; it is another thing to develop another plan to spend all that you raised when you raised too much. If he really believes we raised taxes too much, we should give some of these hard-earned resources back. The President seems to have forgotten that it is the American people who have led us to this budget surplus. It is their money, not our money.

Mr. President, I have not forgotten this key fact. That is why I am here today—to say to the American people that they deserve not to have their money squandered on more Government, but they deserve a return on their investment—a return in the form of tax relief that is funded by reducing the spending of a Government addicted to a high-fat diet. This Government should be involved in reducing its invasion of the American culture with more and more Government and thereby consuming more and more of what families need to meet their needs.

Now, the President has a plan, but his plan is to spend the surplus. When it became clear earlier in the year that the fiscal discipline the Republican Congress had demanded from the President would result in a budget surplus, the President made a statement in his State of the Union Address which he has repeated numerous times since then. He said this, and I have this statement on a chart here:

> But whether the issue is tax cuts or spending, I ask all of you to meet this test: Approve only those priorities that can actually be accomplished without adding a dime to the deficit. Now, if we balance the budget for next year, it is projected that we will then have a sizable surplus in the years that immediately follow. What should we do with this projected surplus? I have a simple four-word answer: Save Social Security first. Tonight, I propose that we reserve 100 percent of the surplus—that's every penny of any surplus—until we have taken all the necessary measures to strengthen the Social Security system for the 21st century.

That is quite a statement. It is a bold statement. The President has used this statement to attack our plan to eliminate the marriage penalty and provide tax relief. He has used this sort of suggestion that we will just have to save Social Security and therefore you can't have any tax relief for the American people—a tax relief package that we were and are prepared to pay for out of reduced spending. But has the President attempted to keep his pledge to use every penny to save Social Security? There is only one answer. That answer is a resounding no.

Only days after his Social Security pledge, he sent a budget to Congress that contained $150 billion in new spending, according to the Senate Budget Committee. Without that new spending, the surplus would have been $150 billion larger—hardly every penny of any surplus being used to save Social Security.

It seems like every week the President has proposed an additional new spending program. His fiscal year 1999 budget, submitted earlier in the year, contained $150 billion in new spending. Just last Thursday, the President was at it again. At a press conference at the White House, he repeated his call for $34 billion to run our schools from Washington and to take control of our children's education away from their parents and teachers with new Federal expenditures of resources that are hard-earned by the American people, which he won't allow them to keep to fund their families.

The President called for this new spending, as with all his spending requests, without a dime of offsetting

savings. He is not talking about reallocating Federal expenditures, he is talking about increasing Federal expenditures. That means it can only be financed by dipping into the same surplus that he pledged would be spent for Social Security.

Every penny of any surplus—the President said, should be reserved until we have taken all the necessary measures to strengthen Social Security.

The President is gifted with language, so now we're redefining the phrase, every penny.

It reminds me of the fellow who sat down to dinner every night and put his finger in the wine glass and flipped a little wine off his fingers. His friend said to him, "Why do you do that? Every night you come in, stick your finger in the wine glass, and you flip the wine off your finger." He said, "Well, I promised my mother on her deathbed that I would never drink a drop of wine. And that is the drop I am not drinking."

The truth of the matter is that the President has said we are going to devote every penny of the surplus to Social Security, and there are not any pennies there—just dollars, and billions of dollars. So we are free to spend the billions of dollars. Those are the pennies we are not saving but flipping them off our finger because they are not there.

In addition to all the increased spending that the President has asked for—spending that breaks the budget caps—this body will be called upon to vote for a package that includes at least $17.8 billion to pay for so-called emergencies—and I will go into what those quote-emergencies-unquote are shortly—that will be paid for out of the surplus.

The truth is, they have done nothing to save Social Security. They have no proposal. They tried to discredit tax cuts by saying cutting taxes would impair Social Security. They might impair some other invasive government programs but not Social Security. But this is a way of trying to fight against any reduction in government, any ability of this Senate to try to say to families you need to be able to fund your needs rather than just be used as workers to fund the ambitious schemes of spending and big government.

The truth is that the big spenders don't care about saving Social Security or balancing the budget. They care about reserving their ability to spend the taxpayers' money.

They do not want their ability to spend curtailed in any way—they want the amounts to continue to increase, and they want to stop any tax cut that infringes on their spending power.

They look at this surplus as an huge pot of money to finance all their pork barrel pet projects. There is no fiscal discipline here! There is only a strong commitment, an all consuming passion to prevent tax cuts at any expense—even if it means misleading the American people by their demagoguery about saving social security.

The President said he wanted to save Social Security; devote every penny. The President and the big spenders have feigned their concern for Social Security and fiscal responsibility. It is a mantra that has been repeated thousands of times—sort of a slogan that any time there is a problem, they run and hide behind the Social Security billboards. They stick their heads into the ground and yell, "Social Security," so they can avoid dealing with issues that count.

I guess we can expect to hear that mantra another thousand more times in the next month preceding the election. But it is also clear that when we look at the President's record on Social Security reform, that he talks the talk but then takes a walk.

Despite promising to save Social Security first, the President has never proposed a plan to reform Social Security—not even hinted at it. Clinton's one and only proposal related to Social Security was to promote and to sign into law a $25 billion tax increase for some Social Security beneficiaries. For all his rhetoric, not one plan—not one concrete proposal—to preserve the Social Security program.

Social Security merely becomes a tool in his hand to try to divert attention from the opportunity to cut government spending and provide Americans with the opportunity to fund their families rather than to fund the bureaucracy.

While a series of bills have been introduced by Republicans and Democrats addressing Social Security solvency, Congress is still, to this day, waiting upon a plan from the President.

But the President has one goal, and that is to spend the surplus, and spend it as quickly as he can. Unfortunately, the President is not alone in this goal. It appears that a majority of the Senate is opposed to cutting taxes or cutting spending. They are only interested in one thing as well—stopping tax relief so that they can spend the surplus themselves.

The President has presented to the American people a false choice—he said it has to be either this or this—and it is a false choice. He has said it is a choice between saving Social Security and Squandering the Surplus on tax relief. But this is a misleading choice. It doesn't have to be one or the other. We can take the surplus, devote it to Social Security, and we can provide tax relief by cutting some of the spending that is wasteful and inappropriate by a bureaucracy which is bloated.

I believe we can do both. But only if we do not spend the surplus on increased government, as is currently being planned. Congress is planning to spend at least $17.8 billion of the surplus next week in the "emergency supplemental" bill. And we can be sure that the $17.8 billion figure will continue to grow exponentially by the time this Congress adjourns.

Mr. President, the Administration's spending requests during this Congress have become more than a bad habit. These requests reveal a consistent failure at responsible governance. Twenty billion dollars or more in "emergency" appropriations may be requested before this Congress adjourns.

Billions of these dollars will pay for expenditures the Administration knew it would incur. What are we talking about? These aren't surprise expenditures. These aren't emergencies that have come up. These are expenditures that have long been planned to be put into the emergency spending portion of the budget so they wouldn't come under the caps—so they wouldn't come under the normal limits that are related to balancing the budget.

First, the administration did not realize—according to this, if it is an emergency—the year 2000 would follow the year 1999. It requested $3.25 billion to clean up the year 2000 computer problem. Why wasn't that in the ordinary spending appropriations request?

Did anyone in the Administration have a calendar? Not only is the emergency designation of Y2K funding wrong, but experts in the field have informed my office that the Administration could have corrected this computing problem for far less money if the process had been stated earlier.

So instead, the administration proposes to raid the surplus and to spend money that could have been used to save Social Security.

Every penny? Maybe there haven't been any pennies, just dollars.

Second, the administration claims it did not know that we would continue to deploy troops in Bosnia next year. This is an "emergency"—that somehow the Bosnia deployment is unanticipated.

It has been apparent from the beginning of NATO's Implementation Force (IFOR) that American troops were there to stay much longer than the President had initially promised the American people three years ago.

In dispatching over 22,000 U.S. soldiers to participate in the NATO Bosnia mission in 1995 and 1996, the President told the American people that the mission would take about one year. Secretary of Defense William Perry and Chairman of the Joint Chiefs John Shalikashvili both confirmed the one-year duration of NATO's Implementation Force (IFOR). Secretary Perry testified before the House International Relations Committee that the total cost of the Bosnia mission would be about $2 billion.

Now, three years later, after two broken troop withdrawal deadlines and

over $6 billion in cost, the Administration is seeking to fund this operation straight out of the surplus, which could be used, if we were to take the President at his word, to save Social Security. The President announced in December of 1997 that American troops would stay in Bosnia indefinitely, and yet he asked for an emergency appropriations of $1.9 billion for fiscal year 1999 operational costs.

Next the Administration proposed to spend the surplus that he proposed be used to save Social Security on building embassies overseas. Yet, after the tragic bombings of Kenya and Tanzania, the State Department could not even tell the Congress how much money they had spent to upgrade embassy security to meet standards set forth in the Inman Report of 1985. An effective accounting system to track these funds had not been established.

A failure to monitor where the money has been going is not the only problem. In recent years, the State Department has not even spent all the money appropriated by Congress for diplomatic security. In 1995 and 1996, the State Department failed to spend $100 million appropriated by Congress to enhance the security of U.S. overseas posts but now they want to raid the surplus in a so-called "emergency."

Mr. President, this administration has not managed fiscal resources in a manner which inspires confidence. The administration will spend over $550 billion in discretionary spending under the budget agreement, but instead of paying for these new spending requests from some other part of the budget, the administration wants to raid the surplus that would save Social Security.

The real outrage is that the President plans to spend the surplus, not to preserve Social Security. The truth is that the President and some in the Congress have misled the American people about their plans for the surplus. They have no intention of saving the surplus to fix Social Security. They have no plan to fix Social Security. Their plan is to spend the surplus on fake emergencies and increase spending. They are unwilling to use the budget process to live within the budget caps to finance their spending, so they categorize items as emergencies so that they don't have to exist within the framework and discipline that would characterize any family's budget. We have caps on our spending at home. We have limits on what we can take and spend. We can't decide we are going to call something an emergency and create resources out of thin air. It can't be done by the American people. It shouldn't be done by the American President and Congress. So we, the Congress, end up denying hard-working Americans a tax cut and we scare senior citizens about the future of Social Security, and then they spend the surplus.

One of the things we end up spending the surplus on is pork projects. There are many additional spending items that are being talked about for the omnibus appropriations emergency spending behemoth. I do not mean to say all of these items are without merit. Indeed, there have been natural disasters, floods, embassy bombings and other occurrences which demand our attention and perhaps some additional funding. But to do it all in an emergency rather than to be addressing in the next funding year, very shortly anyhow, where we would put the funding in the stream of limits and discipline that the budget process imposes is to simply not do our job.

But even these events should not be used to excuse our willingness to deny tax relief or to spend the surplus. The Congress should find the money within the existing budget to pay for these items. As I said before, most of these items are not true emergencies. We have known about Bosnia for a long time. The need to increase our military's readiness we have known, and the Y2K computer problem we have known for years. But by labeling them emergencies, the President wants to use an accounting gimmick to spend the surplus, to spend it outside the normal budget process, and spend it in a way that does not affect the calculation under our spending caps. The fiscally disciplined way to deal with this is to work within the budget, to stop pork barrel spending, and to pay for these priorities.

Mr. President, I want to share with you some of the items contained in the fiscal year 1999 budget in various appropriations bills that the Congress thinks are more important than saving Social Security because they are willing to spend on this kind of pork.

Now, the Senator from Arizona, Mr. MCCAIN, has done the American people and this body a great service. He has gone through the appropriations bills and he has identified all the earmarked pork programs and put this information on his home page on the Internet. I recommend it to people who want to spend an evening getting a headache reading about additional Federal spending. Seriously, it is a list that is comprehensive and it is worth looking at. I have looked at the information. Let me share some of it with you. Here are some of the examples of what we are spending for this year, items that the big spenders obviously think are more important than Social Security because they are unwilling to cut these programs in order to save the surplus. If they really wanted these things, thought they were worth it, they should be willing to cut other spending. But they are willing to take them out of the surplus.

Believe you me, if this list of earmarked expenditures that Senator MCCAIN has on his web site were put up in big print, it would be a stack that would be substantial. Here are a couple things. Here is $3.3 million for the Shrimp Aquaculture project. And let me apologize to the Senate for calling it pork. This isn't pork. This is shrimp. But there is $3.3 million.

Here is another earmark. Wait a minute. Here is another one that is not pork, either. Pardon me. This is grasshoppers—$750,000 for grasshopper control research. Here is another—pardon me, not pork, not shrimp, not grasshoppers. Here is $150,000 to hire a new potato breeder. Here is $143,200 to continue subterranean termite research.

Well, we have gotten through virtually everything but pork. Let's see if we can find something related to pigs in the process. Obviously, this is political pork, whether or not it is pork in the nutritional sense. Here is $2 million to unspecified communities in southern California for planning associated with the National Communities Conservation Planning Program. So we have $2 million for communities to plan to be a part of a planning program. We might call it planning squared, I think—planning for planning. I suppose we could have some additional resources to help people plan for planning to plan. Here is an earmark of $1.1 million to rehabilitate priest quarters in an old schoolhouse in a national historic site; an earmark of $1 million for incinerator replacement; an earmark of $3.4 million to meet uncontrollable costs at a wildlife center located in Wisconsin. "Uncontrollable costs" may be a phrase that seems acceptable in government, but families don't allow for uncontrollable costs. We are not allowed to have uncontrollable costs.

So the bottom line is this. When we are willing to load up our bills with this kind of pork or termites or shrimp or grasshoppers or whatever else it is, it is not about tax cuts, and it is not about saving Social Security. It is about money. It is about spending. It is about power because he who has the money has the power. Someone said it is the Golden Rule: He who has the gold makes the rules. It is a power game here in Washington, and the big spenders just can't allow the American people to control their own money.

Last week, Federal Reserve Chairman Alan Greenspan appeared before the Senate Budget Committee and was asked what in his opinion should be done with the surplus. Let's look at his remarks.

> My first preference is to allow the surplus to reduce the debt. I am also, however, aware of the pressures that will exist to spend it.

This individual, who perhaps knows as much about Washington and knows as much about this country and its financial caps indicates he knows about . . .

> . . . the pressures that will exist to spend it. And that in my judgment would be the worst of all outcomes. And if push came to

shove and it was either to spend it or cut taxes, I would strongly and unequivocally be on the side of cutting taxes.

Alan Greenspan happens to know that the growth and intensity, the kind of opportunity that is presented in the American economy is curtailed when we have more and more spending, and that growth and opportunity is enlarged when we have people with more of their money to spend themselves through tax cuts.

That is why he says:

And if push came to shove and it was either to spend it or cut taxes, I would strongly and unequivocally be on the side of cutting taxes.

He stated that to spend the surplus would be the worst of all outcomes, but that is apparently what this President plans to do.

I am sad to inform you, Mr. President, that the worst of all outcomes is about to happen. The pressure to spend is just too strong. I am here today to set the record straight. We cannot let the surplus be spent on mislabeled emergencies and increased spending. We must demand fiscal discipline from this Congress. We should demand truth to senior citizens about the fate of the surplus, and we will demand that the President, who decries tax cuts—we will demand that the President stand accountable for his actions as he prepares to spend the surplus rather than to keep his promise to save Social Security.

The American people will not be fooled. You cannot save Social Security by wasting the surplus on bureaucracy in Washington, DC. You cannot save Social Security when you are sending the elderly's Social Security checks to the shrimp aquaculture project in Hawaii. You cannot save Social Security when the people recognize your posturing for what it is, a political exercise designed not to save Social Security but to save yourself.

Mr. President, I appreciate this opportunity and yield the remainder of my time to my colleagues.

I yield the floor to the Senator from Idaho, Senator CRAIG.

The PRESIDING OFFICER. The Senator from Idaho.

TAX CUTS

Mr. CRAIG. Mr. President, I will take just a few moments because I want to sandwich some comments into this very important discussion on cutting taxes and lowering the rate of impact our Federal Government has on the average American family. The Senator from Missouri has spoken so very clearly today about what is happening, once again, in our Nation's capital. We fought for a decade to balance the budget—and Republicans are proud that it has now happened, it happened on our watch with our fiscal conservatism—but now we have a President who wants to throw up the facade of saving Social Security and yet sending a very large spending package to Capitol Hill. I hope we do have an opportunity to vote for tax cuts. This is one Senator who will proudly cast an "aye" vote for it.

PRESIDENTIAL TRAVEL

Mr. CRAIG. Mr. President, I thought it would be important this morning to do a short reality check on our President. The President last week said Congress is a do-nothing Congress. They have not done their work. Why has Congress not done its work? You know, when he made that comment about us—and I have been here hour after hour in committee meeting after committee meeting, here on the floor, day after day for the balance of the year—I thought, you know, Mr. President, you challenged me a little bit. It is time to do a reality check. So I sent staff scurrying. We compiled the President's travel log, and what I am about to report to you is the travel log of President Bill Clinton.

For a man who is bent on remaining in the White House, President Clinton sure spends a lot of time away from the White House. What you are about to hear is an analysis of how much time he has spent away, and why his people have not been on the Hill, why they have not been working with us, and now in the closing hours of a Congress he is either threatening a veto or threatening that he might just have to shut down Government to awaken us. Mr. President, let's do a bit of a reality check.

Last year, President Clinton broke the Presidential record for foreign travel with his 27th trip abroad. Like the Energizer Bunny, he has continued to keep on going and going and going. This year so far he has logged 41 days in 11 countries—11 different foreign countries. Some say he is traveling in foreign countries to keep his mind off domestic problems. I would not want to make that assertion. What I do know is that the President has now broken all-time Presidential travel records with 32 trips abroad, more than any other president ever. Mr. President, you are out breaking records.

However, just because President Clinton is not on foreign soil all the time doesn't mean he is in the White House. Bill Clinton also likes to travel around the country as well. He is particularly fond of combining both domestic travel and campaign fundraisers, with at least 37 trips which include fundraisers just through this year, 1998, and there are at least 14 more fundraising events scheduled for October, according to reports. Stay tuned as I go down through this report, because you will find an anomaly between official travel and fundraising travel and what it is costing the taxpayers and maybe why he needs a little bit of supplemental spending.

All told, the President has spent almost half of 1997, 149 days, as well as over half of 1998 so far, 155 days, outside of Washington, DC. Hello, Mr. President, we are trying to get our work done here. You criticize us for being a do-nothing Congress? Mr. President, where have you been?

The President's travel at taxpayers' expense long ago broke the foreign travel record. To put it in perspective, Mr. President, you have traveled domestically over 304 days in the last 2 years. You have already spent more time out of Washington than four out of the last five Congresses have spent in session.

If the implications were not so serious, the President's wanderlust would be a mere fact for amusement, and we could all chortle a little bit about it. This is, after all, a President who has claimed an initiative for every problem and credit for every solution. Yet the President has not been around for much of the work. If America is to believe he is serious about Social Security reform and Medicare reform and health care reform, tax reform and a host of other problems, it would help if they could first believe he is going to be here so we could meet with him to get the work done.

In 1992, then-candidate Bill Clinton excoriated President Bush for taking 25 trips to 60 countries from 1989 to 1993. He stated, "It is time for us to have a President who cares more about Littleton, NH, than Liechtenstein; or more about Manchester than Micronesia." But once in office, guess what? Mr. Clinton took Air Force One and away he went, and he broke the Bush record. In less than 2 years, 1997 through 1998, Clinton has spent almost as many days overseas as Bush spent during his entire term in office—79 versus 86 days. President Clinton has taken 32 foreign trips during his Presidency, 6 more than President Bush, to 78 countries, including 51 different ones. Trips to South Korea, Japan, Malaysia are already in the travel plans for next year.

Mr. President, I could go on and on. The point is quite simple. As America has discovered, just because Mr. Clinton is in the country does not mean he is in the White House. The "DC" in Washington, DC, probably means "Devoid of Clinton." While Clinton was able to leave his passport in the White House, he has made sure he has taken donor cards. As the press has noted, fundraising is prominent in his travel agenda.

What is in the Washington Post today? The President was out once again, Friday, fundraising. I understand now the American people are waking up a little bit. Here is what one of the picket signs said as the President entered a fundraiser in Ohio: "Fundraising? Is this the people's work?"

I am starting to ask the same thing. In 1997, President Clinton spent 111 days on the road on domestic travel. He has already surpassed that in 1998 with 114 days. In 1997, he used at least 28 of those trips for fundraising. Through September of this year, President Clinton has already used at least 37 of those days for fundraising.

That is part of the story, but here is the rest of the story that really concerns me. Do you know how much it costs to fly Air Force One? Mr. President, in 1992 figures it was $42,000 an hour. Mr. President, that is for you and the entourage. How do you balance that off between important domestic travel and fundraising? I hope you are keeping an accurate record, or the taxpayers will be paying a phenomenal amount for our President to be out of the White House.

President Clinton was out of town 149 days in 1997; 155 days through September of 1998. The President spent a total of 304 days outside of Washington in just the last 21 months.

The reason I come to the floor this morning to talk about the President's travel schedule is to bring some substance to the seaminess of a comment a week ago that this is the do-nothing Congress. You might have grounds to make that kind of an argument if you had been sitting down at the White House with a phone in your hand working with us to try to resolve the budgets, to try to get out our appropriation bills, to try to do the business of this Government. But you have chosen not to do that. You have been out and about the country and the world at a record pace, and at the expense of the American taxpayer.

I understand by news reports today the President is in town for the week: Mr. President, welcome back to Washington. I understand that you are going to be here for a week, hopefully to work with us in finalizing the work of Congress to get our budgets complete so we can leave town—most important, adjourn the Congress and go home as the American people would expect us to do and turn off the expense clock.

I also think it is important, Mr. President, that you do, in fact, recognize that our country and our world is just in a little bit of an economic crisis and you are finally willing to cancel a few travel schedules and stay home to see if we can work out our problems.

So, Mr. President, welcome home. I am going to be watching very closely and giving reports from time to time as the President spends the American public's tax dollars to travel around the country. Here is the travel log, and it is growing. Here are the charts, and they are growing. Call us a do-nothing Congress, Mr. President, and I will call you AWOL because you won't be here; you will be off flitting around the country, either fundraising or staying out of Washington because the heat is too hot in the kitchen.

I yield the floor.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

THE TAXPAYER RELIEF ACT

Mr. HUTCHINSON. Mr. President, I rise in support of tax relief for the American people and in support of the House-passed legislation that will provide taxpayer relief today.

Tax collections, it is estimated, will exceed over $8 trillion in the next 5 years. An $80 billion tax cut—that is what the House of Representatives cut—an $80 billion tax cut amounts to about one penny savings on every dollar paid in to the Federal Government. I don't believe that is too much out of this surplus that we are realizing because of a robust economy and because of restraints on spending, as much waste as therestill is. We have slowed the growth of Federal spending and, as a result of that, for the first time in 29 years, we have a balanced budget, we have a surplus, and it is only right and it is only proper that a portion of that be returned to the American people.

I think the only problem with the House-passed tax cut is that it is too little, but we should at least bring it forward, and we should at least have that debate on the floor of the U.S. Senate.

Under the Clinton administration, taxes have risen to the highest level in peacetime history. If Ben Franklin was right, that the only thing that is certain is death and taxes, this administration has made it equally true that nothing is as certain as spending and overtaxation. We have the highest tax rate in peacetime history. Taxes are at a historic high at a level of 21 percent of the gross domestic product.

According to data from the OMB, total Federal receipts will amount to 19.9 percent of the GDP in 1998 and 20.1 percent of the GDP in 1999. That tells me one thing. That tells me that even under a Republican-controlled House and Senate, Government continues to grow and Government revenues continue to grow as well.

In my home State of Arkansas, this amount of taxation translates into $7,352 in taxes per capita in 1998. That is an onerous burden to put on a low-income State. It is a heavy burden to place upon people anywhere.

In Connecticut, the tax burden is $15,525 per capita.

The typical American family sees 38 percent of its income going to pay for taxes, as opposed to 28 percent for food, for clothing, for housing and only 3.6 percent going to savings—38 percent for taxes—Federal, State and local level—28 percent for food, clothing and housing.

Mr. President, it is time to stop picking the pockets of American taxpayers, and it is time to put money back in their pockets and untie their hands. The Taxpayer Relief Act does just that by giving the American people a tax cut of $80.1 billion.

Couples today who want to be responsibly married, to share their lives together, have a slap in the face immediately from the Federal Government. Twenty-one million couples pay an average of $1,400 extra in taxes for pursuing the right course of marriage.

The Taxpayer Relief Act takes away this stinging insult by allowing married couples who file jointly to claim a standard deduction twice the amount of the standard deduction for a single taxpayer. It also increases the basic standard deduction for married taxpayers who file separately to equal the basic standard deduction for singles. Even as they try to raise a family with limited resources and increasing costs, parents strain under this very heavy burden of taxation.

The House-passed bill protects important tax credits, including credits for children, the $500-per-child tax credit, new credits for adoption and education, and reduces the alternative minimum tax as well.

All of these are important steps. They are, I believe, the right course for this Congress to take. I regret the President's commitment to veto any tax-cut legislation this year.

American farmers and ranchers have had to face a terribly hard time with unpredictable and damaging weather trends that have destroyed their harvest and livelihood, only to face income erosion from unpredictable and damaging tax regulations as well. The House-passed bill would provide greater stability amidst this turmoil by income averaging, currently set to expire in the year 2000, and it would make that permanent. Farmers and ranchers would be able to benefit from the 100 percent health insurance deductibility. All of these things would provide relief for the agricultural community.

Men and women attempting to manage their money wisely find the Government chipping away at their savings, through taxation on interest and dividends, and the Taxpayer Relief Act will exclude the first $200 in interest and dividends that they receive. We say we want the American people to save and invest, and yet we penalize them with our Tax Code. Some say the $200 exclusion is not very much. That exclusion will eliminate all taxation on interest and dividends for 32 million people in this country.

When taxpayers become senior citizens, their Social Security earnings limit will be increased under this legislation, between full retirement age and age 70, from $17,000 in fiscal year 1999 to almost $40,000 in fiscal year 2008.

These are important provisions, certainly not the least of which is the accelerated relief that will be provided

from the death tax, a heinous provision in our Tax Code that says if you work hard enough, save enough, invest well enough, Uncle Sam is going to reach into your grave, reach into your pocket and take 55 percent of what you own. The American dream is to work hard enough, invest enough, and pass them on to your children and give them a little better start than you had.

The death tax is just the opposite. It is one of the most anti-American dream provisions in the Tax Code. The bill passed from the House would accelerate raising that exclusion to 41 million. It would be a small step in providing relief from the death tax.

There are those who say we can't cut taxes this year; we have to give it all to Social Security. It is interesting to me that those who argue that have yet to come forward with a save Social Security plan. They have yet to come forward with a Social Security reform plan, but they have advocated billions of dollars in new spending.

Mr. President, I wish I had much longer to elaborate on this, but I quote the President when on May 26 of this year, he said:

> We can use these good times to honor those who've put in a lifetime of work and prepare for the future retirement of the baby boomers by saving the Social Security system for generations to come. Or we can give in to the temptation in this election year to squander our surpluses the moment they start coming in.

Do you get the picture? If you take the surplus and spend it on new spending programs, that is good, but if you return it to the American people in the form of tax relief, that is squandering. The very President who made that statement has advocated billions of dollars in additional spending—$5.8 billion already spent—and a request in supplemental funds for $14.148 billion, including almost $2 billion for Bosnia. That is coming out of this sacrosanct untouchable surplus.

The Taxpayer Relief Act just says let's return $7 billion of that surplus in the first year, 1999, to the American people. I believe that is what we should do. Instead of enacting $150 billion in new spending programs, we should return one penny on the dollar, which is what the Taxpayer Relief Act does, out of what they are paying into the Government back to them in the form of tax relief.

The debate hasn't changed: higher taxes and more Government; lower taxes and less Government. We were given that mandate by the American people, and we should enjoin that debate by passing the Taxpayer Relief Act this year, sending it to the President and letting him decide whether or not he will give the American people the relief they so much deserve.

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

The PRESIDING OFFICER (Mr. KYL). The Chair, in his capacity as a Senator from the State of Arizona, suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MACK. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. MACK. Mr. President, I thank the Chair.

(The remarks of Mr. MACK pertaining to the submission of S. Res. 286 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. MACK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 4101

Mr. MACK. Mr. President, I ask unanimous consent that at 2 p.m. today the Senate proceed to the consideration of the conference report to accompany H.R. 4101, the Agriculture Appropriations bill, with the reading of the conference report being waived.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

WHITE HOUSE PROPOSALS TO SPEND THE SURPLUS

Mr. GRAMM. Madam President, I have come over today to respond to the Office of Management and Budget and to the White House in relation to comments they made about our weekly radio address, which we made in response to the President's radio address and which I had the privilege to make on behalf of the Republican majority in the Senate.

What I thought I would do is simply take a little bit of time and review what I said in the radio address because it is relevant, obviously, to the response by OMB and the White House. I would like then to respond to the comments they made. And I will try to do it as quickly as possible.

Madam President, in the Saturday radio address I tried to make several simple points, the first point being that we all can remember vividly, when the President gave his State of the Union Address, in probably the most dramatic statement made by any political figure in 1998, the President proclaimed: "Save Social Security first." He then set out a prescription for Congress, and the prescription basically boiled down to: "Don't increase spending; don't cut taxes; take every penny of the surplus and save it for Social Security."

The President kept delivering exactly the same message over and over and over again through February, into June; and then all of a sudden, during the summer and into the fall, the President's message started to change. And the President's message started to change because he started leaving out the part of the policy prescription that had to do with not spending the surplus.

What the President is now saying is that Republicans are wrong in trying to cut taxes, eliminating the marriage penalty, providing some tax relief to farmers and small business and to senior citizens—that Republicans are wrong in doing that in the House because it takes $6.6 billion away from the surplus. And then the President last week said if you take a little of the surplus here and a little of it there on tax cuts, then you don't have the money to put Social Security first.

The problem is that at the very moment that the President is saying to the Republicans in the House not to use $6.6 billion to fund a tax cut, the President is proposing to Congress, in the strongest possible terms, that we spend up to three times that amount—roughly $20 billion this year—on a series of programs, most of which have nothing whatsoever to do with emergency spending by any definition that we have ever used for emergency spending.

So the point I made, in very simple terms, was the President is not living up to his word. He is not putting Social Security first. The President is pretty clear about not wanting Republicans in the House to cut taxes and to use $6.6 billion of the surplus for that purpose. But the President is now actually threatening to veto bills and to shut down the Government unless we spend up to $20 billion of additional money this year, every penny of which would come out of the same surplus that the President is saying to the Republicans in the House, "Don't dare touch that surplus, don't take $6.6 billion to cut taxes."

The White House decided, over the weekend, that they wanted to respond to what I had to say. And I want to respond to a lady, Linda Ricci, who is the spokeswoman for the Office of Management and Budget. She made two statements that I want to respond to.

Let me read you from the Reuters wire service story:

Linda Ricci, spokeswoman for the administration's Office of Management and Budget, noted the actual additional spending request is roughly $14 billion, and said such emergency packages have become a normal part of the budget process.

She further says:

There is nothing extraordinary about emergency spending and there's nothing extraordinary about the amount of emergency spending we are requesting in this year's budget.

Madam President, I take great exception to these statements because they are not true. I mean, other than the fact that they are not true, I do not have much objection to them. But one of the standards that we normally set in debate is a standard that we cannot have much of a meaningful dialogue if we are not sticking with the facts. One of the things that is often said in these kinds of debates is that you have a right to your own opinion, you just do not have a right to your own facts.

Let me remind the Senate, and anybody who is listening, of the following facts: No. 1, we have already passed a $6 billion emergency spending bill earlier this year. If you add up all the requests the President has made for additional emergency spending, it is $14 billion. And when you add the two, that is a $20 billion emergency spending increase that was requested in calendar year 1998.

The OMB says, "There's nothing extraordinary about the amount of emergency spending we are requesting in this year's budget."

Let me tell you what is extraordinary about it. Everything—everything—is extraordinary about it.

First of all, the level of emergency spending is far beyond any level of emergency spending ever proposed by any President under the budget agreement that was reached in 1990 that started this current loophole of emergency spending.

I remind my colleagues, and anybody who is interested, that the first year that this ability to designate something as "emergency" and exempted from the budget—the first year it was in effect, in 1991, President Bush signed into law $.9 billion worth of emergency spending. President Clinton this year has asked for $20 billion of emergency spending. In fact, if you take the 3 years that President Bush was in office while we have had this emergency spending designation, in those 3 years President Bush averaged $4.6 billion of emergency spending, virtually all of it for things like hurricanes, floods, natural disasters, or what we normally refer to as acts of God.

In the years, since President Clinton came into office, if this year's request is granted, President Clinton will have requested $9.9 billion worth of emergency spending a year. And, as I said, this year's total is roughly twice what the President has requested, on average. And that is what Bill Clinton has requested since he has been President. So to say there is nothing extraordinary about the request I think is simply not true.

But there are two other things that are extraordinary. First of all, we have never had emergency requests for money to be spent in years where we have not even appropriated the money yet. And, finally, what we have in the President's proposal is a designation of emergency spending for ongoing programs of the Federal Government. I could talk a long time about this, but let me give you three examples.

The President tells us that he needs $3.25 billion because he has discovered since he submitted his budget in January that the year 2000 is coming. Apparently he was unaware of this in January when he submitted his budget, because he did not ask for the money to be used for year 2000 computer problems of the Government in January, but since then it is an emergency because he did not ask for it in January.

I went back and looked, Madam President, at when we first started to keep time in Anno Domini, "in the Year of Our Lord." And the first time we did was when the Julian calendar was amended so that the measurement of time started at the birth of Christ. And that was in the year 525. The point is, we have known for 1,470 years that the year 2000 was coming. Everyone in the world knew it was coming. In fact, we hardly hear a political speech that does not talk about the 21st century or the President rarely opens his mouth that he doesn't talk about the new millennium.

Many people have actually planned where they are going to be on New Year's eve of next year. The only people on the planet who were surprised that the year 2000 is actually coming, are people in the Clinton administration. The reason they are surprised is they knew the year 2000 was coming, they knew we had these computer problems, but they didn't include this in their budget in January so they could try to hide the fact that they are busting their own budget, so that they could hide the fact that they are taking money away from Social Security to spend, at the same time that they are criticizing the House of Representatives for trying to have a modest tax cut.

Now, a second example of nonemergency spending is Bosnia. I know the Presiding Officer is aware that we have troops in Bosnia because I have heard her demand that the administration establish a policy on numerous occasions. Her feelings and leadership on this are well-known. But we have an emergency in the President's mind because we don't have funding in his budget for Bosnia.

I remind my colleagues the President sent troops to Bosnia 3 years ago. Then he extended the mission for our troops to Bosnia 2 years ago, and he extended it again last year. Finally, he said they would be there indefinitely. You might ask yourself a question: Given that we have had troops in Bosnia for 3 years, given that no one on the planet is surprised that there are troops in Bosnia, why does the President now ask for funding for troops in Bosnia as an emergency?

Now, this lady, Linda Ricci, with the Office of Management and Budget says that there is nothing extraordinary about the President's emergency requests. I find it extraordinary, when we are in our fourth year of troops in Bosnia and the President has an emergency because he has discovered that we have troops in Bosnia, that we have no money in his budget to pay for troops in Bosnia. I find that extraordinary.

The next item is my last. The Constitution, in article I, mandates that there be a census; that every 10 years we go out and count the number of people in the country and that we allocate representation in the House of Representatives based on the census. It has been in the Constitution for over 200 years. We have never had the change of a decade occur that we have not done a census. We have known from the first day that the Constitution was ratified in 1779 that we were going to do a census in the year 2000. Yet now we are considering declaring an emergency because we are going to have to do a census in the year 2000. Now, why is there an emergency? There is an emergency because the Administration did not include enough money in their budget to provide the funding for the buildup to the census year. In fact, they and Congress have systematically underfunded the census.

Now, the Office of Management and Budget may not find it extraordinary that we have $20 billion worth of requested emergency spending by the President. But I find it extraordinary. They may not find it extraordinary that the President is asking for twice as much emergency spending this year as he has on average since he has been President, and on average since President Clinton has been in office. He has asked for twice as much as President Bush. In fact, his request in calendar year 1998 is over 20 times as big as President Bush's request for emergency spending in 1991, the first year that we had this emergency designation. I find it extraordinary. OMB may not, but the fact that they don't, it seems to me, simply shows that either they don't know what the history of the use of emergency spending is or they don't want to know.

Now, the second response I wanted to give is a response to the brand-new White House spokesman. Joe Lockhart,

in his first day on the job, White House spokesman Joe Lockhart rejected my comments saying that the emergency requests only total $14 billion and that it would not come out of the surplus. As I have already said, in calendar year 1998 the President has requested a total of $20 billion. The fact that he already has gotten $6 billion does not change the fact we are talking about $20 billion worth of new unbudgeted spending.

I suggest that Joe Lockhart, in one day at the White House, has either shown that he is getting bad habits at the White House very quickly or he knows absolutely nothing about the budget. The only way these "emergency spending programs"—like fixing the computers of the government, the census, funds for Bosnia—can be funded is taking every penny of it directly out of the surplus.

When Mr. Lockhart, in his first day at the White House says that none of this money will come out of the surplus, it is obvious that Mr. Lockhart either doesn't know how the budget works, or he has gotten a very bad habit in only one day at the White House.

I suggest that Mr. Lockhart set the record straight.

Now, what is relevant here is the following: There were a few people—and I am one of them, so I am sensitive about it—who took the President at his word back in January. That word was "save Social Security first." I would like to vote for a tax cut but I have said, given that we have problems in Social Security, given that we need next year to restructure Social Security and build the financial base of it, I have been willing to forego a tax cut so that we could set aside the whole $70 billion of the surplus to put Social Security first. I feel in this area that I have been trying to do what the President requested. Now I find that the President is not doing what the President requested, that while I have been trying to say no to spending and while I have been trying to say no to tax cuts, the President is saying no to tax cuts, but he is trying to force-feed Congress the largest increase in emergency spending in history.

Mr. BAUCUS. Will the Senator yield?

Mr. GRAMM. Let me finish this thought and I would be happy to yield.

Mr. BAUCUS. What is the pending order?

The PRESIDING OFFICER. The Senator from Montana, by unanimous consent, does control the time between 1 o'clock and 2 o'clock.

Mr. BAUCUS. I am happy to yield 3 minutes to the Senator from Texas.

Mr. GRAMM. That is more than generous and I can complete what I have to say.

Madam President, I have tried to live up to the President's challenge in that State of the Union Address by putting Social Security first, by delaying until next year a tax cut so that we could rebuild the financial base of Social Security and have the money to do it with.

However, I have to say I am very distressed in that while I am trying to carry out the President's policy on a bipartisan basis and not supporting something that I am very much for—a tax cut—the President now is trying to say to Congress I am going to veto your spending bills and shut down the Government unless you spend $20 billion more than you have written into your budget and $20 billion of additional spending that the President didn't even ask for in his budget back in February.

Now we have people at the White House and at OMB who are saying there is nothing extraordinary about what the President is doing and that the amount of money he is spending is not coming out of the surplus. My point is, everything about what the President is doing is extraordinary. It is twice as much as the President, on average, has requested in the past.

It is 20 times as much as the last President requested for emergencies in 1991; it is for programs that have nothing to do with conventional emergencies: Funding for Bosnia, when we have been there 3 years. Why doesn't the President put it in his budget? Funding for the census, which we have done every 10 years since 1789. Why doesn't the President put it in his budget? Funding for the computer problem for the year 2000, when we have known since 525, when the world went to measuring time from the birth of Christ, that we were going to have a year 2000.

Clearly, every penny that the President spends, or forces the Congress to spend, is coming right out of the surplus and right out of Social Security. So I don't believe the President is living up to his word. I don't think he is putting Social Security first, and I don't think it is right.

I thank our dear friend from Montana for allowing me to finish my statement.

I yield the floor.

THE GLOBAL CRISIS, BIPARTISANSHIP AND THE IMF

Mr. BAUCUS. Madam President, in my 20 years in the Senate, I have scarcely experienced a more politically trying time than this. As the nation decides how to cope with an unprecedented political crisis, Congress must not only consider impeachment proceedings but pass spending measures to keep our government running.

More important, a number of serious foreign policy crises demand our attention. From Kosovo to Iraq and Tanzania to Latin America, the need for American leadership has never been greater.

To the extent that we can deal with these issues in a reasoned, bipartisan fashion, the world and the United States stand to gain.

AMERICA'S ROLE

Mr. President, we Americans have a unique role. More than at any time since the early years of the cold war, the world looks to us as a guarantor of peace in regions from Kosovo to Central Africa to Cambodia and the Persian Gulf; as a leader in the quest for prosperity, as we look toward more fair and open trade and an effective approach to the financial crisis; as the pace-setter in science and technology; and as an example of effective democratic government and respect for human rights.

This is a demanding role. We may not have sought it. Some of us may not entirely welcome it. But it is a role that in this post-cold-war world nobody else can fulfill.

Japan is in the midst of a deep financial crisis; Russia and China still in the process of economic reform; Europe concentrated on deepening and expanding the EU. Only the United States can lead.

As the world's largest economy and most trusted trading partner, the United States is unique. I find this sentiment continually reinforced as I travel to Asia, Europe and South America. My counterparts there tell me that there is no one with whom they would rather do business than Americans.

Our openness, respect for the rule of law and willingness to innovate mark the United States as the global leader. It's why we won the cold war, and it's why we are viewed as a relative safe haven in these times of global financial instability.

Mr. President, we are also the world's foremost cultural power. America is the birthplace of the Internet and more than 80 percent of World Wide Web material is in English; our movies dominate over 70 percent of the European market, more than half that of Japan; and there are increasingly few countries where one cannot order a Big Mac in English, pay for it in U.S. dollars and wash it down with a Coke or Pepsi.

Mr. President, I may sound biased, but I think it appropriate that if there is to be a world superpower, the United States should be it. We are not an imperialist country; we respect human rights; we have open markets; and we are the foremost example of this experiment called democracy.

It has been said that our Founding Fathers envisioned a governmental system that is fragmented and dispersed of power. Our Founding Fathers succeeded. Neither the President nor the Congress nor the Judiciary has an inordinate ability to effect change, and that sets us apart from parliamentary systems of government.

But this is the system we have, and while we must accept its limitations, we must also praise its virtues for making us the wealthiest and most

powerful nation in the history of the world.

We must also work especially hard to facilitate more contact between Congress and the Executive, and between the parties that make up our unique political system.

And we must accept that despite the current political crisis, Bill Clinton is still our President. Whatever the outcome of impeachment proceedings, crises the world over will not wait.

Americans have a duty—bipartisan, bicameral, and bi-institutional—to lead.

Like or not, this is a role we must fulfill—for the sale of our own people, because if we do not lead, Americans will pay the price in a more turbulent, dangerous world.

So while we may at times have differences, as individuals or as Democrats and Republicans, we must also at times put these differences aside and remember our larger responsibililities.

ASIAN FINANCIAL CRISIS

We see this very clearly in the Asian financial crisis. In the past eighteen months, an event which began with the devaluation of the Thai currency has become a crisis threatening nations all over the globe.

It has brought cataclysmic change to Indonesia, a nation of 200 million people. It has threatened the stability of Russia—a nuclear power whose efforts toward reform will help determine the future of Europe. It has shaken the economies of South America and South Africa.

And this year, it has come home to the farms and the farmers in our country. And I can say that particularly of my State of Montana, as our export markets have dropped. Asians are not buying our wheat. Prices have fallen and families have faced the worst threats they have faced in recent years to their future in farming.

On such an occasion, the United States must lead, both in long-term reform and in short-term emergency action.

In the long run, we need to carefully examine our international financial policies. This includes the question of whether the international financial institutions have enough capability to monitor the health of foreign financial systems.

And it includes the search for ways to improve our ability to predict financial crises and thus prevent them from spreading around the world. That must be a careful, deliberate process.

In the short run, however, we need to do two things.

First, the Administration should speed up and perhaps augment food relief to Indonesia and other countries that may be threatened by hunger. The President has committed to provide 2.5 million tons of wheat to these people, and the Administration has now disbursed about 25 percent of that. We need to do better.

We are already hearing reports of malnutrition in Indonesia; and our farmers are watching prices decline by the week. When people need food and farmers need relief, we need to act fast and we need to act boldly.

Second, we in Congress ought immediately to pass our contribution to the International Monetary Fund.

RESULTS OF IMF PROGRAMS

Last year, the IMF organized recovery programs for Thailand, Indonesia, Korea, the Philippines, and Russia. And while even the best-off among these countries still face difficult times ahead, it's clear that those which have implemented IMF programs most efficiently now have the best prospects for early recovery.

The Philippines, which under Presidents Aquino and Ramos carried out financial reform monitored by the IMF, has suffered less than any other affected country.

Thailand, where the present Democrat Party government has overseen the closure of 56 finance companies and the nationalization of four banks, has seen the baht recover from a low of 57 to the dollar this February to a stable band around 40 since March. This means a reduced debt burden for Thai companies and an earlier recovery.

Korea, where President Kim Dae-jung has committed to breaking up the monopolies and closed markets many of us have protested in the past, has also seen currency rates rise.

By contrast, those countries which did not implement reforms early—in particular Russia and Indonesia—now face a far more difficult future.

The Indonesians—including the government as well as the citizen movements which sparked last spring's "reformasi"—have on the whole peacefully changed a 30-year-old government; and moved on to open the press, set an election time-table, and begin economic reform. They deserve our support.

CRITICISMS OF IMF FUNDING

Some of course have criticised the IMF programs on the merits. And it is true that these programs have not always been flawless.

For example, some have criticised them as "austerity programs" requiring too much economic sacrifice. To some extent I have shared that criticism. For example, I said last February that their Korea and Southeast Asia programs were mistaken in asking for budget cuts during a deep recession.

But they have learned and improved over time. In Thailand, the initial IMF requirement for a budget surplus at 1 percent of GDP has been dropped and replaced with a deficit of 3.5 percent GDP.

And in a larger sense, had the IMF not been there to provide loans when Thailand and Korea were threatened with default, we would be much worse off today.

Others have expressed fears that these programs will create a "moral hazard." That is, emergency IMF loans will encourage other countries to make the same types of mistakes later. I find this theory completely untenable.

A glance at daily papers—let alone a visit to Southeast Asia or Korea—will show you families pulling their children out of school because they can't afford to pay tuition; men spending all day in local parks because they are ashamed to tell heir families they have lost their jobs; governments choosing between money for schools and money for food relief.

No country anywhere in the world will want to repeat their experience.

NEED TO ACT NOW

Thus, our experience with these programs is clear. Those countries which have implemented reforms are by no means in good shape, but their situation is much better than those which have not.

And as we face the prospects that the crisis may spread beyond Asia, we must make sure the IMF has the resources it needs to address any new emergencies. If we do not, we run a tremendous risk.

Imagine how much worse, for example, the crisis in rural America will become if we do nothing in the face of threats to Mexico, Brazil or other critical Latin American markets. The pressure we are under because of the decline in our Asian markets could double overnight.

After bailing out Russia, the Fund's coffers are nearly empty, the IMF having had to draw on a credit line not used since 1978. If the House does not act soon, it risks jeopardizing global and American economic viability by rendering the IMF broke and unable to deal with future crises.

To quote the Economist Magazine:

> If the Fund runs out of money—a real possibility if Congress remains obdurate—the next emerging market collapse could trigger a default that would spill over, fatally, to all other emerging markets. And since rich countries now account for barely half of world output, that could easily mean a global slump. Even the most isolationist congressman would hardly welcome that.

Madam President, it should be noted here that allocating funds for the IMF has no budgetary impact. A capital increase in the IMF is paid for with an exchange of assets, not cash. Any country has a right to demand that its contribution to the Fund be returned—at any time.

So we need to act now. We need to put political disputes aside and focus on our larger responsibilities. Thus, on a bipartisan basis and with particular credit due to Senator HAGEL, the Senate has now twice voted to approve our full IMF quota. The House, however, has approved only a bill providing $3.4 billion for the IMF's New Arrangements to Borrow.

This is very disappointing in itself. And I am even more troubled that some in the House have apparently decided to link this issue to support for family planning overseas. That goes beyond disappointing to irresponsible.

Abortion is, as we all know, among the most heated and emotional issues we have. We can debate our views and the right way to support family planning on its own merits. But to link this question to IMF funding threatens our ability to address a financial crisis of world magnitude.

U.S. RESPONSIBILITIES

Madam President, those affected by this crisis are democracies and treaty allies: Thailand, the Philippines, and Korea. They are countries attempting to build democracy in the face of enormous challenges: Indonesia and Russia. They are Montana farmers and factory workers. And we must do the right thing.

As Surin Pitsuwan, the immensely capable Thai Foreign Minister, said in his recent visit to Capitol Hill:

"We look to Washington for leadership. We need the dynamism, the energy, the focus from Washington. There is a need for leadership, and that leadership is only here." That is the United States. "That is the expectation of the world."

Madam President, let us prove him right. It is time to act; it is time to lead.

Let us search, carefully but seriously, for financial reforms that will create a more stable world economy.

Let us push ahead more quickly and globally with food relief, pay our U.N. dues, pass fast track, and, above all, I urge the House to act without any further delay to pass our IMF quota. That is the very least we can do now in exerting responsible American leadership in the world.

AG CRISIS IN AMERICA

Mr. BAUCUS. Madam President, I stand before you today with a heavy heart.

Why? Because I am extremely disappointed and terribly frustrated that despite our best efforts, the Agriculture appropriations conference report has completely missed the mark in responding to the crisis in farm and ranch country.

As I see it, we had four issues that were worthy of bipartisan support in this conference.

Proposals that would have delivered immediate support to our producers suffering from unusually low prices and natural disasters.

Disaster assistance is necessary; uncapping those market assistance loans is necessary; mandatory price reporting; and, improved meat labeling—all would have helped just a little but would still have helped tremendously in view of the depths of the situation.

Perhaps we've come to a meeting of the minds on natural disaster assistance. And, we should. No one can argue that drought, disease, flooding, and now hurricanes have devastated crops across the board and across the country. But what brought us to this point in the first place; that is, the crisis facing rural America? Extraordinarily low prices, prices rivaling the disaster of the 1980s, with no end in sight. And what did our Republican ag conferees deliver? Thirteen cents a bushel for wheat.

To be honest, it is an outrage, it is an insult, it is a slap in the face to every hard-working, struggling, desperate grain farmer. And the so-called "relief" is equally inadequate for every commodity.

The agriculture conference committee looked at the options, including a package offered by Senators DASCHLE and HARKIN that would have lifted loan caps and extended the term of the marketing loan. But they shot it through the heart.

We should have laid aside our partisan politics and done what was right for folks back home—giving them relief enough to make it through the crisis so they don't lose their family farm this year. The Daschle-Harkin plan to lift loan caps would give our producers roughly 60 cents a bushel—not 13 cents but 60 cents—a far cry from the pittance included in the conference report.

I think we can do better. We must do better. In the 1980s we spent nearly $16 billion in just 1 year to get through that agriculture crisis. Now we are asking for half of that on a one-time, 1-year bases. Is that too much to ask? Too much to ask to help provide some relief?

In Montana, the U.S. Department of Agriculture estimates that the Daschle-Harkin plan would provide Montana producers with $100 million more than the plan of 13 cents proposed by the other side. Every precious dollar counts to those in Montana's largest industry.

What happened to the other parts of the package that passed the Senate—price reporting and mandatory imported meat labeling? We lost the fight to the House—an easy fight, a bipartisan fight. The result now is that we have a 6-month study on both price reporting and meat labeling—just a study.

You tell me how I can tell folks back home that they have to wait for a report when they already know things aren't right in the market. They see it every day. I hear it every day in telephone calls I make to home. When I go home and talk to producers worried about holding onto the farm, or the ranch, or passing it on to their children, these people aren't complainers, they are hard workers who believe in the land and doing what is best for their community.

If we do not help them, no one will. We don't need to study the problem more. Rather, we need to fix it. What will this conference report send home? It will send home rhetoric, not help them as they need help.

Madam President, we still have time. The clock is ticking. But I say let's get to work. We have to work together on both sides of the aisle to help people in our country, people who are not Democrats, people who are not Republicans, people who are not Independents—people who are America's farmers.

A decent cash influx for bad prices should be part of a bipartisan package; adequate disaster assistance and real price reporting and meat labeling. That is not asking much at all. That is what we should together agree to. Then together we can send a message from both sides of the aisle that we won't go home emptyhanded; that we are here to help our people; that this Congress did something right. It is simple. We should have sent this bill back to conference and crafted a package that would have really done something to halt this crisis. That is no longer an option.

I encourage my colleagues to vote against the conference report which will be before us. If the report is not adopted, that is, the vote is not successful, then I say let's go back to work and do the right thing. On the other hand, if the vote on the conference report is successful, as it may well be, then I expect the President will veto it, as he should. Maybe then we can sit down and roll up our sleeves and figure out a way to adequately help our people.

I thank the Chair. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AGRICULTURAL, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the report will be stated.

The assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4101), have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 2, 1998.)

Mr. COCHRAN. Madam President, pending before the Senate at this time is the conference report on the fiscal year 1999 Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act. We present this conference report for the Senate's approval this afternoon.

The agreement provides total new budget authority of $55.7 billion for programs and activities of the U.S. Department of Agriculture—except for the Forest Service, which is funded by the Interior appropriations bill—the Food and Drug Administration, the Commodity Futures Trading Commission, and expenses and payments of the farm credit system. This is $6 billion more than the fiscal year 1998 enacted level; it is $1.9 billion less than the President's request level; it is $192 million less than the House-passed bill, and it is $1.1 billion less than the Senate-passed bill level.

The changes that were made in conference on mandatory funding requirements account for the overall increase from the fiscal year 1998 enacted level, principally reflecting a $2.6 billion lower estimate for Food Stamp Program funding requirements, higher Child Nutrition Program expenses, and a $7.6 billion increase in the payment to reimburse the Commodity Credit Corporation for net realized losses. The conference report also provides an additional $4.2 billion in emergency appropriations to assist agricultural producers and others who have suffered financial hardship due to adverse weather conditions and loss of markets.

Including congressional budget scorekeeping adjustments and prior year spending actions, this conference agreement provides total discretionary spending for fiscal year 1999 of $13.651 billion in budget authority and $14.050 billion in outlays. These amounts are consistent with the revised discretionary spending allocations established for this conference agreement under the Budget Act.

It was a very difficult conference. As Members may recall, a number of legislative provisions were added to the bill when it was considered in the Senate in July. Not only did the conference committee have to reach agreement with the House on these issues, but it had to resolve funding differences within a more constrained discretionary spending allocation for the conference than originally established in the Senate bill.

Special recognition is due and deserved by the ranking member of the subcommittee, my distinguished colleague from Arkansas, Mr. BUMPERS. In addition, the chairman of the House subcommittee, Congressman SKEEN from New Mexico, and ranking minority member of the House subcommittee, Congresswoman KAPTUR from Ohio, turned in hard work and cooperated with our efforts to make this conference agreement possible.

The report includes credit relief for farmers, a 6-month extension of the Northeast Dairy Compact, sanctions relief for exports to India and Pakistan, a waiver of the statute of limitations for certain discrimination claims filed against the Department of Agriculture, and a number of other legislative provisions that were included in the Senate and House-passed bills.

In addition, at the request of the House and Senate Agriculture Committees, chaired by Senator LUGAR here and Congressman SMITH in the House, the conference report includes a moratorium on the rulemaking authority of the Commodity Futures Trading Commission over swaps and derivatives, as well as language requested by the administration authorizing the creation of an Under Secretary for Marketing and Regulatory Programs position at the Department of Agriculture. That change also had the approval of the legislative committees with jurisdiction over that subject.

During consideration of the bill in the Senate, an amendment was adopted providing increased funding for the President's Food Safety Initiative. A major portion of this additional spending was offset by an "assessment" on the purchasers and importers of tobacco. This was subsequently determined by the House Ways and Means Committee to be a "tax," and therefore off limits to the Appropriations Committee and was not included in the conference report. I am pleased to report to the Senate, however, that the conference report provides increased funding of $51.9 million for activities and programs which are part of the administration's Food Safety Initiative.

In addition, the conference report provides $609 million for the Food Safety and Inspection Service, an agency critical to maintaining the safety of our food supply. That is $20 million more than the fiscal year 1998 level, and $460 million more than the President requested in his budget.

As most of my colleagues are aware, one of the major differences between the House and Senate-passed bill was a House bill provision to prevent fiscal year 1999 funding for the new Competitive Agriculture Research Program established by the Agricultural Research, Extension, and Education Reform Act of 1998. I did not support the proposal to remove or prevent the funding going forward as directed in that legislation. However, with a total discretionary budget authority allocation for the conference that was $64 million below the level we had for the Senate bill, it was a House position that the Senate conferees had little choice but to accept.

Without that offset, drastic cuts would have been necessary in funding for other discretionary programs and activities in the bill. In view of this 1-year delay in funding for the new Agriculture Research Competitive Grant Program, the conference provided increased appropriations for existing agricultural research programs.

Here are some examples: There is an appropriation of $782 million for the Agriculture Research Service. That represents a $38 million increase from the 1998 fiscal year level, and it is $14 million more than was included in the Senate-passed bill.

There is total funding of $481 million for research and education activities of the Cooperative Research, Education and Extension Service. That is $50 million more than the fiscal year 1998 level, and it is $48 million more than was in the Senate-passed bill. Included in this amount is a 7-percent increase from the fiscal year 1998 level for payments under the Hatch Act, cooperative forestry research, payments to the 1890 and 1994 institutions, including Tuskegee and animal and health disease grants.

Also included is a $22.1 million increase for the National Research Initiative Competitive Grants Program.

In addition, the bill recommends $434 million for extension activities which preserves the 3-percent increase recommended by the Senate for Smith-Lever formula funds, as well as extension payments to the 1994 and 1890 institutions, including Tuskegee University.

Approximately $36.1 billion, close to 65 percent of the total new budget authority provided by this conference report, is for domestic food programs administered by the U.S. Department of Agriculture. These include food stamps; commodity assistance; the special supplemental food program for Women, Infants, and Children (WIC); and the school lunch and breakfast programs. The Senate receded to the House-recommended appropriations level for the WIC program because recent data on actual participation rates and food package costs indicate that this amount should be sufficient to maintain current program participation levels in fiscal year 1999.

For farm assistance programs, including the Farm Service Agency and farm ownership and operation loan subsidies, the conference report provides $1.1 billion in appropriations.

Appropriations for conservation programs administered by the Natural Resources Conservation Service total $793 million, $9 million more than the House bill level and $1 million more than the level recommended by the Senate.

For rural economic and community development programs, the conference report provides appropriations of $2.2 billion to support a total loan level of $6.2 billion. Included in this amount is $723 million for the Rural Community Advancement Program, $583 million for

the rental assistance program, and a total rural housing loan program level of $4.25 billion.

A total of $1.2 billion is provided for foreign assistance and related programs of the Department of Agriculture, including $136 million in new budget authority for the Foreign Agricultural Service and a total program level of $1.1 billion for the P.L. 480 Food for Peace Program.

Total new budget authority for the Food and Drug Administration is $977 million, $11.5 million more than the level recommended by the House and $24.5 million more than the Senate bill level, along with an additional $132 million in Prescription Drug Act and $14 million in mammography clinics user fee collections. Included in the appropriation for salaries and expenses of the Food and Drug Administration is a $20 million increase for food safety.

For the Commodity Futures Trading Commission, $61 million is provided; and a limitation of $35.8 million is established on administrative expenses of the Farm Credit Administration.

Titles XI–XIII of this conference report provide emergency relief to agricultural producers and others who have suffered weather-related and economic losses. As Members will recall, a number of amendments were adopted to this bill when the Senate considered it in July to address disaster-related requirements with the understanding that additional relief would be necessary once actual losses were determined by the Department of Agriculture and a supplemental request was submitted by the Administration. No request was submitted to the Congress until September 23. On September 23, the Administration submitted a $1.8 billion budget authority request to support $2.3 billion in emergency agricultural programs. In the interim, the Republicans released a $3.9 billion relief package to assist agricultural producers. This emergency agricultural relief package is included in this conference report, along with additional emergency supplemental appropriations, to make a total of $4.2 billion in emergency assistance available.

A total of $1.5 billion is made available to assist producers who have been hit by crop losses in 1998, and an additional $675 million for producers who have suffered from multiple-year crop losses. Also included is $175 million for emergency livestock feed assistance, and $1.65 billion to assist producers with market losses. In addition, the conference report provides temporary recourse loans for honey and mohair; $5 million for cotton indemnity payments; an increase of $25 million for the Food for Progress program to help move more grain out of the country; and expanded non-insured crop assistance for raisin producers. Additional supplemental emergency appropriations provided by the conference report include the $40 million to cover additional costs to the Farm Service Agency of administering this assistance, $10 million for the Forestry Incentives Program; and $31 million in subsidy appropriations to fund an additional $541 million in farm operating loans.

Madam President, this conference report was filed on Friday and was passed by the House of Representatives that day by an overwhelming vote of 333 yeas to 53 nays. Senate passage of this conference report today is the final step necessary to send this fiscal year 1999 appropriations bill to the President for signature into law.

I urge my colleagues to adopt this conference report. Many of our farmers and ranchers are facing the worst crisis in agriculture that they can remember. The economic collapse in Asia has resulted in lost markets. Producers in some states have suffered severe weather conditions. Others have been hit hard by crop diseases. The farmers need help now, and it is time to quit playing politics with disaster relief and adopt this conference report.

Madam President, this is the last Agriculture Appropriations bill my distinguished colleague, the Senator from Arkansas, will manage in the Senate after serving on the Appropriations Committee for 20 years and this Subcommittee for 13 years. Senator BUMPERS has been an advocate of American agriculture and a proponent of the programs in this bill to improve the quality of life and help bring jobs to rural areas. His expertise and many contributions to this process and this bill will indeed be missed.

In summary, let me point out, Madam President, that there has been raised the specter of a Presidential veto over this conference report because of the inadequacy of the provision relating to disaster assistance payments. I am very disturbed by that suggestion, and I hope that it is more rumor than promise. I know the President spent some time on Saturday in his weekly radio address speaking to that subject.

I recall that 2 weeks ago, I was asked to deliver the Republican response to the President's weekly radio address, and my subject was the need for a more aggressive and meaningful disaster assistance program for farmers.

I think everyone can agree that both the President and the Congress have been speaking out and making very clear the fact that we need a helpful, sensitive, generous program of disaster assistance to help deal with the realities of weather-related disasters that have struck many parts of the country, market loss problems because of the Asian economic crisis, and other factors that have worked together to make this a very difficult year for agriculture.

The question is, Are we going to resolve this in a way that is consistent with the legislative process that makes sense for farmers, that serves to establish policies that are thoughtful and consistent with the needs of American agriculture, or are we going to continue to treat this as a political football and just kick it around and have us skirmish every day or every week over this issue, leading to delay, leading to uncertainties, leading to anxieties? Farmers in America certainly deserve better.

I would like just for a moment or two to think back on the date when we had the bill on the floor of the Senate and the subject of disaster assistance was first raised. We adopted in the Senate a sense-of-the-Senate resolution calling on the President and the Congress to work together to come up with a proposal that would meet the needs for emergency action to respond "to the economic hardships facing agriculture producers and their communities." The Senate adopted that on July 15 by a vote of 99 to 0.

The next day, there was an amendment offered by the Senator from North Dakota, Mr. CONRAD, and others who suggested we establish a $500 million indemnity program to compensate farmers for income losses that had been suffered due to various adverse conditions—weather and otherwise—throughout the country, although mainly the benefits were directed to the upper plains and other selected areas, not countrywide benefits or a program designed to be national in scope.

During my remarks on that occasion, I recall on the Senate floor saying that we needed to have the President and the Department of Agriculture get involved and provide the Congress with a complete and accurate assessment of the funds that were needed for a program of this kind. We hadn't had a proposal from the administration for any specific benefit program for agriculture, although there had been meetings on the Hill with farm groups, with Senators and Congressmen trying to, first, get the facts and get a sense of what the agriculture leadership throughout the country thought would be an appropriate response by the Federal Government.

There was no question at the time we were debating the bill that there was great interest in developing a disaster assistance program to meet the needs of American agriculture. As a matter of fact, during the discussion, I asked Senators if they had any better ideas, if they had suggestions for anything other than this $500 million indemnity program, and no one came forward to offer any amendments and no one expressed opposition to adopting that amendment. We checked with the legislative chairman in the Senate, and others, and without objection, we suggested that the Senate adopt the amendment of the Senator from North

Dakota on a voice vote, and that is what we did. We accepted the amendment.

After that was done, it became clear that through gathering information, that the situation was more widespread. I remember going to Georgia, for example, with the distinguished Senator from Georgia, Mr. COVERDELL. I had an opportunity to meet with farmers in southern Georgia and became convinced that we had a problem that was bigger than the upper plains and Texas. Everybody knew about the drought in Texas and the severe complications that were resulting from that for agriculture producers and ranchers in that area. But I do not think it was well known that in south Georgia, which had had a series of weather-related disasters over a period of years, the agriculture sector there was really hurting. And the $500 million indemnity program, suggested by the Senators from North Dakota and others, was not going to be sufficient to deal with that problem and others as well.

I know in my State of Mississippi, for example, when I was home right after we adopted this bill in July—we had a break during the August recess—I had an opportunity to visit some areas of my State that were devastated because of isolated weather patterns that had ruined corn crops in the northwest part of Mississippi, and others had been damaged to the extent that diseases were infesting the crops. Aflatoxin was attacking the corn crops.

There was no provision in any Federal disaster assistance program for yield losses, for crop losses. Those who were suggesting an indemnity program based on lifting loan caps had to realize that was not going to help somebody who had a total crop failure. It would not help them a bit.

So we came back, started working on a new proposal, got with the leadership of the House and Senate, and asked the administration they were going to request supplemental funding. They did come back with a $1.8 billion supplemental budget authority request to support $2.3 billion in emergency agricultural programs, without a lot of specificity about how those benefits would be determined, how the eligibility would be determined, who would administer the program. But, nonetheless, it was a step in the right direction, and I applauded the President for responding in that way.

But based on that supplemental request—and working with the knowledge that other Members had generated from their States—we proposed to the conference committee a $4.1 billion disaster assistance program, and it was accepted in the conference committee with some changes. We accepted some amendments proposed by House Members in conference. We added some money proposed by the Senate in response to specific amendments that were urged in conference to the managers' proposal. So the end result was the conference committee agreed to provide emergency benefits totaling about $4.2 billion.

So I come to the Senate today very pleased to be able to report that, instead of a $500 million indemnity program that the Senate adopted as a way to deal with the crisis in agriculture, working with farmers, producers, and ranchers from around the country, and other Members of the Congress, including the House, we now have a conference report that is much more generous, much more responsive to the real needs that exist in our country today in production agriculture, and designed to more nearly bring farmers to a point where they can continue to operate without going broke, without the devastating effects that would have been the reality of the situation had not this package of changes been agreed upon.

We hear now that the Democratic leadership has urged the President to veto the bill. And I got a letter suggesting that he would if the conference agreement on disaster assistance was inconsistent with the proposal just recently made by the Democratic leader of the Senate to remove the loan caps under the current farm program for the commodities that are subsidized, in effect, by the Federal Government—no ifs, ands, buts about it.

The letter said—and I took this up with the Secretary of Agriculture to be sure I understood that that was the meaning—that the President said he would veto the bill if the conference report was inconsistent with a proposal made by the Democratic leader to remove the loan caps for those commodities that are subsidized by the Government.

I am very disappointed by that. I certainly hope that there is room for the President to change his mind on that subject, because it seems to me that rather than argue over whether or not this program is really going to do a good job and is thoughtfully crafted to try to put farmers back on their feet who have been devastated by bad weather and market conditions beyond their control, it just seems to me that this is not an appropriate response for the President to be making, given the other opportunities for positive things.

Here are some examples of positive things that I think could be done which are beyond the jurisdiction of this committee today that brings you this conference report. The House of Representatives just passed recently a tax bill making a lot of changes in the Tax Code, but I specifically recall that some of those tax changes are designed to benefit farmers and farm families, and I am told that we are not going to have a chance to vote on that tax bill here in the Senate because we cannot get the bill cleared to bring up. We cannot get the House-passed tax bill cleared.

So in order to bring it up, the majority leader would have to move to the consideration of the bill, the motion would become debatable, and then in order to get the bill on the floor for consideration and debate and passage, 60 votes to invoke cloture would have to be undertaken because the Democrats are promising to filibuster the bill.

Here are the changes that it bothers me we will not even get a chance to approve that would help farmers.

There is a 5-year net loss carryback of losses that you can carry back and set against income for 5 previous years. That is in the House-passed bill. The House-passed bill makes permanent income averaging, which permits farmers and ranchers to average income, high years against low years, and even out the tax burden, which is very beneficial to many.

There is a provision that makes deductible, to 100 percent of the cost, health insurance premiums by those who are self-employed. If you are in agriculture and you have a farm and you are your own boss, under this change you will be able to deduct 100 percent of the cost of your health insurance. That helps farmers. That helps farm families.

There is also an acceleration of the exemption for death taxes and gift taxes. One of the most difficult things facing agriculture today is the obligation to come up with cash money to pay the Federal Government so-called inheritance taxes on the death of a family member who has an interest in the land or the other property that goes into making up the decedent's estate.

We have passed rules that phase in some higher exemptions for small farms and for businesses. What this House-passed bill does is accelerate the phasing in of those exemptions. That would be a big help to many farm families who are going to have to liquidate assets in real estate to pay death taxes.

Another thing that this administration has been slow to react to is the trade problems that we are having in this hemisphere, with Canada, with Mexico, and beyond, barriers to trade so that our farmers and our exporters are having to deal with unfair tariff situations and other difficulties that are erected to keep America from selling what we are producing in the world marketplace and at the same time importing, in violation of some existing rules, I am told, some foodstuffs, live cattle, from other countries.

Finally the administration is beginning to act. We see the Trade Representative engaging Canada in trade talks now about steps that can be taken to solve the problems that have developed in that area. But we were

hearing this on the Senate floor and urging the administration to take action. Being the chief negotiator in the executive branch, the President has an obligation to assume some leadership. Frankly, there has been a breakdown in leadership on that subject.

We hope we haven't waited too late to make changes and reach agreements and work out problems in the trade area for the farmers who have suffered this year. That is one of the reasons why we felt it necessary to include direct payments that are bonus payments under the transition.

We think the market transition program to compensate producers directly for income losses due to the economic crisis and trade problems that we have is very important. The administration does not propose and has not suggested that as an appropriate step to aid America's farmers.

I make those comments, Madam President, not to pick a fight with anybody here on the floor of the Senate today, but to simply express my concern that we not see this bill held up, delayed, postponed, vetoed, whatever may happen to it, because of an interest in being able to say the Democrats are for a $7 billion disaster program, the Republican bill is only $4 billion. I bet it will be the same folks who said we want $500 million in an indemnity program to help meet the needs of the agriculture crisis. That is what the story was in July. We all agreed at that time that was probably temporary, that more needs to be done. So I am not belittling that suggestion. It was the suggestion on the floor of the Senate at the time and no one had any better idea at that time.

Since then it seems we have been engaged in a show of one-upsmanship. The Republicans then come up with, with Democrat input in many cases, this $4 billion program of disaster assistance. Now, all of a sudden, that is not enough; we need $7 billion.

How much has the President requested? I have the exact amount: $1.76 billion in budget authority has been requested by the President for agriculture producers and ranchers. That will support $2.3 billion program level. The other suggestion is removing the loan caps. Then CBO is called on to answer the question, what will that cost? The answer is that will probably cost—and it is speculation, it is a guess, nobody knows because nobody knows what commodity prices will be in the future—it is guessed it will be $5.5 billion.

The proponents of that proposal say we are for spending $5.5 billion plus $2.3 billion, so we are for spending almost $8 billion. So this is a more generous plan. What is not disclosed is the effect that policy change of raising the loan caps will have on prices of those commodities next year or the next. The fact is there are many who tell us that we are buying into a program that is going to have a continuing depressing effect on market price of these commodities that are covered by the loan programs.

I don't know if that is true or not. I don't think anybody could have guessed that corn and wheat prices would have been as low as they are right now a year ago. So nobody knows what the prices are going to be in the future. I am told they will be lower because of that change in policy. So are we doing farmers a favor by making that policy change?

It is really not a question, in my view, of who is willing to spend more money on farmers, the Republicans or the Democrats. Both are being very generous. That is the fact. Both are being very, very generous in terms of where we started, existing programs, precedent, previous disaster benefit efforts. The fact is the Democrats are in favor of making a policy change and substituting a change for an existing farm bill provision that set up the market transition payments and the phasing in to a market economy. We are in the second year of that farm bill. There are 3 more years left under the authority of the 1996 bill. I m hopeful that we can find a way to provide the benefits to American agriculture producers without rewriting or trying to rewrite portions of the 1996 farm bill. So we have a difference of opinion on that.

Let me simply conclude my remarks by thanking everyone who helped us write this conference report. It has been a very challenging experience. I don't know that we had a more contentious or at least long drawn out conference on agriculture appropriations since I have been in the Congress. I don't recall having any more difficult time putting the bill together. We had a lot of disagreements that were discussed, but we worked them all out. We have a conference agreement. That is the good news. The other body has passed the conference report by a very large vote.

PRIVILEGE OF THE FLOOR

Mr. COCHRAN. Madam President, I ask unanimous consent that the following members of the staff of the Appropriations Committee be granted the privilege of the floor during consideration of the conference report to accompany H.R. 4101, and during any votes that may occur in relation to this measure: Rebecca Davies, Martha Scott Poindexter, and Rachelle Graves.

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

The Senator from Nebraska is recognized.

Mr. KERREY. Madam President, first of all, let me compliment the Senator from Mississippi for his usual articulate and persuasive fashion—always a gentleman, always wanting to work with us, regardless of momentary disagreements. I regret to say this is one of those momentary disagreements.

I come to the floor today to offer arguments against this conference report. I had initially intended to offer a motion to recommit the report back to conference, but now that motion would be out of order since the House has reported it. I prefer that it go back to the conference rather than going on to the President.

I appreciate very much the President indicating he will veto this bill. Perhaps if we can dispose of this conference report in a hurry, get the President's veto, the conferees can direct their attention to the objections the President has raised. Those objections are similar to the ones I will offer here this afternoon.

Let me say, first of all, I do appreciate that there is bipartisan agreement that rural America is facing a real crisis. That is very good news. What the Senator from Mississippi said is quite right. There has been, throughout the year, a process of developing proposals, but there has been significant disagreement on one particular point; that is, taking the caps off the loan rate. We voted twice on that. It did not pass here in the Senate. I will talk about that later. I think, unfortunately, that ideological argument is getting in the way of our ability to be able to reach agreement.

This conference report, I believe, fails in two areas: First, it does not achieve the goal of providing support, both to the farmers who grow the crop who are in serious trouble due to the prices, and those who are in trouble as a consequence of weather disasters. For livestock, this conference report fails to put the law on the sides of the producers and take action to make our markets work better.

First, as to the amount of income support for grains, it is simply not enough. It is not targeted as it should be to the people growing our food.

I ask unanimous consent to have printed in the RECORD an editorial that appeared in the Lincoln Journal Star praising Congressman DOUG BEREUTER, a Republican from Nebraska, who represents the First Congressional District. Congressman BEREUTER also objected to the plan in the conference report as not sufficiently generous to meet the needs of agriculture under current economic conditions; that the $4 billion in aid should be closer to $7 billion in aid that the budget has requested. I ask unanimous consent that this be printed in the RECORD.

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

[From the Lincoln Journal Star, Oct. 2, 1998]

BEREUTER PATH ON FARM AID BEST APPROACH

First District Rep. Doug Bereuter has a sound, responsible approach to helping farmers at a time when commodity prices have plunged to lows not seen since the 1980s.

Breaking with his GOP cohorts, Bereuter said this week the Republican plan "is not

sufficiently generous" to meet the needs of agriculture under current economic conditions.

House and Senate conferees Wednesday chose the Republican plan, which would provide $4 billion in aid, over a Democratic plan which would have provided $7.1 billion in tax subsidies to farmers.

Agriculture was one of the first sectors of the economy to be buffeted by the Asian financial crisis. Export markets in some Asian nations have virtually evaporated. Now markets in Latin America also are being affected.

In addition to providing a cushion against low prices, the aid package under consideration in Congress is intended to help farmers who have been hit by drought and other adverse weather conditions.

Debate over the size of an aid package for farmers unfortunately has bogged down in partisan rhetoric and a running debate over the five-year Freedom to Farm act approved by Congress in 1996.

The Republican aid package unfortunately also rejects other measures that would provide substantial benefit to agriculture. For example, it does not require mandatory price reporting, which would allow cattle producers to know what packing plants are paying for beef.

It also does not include a provision to require labeling showing the national origin of meat. The measure would allow consumers to select beef produced in the U.S. rather than other countries. While pushing for more financial help for farmers, Bereuter rightly resists a return to previous ag policies that are part of the Democratic approach, which would base subsidies for grain farmers on the so-called loan rate.

Previous farm policy was based on a heavily bureaucratic approach with strict government dictates. Proponents of the Freedom to Farm act left more decision-making to farmers, at the same time leaving them more subject to market pressures.

In the long run, the market-oriented approach under Freedom to Farm will benefit agriculture, although it certainly should be open for modification and improvement.

But now, while farmers are facing a double whammy of record harvests and low prices, is not the time to get bogged down in partisan debate over basic philosophy.

Providing aid under the payment system of the existing farm bill makes sense. But, as Bereuter suggested, the amount should be more generous than Republicans have agreed to so far to preserve the stability and capability of the sector of the economy that feeds the nation.

Mr. KERREY. Madam President, as to the income, the proposal in the conference report would be, approximately, for corn, 7 cents a bushel. That does not get the farmer much closer to either recovering the cost of production nor providing his banker confidence to lend him money again next year, and significantly, of all the tests that I trust as to whether or not the President's proposal should be a part of the conference report or not, economists will come forward and argue on both sides of practically any proposal you come out with. The Independent Bankers of America have endorsed taking the caps off the loan rate, not because it provides more income, and by no means does it provide a sufficient amount of income that we won't still have significant people going broke, but because it is attached to a marketing loan, it increases the chances that farmers who will need operating loans will be able to get them.

Likewise, this conference report is inadequate because provisions were dropped that were passed in the Senate in July, which were to require price reporting for beef, and meat labeling requirements as well. The conferees have said to farmers and ranchers that they think the livestock markets work just fine. But I am here in a brief period of time to say that the markets are not working.

Cattle feeders and ranchers have lost more than $2 billion in equity this year, with millions more being lost every week. When I am home—typically every weekend—the people in Nebraska are worried about their financial stability and they believe that this Agriculture appropriations bill, with the disaster package attached to it, will be terribly important for their financial stability. More deeply than just the money, they are worried about their way of life, because, in the final analysis, this debate is about much more than just the size and makeup of a relief package; it is about the future of rural America.

We can see the future of our small towns and rural areas very clearly right now, and it doesn't look good, with prices low and economic conditions as hard as they are on our farms and ranches.

Those who are not driven off the land in this crisis have already found that their children are not interested in the life farming has to offer. Two weeks ago, in Scottsbluff, I held a town hall meeting, and 60 people were in the room who are involved directly in production agriculture. I asked how many of them had children who would take over the farms, and I didn't get a single affirmative answer. Those with grown children had already lost them to the cities. Others said, "There is no opportunity out here."

That is what this Congress has the ability to change, and we can start with this piece of legislation. We need an agricultural sector that offers some opportunity, but first we must bring some stability to that agricultural sector.

Again, I am pleased the President is going to veto it. Let me talk of the differences, specifically to our States. Again, I heard the distinguished Senator from Mississippi talk about economists who are saying taking the caps off of loan rates could have a depressing impact on price. I have not come to the floor and said that Freedom to Farm produced these lower prices. I think the lower prices are clearly there as a consequence of a declining demand in the international marketplace. Nobody is forecasting that demand is going to come back in 1999. Nobody expects the decline in exports to increase. I wish this Congress had been able to pass fast-track legislation. I have supported it in the past. I believe that, long term, it would help. But in the short term, we see substantial declines in income that are there as a consequence of this decline in demand and increased production that has occurred here in America.

This package in the conference report versus what the President asked for is substantially different. I pointed this out before, and it bears repeating. In Nebraska, the difference is $434 million of income—this does not go to State government or county government; it goes to individual farm families—versus $177 million, almost a quarter of a million dollars. In Mississippi, it is $145 million versus $71 million. In Minnesota, it is $483 million versus $227 million.

I ask unanimous consent that this table, which shows the differences between the package in the conference report and what the President has asked for be printed in the RECORD.

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

DEMOCRATIC VERSUS REPUBLICAN PROPOSALS, BY STATE (CBO ESTIMATE)

[In millions of dollars]

State	Democratic	Republican	Difference
Alabama	96	64	32
Arizona	39	19	20
Arkansas	194	105	89
California	227	142	85
Colorado	120	53	67
Connecticut	2	1	1
Delaware	6	2	4
Florida	58	47	11
Georgia	218	147	71
Idaho	127	37	90
Illinois	527	186	341
Indiana	277	95	182
Iowa	600	235	365
Kansas	371	176	195
Kentucky	65	30	35
Louisiana	99	84	16
Maine	3	2	1
Maryland	21	7	14
Massachusetts	1	1	0
Michigan	109	47	62
Minnesota	483	227	256
Mississippi	145	71	74
Missouri	205	81	124
Montana	160	71	89
Nebraska	434	177	257
Nevada	1	0	1
New Hampshire	1	0	1
New Jersey	5	1	4
New Mexico	40	27	14
New York	41	12	29
North Carolina	185	115	70
North Dakota	431	316	115
Ohio	197	64	133
Oklahoma	170	109	60
Oregon	74	14	60
Pennsylvania	46	10	36
South Carolina	46	28	18
South Dakota	363	214	149
Tennessee	73	29	44
Texas	896	813	83
Utah	11	3	8
Vermont	26	11	16
Virginia	39	19	20
West Virginia	153	42	111
Washington	12	2	10
Wisconsin	139	60	79
Wyoming	10	4	6
Total	7,546	4,000	3,546

Mr. KERREY. Madam President, again, not only are our grain farmers adversely affected, but cattle producers and cattle processors have been as well. We have met extensively with our

ranchers and our feeders, and they say to us two things need to happen, and they need to happen in order to improve our prices and increase the chances that we are going to get a market bid that is higher than what we are getting now.

The first is mandatory reporting of prices, regardless of whether the prices occur in cattle that are owned by the feeder or cattle controlled through formula feeding, or some other contract by the packinghouse. Those prices today are not reported. We had extensive debate here on the floor about that issue. Unfortunately, the conferees dropped that. I believe that provision, all by itself, would increase prices for cattle in the United States, for beef, and would have a very positive impact as a consequence on our rural communities.

Likewise, the meat labeling requirement included in the Senate bill was dropped by the conferees, and it is supported by almost all of the cattle organizations. There is some dispute on price reporting, although I think we can deal with the changes that we had in the conference language. There is almost no dispute, from the standpoint of the producer, on the need to put on the label information that allows the consumer to determine from where that product came. It is allowing the market to work. Rather than saying that the Government is going to impose a solution, we say inform the consumer where the product came from and let them decide.

I hope, as I said in the beginning, that the President's veto of this conference report will lead to the conferees coming back quickly and looking, as no doubt they will, for ways to improve it along the lines of what the President has recommended. Not only are there tens of thousands of farmers who will survive if we can get this legislation passed and on to the President for his signature, as he has asked us to, but it will give us a chance to take a step in the direction of giving our rural communities a chance to survive.

I yield the floor.

Mr. DORGAN addressed the Chair.

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

Mr. DORGAN. Madam President, it is a custom in the Senate to speak well of someone you are about to oppose. So let me speak well of the Senator from Mississippi. We have worked together on a wide range of issues. He is a very effective Senator and somebody I enjoy working with a great deal. He has a very effective staff and we work on a lot of issues together. But I come to the floor today opposing the conference report and to do so as aggressively as I possibly can. I want to explain to him and other Members why I feel so strongly about this.

First of all, it is not the case that all that was offered in July was the $500 million indemnity program that was introduced as an amendment by Senator CONRAD and myself. It is the case that we also proposed, and had a vote on an amendment to increase the price supports by lifting the caps on the loan rate. We did it then; and we did it a second time. We lost twice in those efforts. We proposed a series of steps, one of which was lifting the loan rate, and another of which dealt with disaster issues.

I want to describe why I feel so strongly about this. I received a letter from the head of the Farm Service Agency in our State. I asked him, "If things don't change, what should we expect in the next few months in North Dakota with respect to family farms?" He points out that North Dakota in the judgment of the Farm Service Agency, will lose over 3,500 farms by this spring without some significant assistance. That is probably some 14,000 people. I assume there is an average of three or four persons on each of those family farmers, including a spouse and a couple of children. So at least 3,500 family farms will not get credit and will not be able to continue farming this coming year. That means 12,000 to 14,000 North Dakota farm people will be told that their dream is over. They tried, but they failed.

Let me describe the reasons they are not making it. There are two main reasons. One, is the disaster. We had the 500-year flood of the Red River, and people know about that. They remember the flood at Grand Forks. For a number of years we have been in a wet weather cycle in eastern North Dakota. We have had massive quantities of standing water that have inundated acres and acres of farmland in North Dakota. This wet cycle has caused and exacerbated a crop disease known as fusarium head blight, or scab. This combination has devastated the quality of farm life in North Dakota.

I have a chart here. If you are a North Dakota farmer and you are in these red counties on this chart in the eastern part of the State, you have had 5 straight years of disaster declaration. The red counties are not 1, 2, or 3, but every year for 5 straight years that these counties have been declared a disaster. Why? Because of weather-related events, and other events, their production has been devastated. So that is the disaster portion of this problem. You can see that with the orange counties and yellow counties, that these counties have had disasters 3 out of 5 years. In fact two thirds of the counties in my State have been declared a disaster area 3, 4 or 5 years out of 5 years.

Now, in addition to the disaster, what also has happened to these farmers is that Congress passed a new farm bill. The Senator from Nebraska might be right that this might have nothing at all to do with price. The new farm bill might not be related to the collapse in price. But it might be; I don't know. I am not asserting that today, I am just saying that we passed a new farm bill. This chart shows what has happened to the price of wheat since Congress passed the farm bill. It is down by almost 60 percent. There has been a 60-percent drop in the price of wheat since Congress passed the new farm bill. The price of wheat has fallen from $5.75 a bushel to $2.36.

Add together the significant disasters year after year and the collapse of prices and here is what you have. In my State, in North Dakota, which is the hardest hit, in 1 year there was a 98-percent drop in net farm income. These are U.S. Government figures. We had a 98-percent drop in net farm income. With respect to this group of North Dakotans, their income has virtually been wiped away.

Is it any wonder they are in deep trouble? We are not a State of big corporate agrifactories. We are a State largely composed of family farms. When they suffer a loss of virtually all of their income, many of them just do not make it.

The current farm bill doesn't provide a bridge across price valleys. The philosophy of the current farm bill is that you ought to operate in the free market. If there is a price valley, the farmer is told, "Tough luck; try and find your way across the valley."

So because we don't have that pricing bridge under this economic philosophy, family farmers certainly don't get to the other side. The head of our Farm Service Agency says 3,500 farms will not be in the field next spring in North Dakota.

I am betting that if any other Member of this body had the same set of statistics in front of them concerning what is happening to their family farmers would also be here. They would be here with as much energy and as much passion as I have to see if we can't change this result and to do whatever we need to do to change it.

The underlying bill has disaster assistance. I am very appreciative of that. We might argue about who provides more. But overall, frankly, I think the underlying bill, and the administration, and virtually everyone who is party to this has offered a fairly decent package with respect to disaster assistance.

The Senator from Mississippi correctly pointed out that he and Senator LOTT accepted the $500 million indemnity program amendment that we put into in the bill in the Senate in the first instance to deal with the initial estimate of damages from the disaster in the Northern Plains. That amendment was done prior to the almost complete collapse of the cotton crop in Texas and the devastation in Louisiana, Oklahoma and other States. At that time we all understood that the

disaster indemnity program was going to have to be increased at some point along the way. The disaster package in this appropriations bill started with the acceptance by the Senator from Mississippi to put in the $500 million indemnity for the Northern Plains. I appreciate that.

I am not here to argue about which disaster proposal for this bill is better than the other. Both the President and the conference report addressed this disaster issue in a very significant way. But, I am here to say that is not enough.

On top of the disaster provision, as the Senator from Mississippi indicated, the majority party added a 18-cents-a-bushel payment for wheat. This additional AMTA payment really only means that farmers will get 13 cents a bushel for wheat when it is all figured out. That is because AMTA payments are made on only 85 percent of contract acreage on the frozen historic yields. So the real assistance to deal with price collapse in this bill amounts to 13 cents a bushel for wheat. And it is not enough.

It won't allow farmers enough cashflow. It won't allow their bankers to decide that they will get another loan to go to the fields next spring to plant crops. They simply won't be able to do it. That is the dilemma. This is not enough. And there isn't any way to argue to say that it is enough, or that it will solve this problem.

If numbers are to be believed with respect to the estimates in North Dakota, at least 3,500 farm families are going to be washed away. These farm families are not going to be able to farm next spring. I am not willing to accept that result. It is not a fair result. Family farmers are not getting their share of this country's national income. They should be expected to get a decent share of that.

Let me show you what family farms face. They are told that they should just go ahead and operate in the free market and whatever happens, happens. What is that free market about? Everywhere they look, they confront near monopolies, or at least enormous concentrations of economic power. The top four firms in this country control 62 percent of flour milling. The top four firms in dry corn milling control 57 percent. In wet corn milling, the top four control 76 percent. In soybean crushing, the top four have 76 percent.

If a farmer happens to produce livestock and he markets that cow, he finds that 87 percent of the beef slaughter is controlled by the top four firms. The top four control 73 percent of sheep slaughter. It is 60 percent for pork. Or, if farmers want to haul their grain to market on a railroad—and most of them have to—they stick it on a rail car somewhere in my State, and they get double charged at least because there is no competition.

I have mentioned this before and I will say it again. If you put a carload of wheat on the rail track in Bismarck and haul it to Minneapolis, they charge you $2,300. If you put it on a car in Minneapolis, and haul it to Chicago, which is about the same distance, it costs you $1,000. Why do we get double charged? Because there is no rail competition in North Dakota, while there are multiple lines between Minneapolis and Chicago.

So it is not just concentration among processors. It is also the transportation components of the grain trade that are highly concentrated. This isn't a circumstance where there is a free market. Yet farmers are told to operate in the free market. If prices collapse, they are told tough luck, and we will give you 13 cents. If they can't make it with that, tougher luck.

Those want to pass this bill also contemplate tax cuts that they say will help farmers. Tax cuts don't help people without income. The problem in farm country is lack of income. The first thing we should do is to restore income.

I happen to support most of those tax proposals that I have heard about. In fact, some that the Senator from Mississippi described today have great merit. I support fully deductible health insurance for sole proprietorships and income averaging. I can go down a whole list of proposals that I support. My point is that first we need to restore income to these family farmers. They need to get a fair share of this Nation's income.

The fact is that everybody who touches products produced by these farmers is virtually making record profits. The railroads? You bet your life they are doing fine. They haul the farmers' products. How about the slaughterhouses? Are they doing fine? You bet they have solid profits. They are the ones who slaughter the livestock that is sent to market by those farmers.

How about the cereal manufacturers who put the snap, crackle and pop into a cereal. They take a kernel of wheat, put it in a plant some place, put it in a bright-colored box, ship it to a grocery store, and sell it at $4 a box. The company that puts the puff in puffed wheat makes far more than the person who gassed the tractor, planted the seed, and harvested that wheat. In fact, the person that harvested the wheat that they planted is going broke. And the people who are puffing it, crackling it, and snapping it are having record profits.

I don't understand the notion that somehow, if we just do nothing, things will work out. When we look at all of the evidence here, we are going to lose tens and tens of thousands of family farmers across this country unless this Congress does what it needs to do now. We need to provide some decent price supports to get farmers across this price valley.

I am not standing here asking that we tip the current farm program upside down. I didn't vote for the current farm program. I am not going to stand here and provide a litany of why I think it is not a good program. I am not suggesting we tip it upside down. I am simply saying what this farm program did in the big print it took away in the small print. This farm program, passed by this Congress, said we would provide farmers 85 percent of the five-year Olympic average price as a price support in the form of a loan rate. That is what it said in the big print. In the small print it said that the 85 percent of the five-year Olympic average price would be capped. The small print says we will put an artificial cap on it to bring the loan rates way down.

All we are saying is that we should take the artificial cap off. Do what the big print said the farm bill will do. Get rid of the small print that took away that help to the family farmers.

In North Dakota it means a $156 million difference just on the price support mechanism. The difference for the farmers in my State alone is $156 million. That could well mean the difference between making it and not making it. It can mean the difference between succeeding and failing.

A young fellow wrote to me recently. I have referred to his letter previously in the last couple of days. His name is Wyatt. He is a sophomore in high school at Stanley, ND. He wrote this plaintive cry for help on behalf of his family farm. He is a young boy who loves to farm. He knows his dad and mom do as well. He wrote me a letter that says, "My dad can feed 180 people. And he can't feed his family." He was describing a circumstance where his family's income has been washed out. Their family farm may not be able to make it and he wonders whether that is fair, and whether that is good economic policy for this country. The answer clearly is no, that is not fair. And clearly it is not good economic policy for our country.

Both the independent community bankers in my State and the North Dakota Bankers Association tell me that if we don't pass some meaningful assistance this year these farmers won't be in the field next spring. That is from the lenders.

This weekend, I was reading some of President Truman's speeches in 1948. I want to read a couple of pieces from President Truman in 1948. Old Harry was doing a whistle stop tour on a train back then. I like Harry Truman. Harry spoke plainly and never minced any words. I thought maybe we would celebrate just a bit of what Harry Truman said about family farmers and what this debate is about today.

Harry Truman said at the National Plowing Match in Dexter, IA, September 18, 1948:

[I] believe that farmers are entitled to share equally with others in our national income. [I] believe a prosperous and productive agriculture is essential to [this country's] national welfare.

He said:

Those who are wilfully trying to discredit the price support program for farmers don't want the farmers to be prosperous. They believe in low prices for farmers, cheap wages for labor, and high profits for big corporations.

And then he said:

The big money [interests look] on agriculture and labor as merely an expense item in a business venture. [They try] to push their share of the national income down as low as possible and increase [their] own profits. And [they] look upon the Government as a tool to accomplish this purpose.

That was 1948, 50 years ago. Isn't it interesting that as we stand here debating agriculture, in North Dakota there are probably 12,000 to 14,000 citizens who will not get into the fields next spring unless this Congress does the right thing. At least 3,500 farms will go belly up. That is 12,000 to 14,000 people, who will lose their livelihood unless we do the right thing. Yet, surrounding those farmers are the bigger economic interests that are all making money. There are the railroads, slaughterhouses, grain trader, cereal manufacturers, grocery manufacturers, and you can name all the others that are all making record profits.

Does that say something about whether the system is fair? And you might say, well, what business is it of ours? The business for this country is that if we do not act, we will not have people living in the country. We will not have people living out on the land. We won't have yard lights illuminating those family farms. We won't have the Jeffersonian notion of broad-based economic democracy in America if we don't start caring a bit about whether we have family farmers in our future.

Instead, we will end up having big agribusiness in control in rural America from California to Maine. When they do that, the price of food will go way up, and then they will have cornered everything. I guess they can haul it, process it, slaughter it, and make money off of that and then finally they can grow it because they got rid of mom and pop on the family farm. You ask them, would that be good for the country? I don't think so.

So this issue is very simple. Is what the conference committee brought to the Senate floor enough? The answer is clearly no. It is not nearly good enough. Do we have the resources in this country to do better and do what we should? The answer is yes, clearly yes. For those who believe in this as a priority, there are clearly enough resources to make the difference. I hope that if the Congress falls short, the President will veto the legislation as he indicated earlier. He should send it back and say let us do better. We can do better and work together.

We must understand that there are two components, one of which is a disaster component. For that portion I commend the Senator from Mississippi and the entire conference. But the second portion is the price support component. These two components added together must be enough to give farmers some hope and some opportunity. This bill falls far short of that.

As I mentioned in my opening statement, it is not the case that somehow the proposal to increase the price supports that are available to family farmers has just emerged from some mysterious corner of policy making. That is not the case at all. We have already had two votes in the Senate on this issue of raising price supports. We have lost by a handful of votes both times, and we may lose again. But, I will be here through the last breath of legislative effort to see that this Congress is persuaded to do the right thing for these family farmers.

These 3,500 farm families deserve a chance. They didn't cause the Asian financial crisis. They didn't cause the crisis in Asia which means that this country can export fewer agricultural goods to Asia. Family farmers didn't cause crop disease. Family farmers didn't cause the collapse of grain prices. Family farmers didn't cause the incessant wet cycle in our part of the country that has helped exacerbate crop disease. Family farmers didn't cause these problems. And this Congress should not say to family farmers, "Well, you deal with it. And if you can't, you don't matter."

This Congress ought to extend a helping hand to say to family farmers, "We want to help you over this trouble spot. We want to help you survive because you are important to this country."

Madam President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

Madam President, first of all, I would like to start out thanking my colleague from Mississippi, Senator COCHRAN. Above and beyond his ability as Senator, I think probably the best thing about him is his civility, and I wish I wasn't in profound disagreement with my colleague, but I am. I do wish to thank him for some of the good things in this bill. In this appropriations bill, we are talking about farm programs; we are talking about nutrition programs, forestry, and also there is a great deal of research money. In particular, I am very pleased that we are going to see additional funding for research of the scab disease which is a terribly important problem for my State and certainly for North Dakota as well. The faculty at the University of Minnesota is doing some very important research in this area.

Madam President, I talked to our FSA director, Wally Sparby, and he sent me some information that I might just start out with. Mr. Sheldon Erickson from Roseau, MN at Border State Bank is talking about the situation of bankers: 90 percent of his farmers can't repay in 1998; 25 percent he won't be able to lend to in 1999; he says more equity lending is required but less is available. Percy Blake of Bremer Bank in Crookston, MN: 75 percent of borrowers won't be able to meet their obligations in 1998; 50 percent are in jeopardy of not being financed in the coming year; he says that regulators are trying to pressure them away from equity financing.

We have a plea and cry from not just family farmers in our communities, but from the lenders and small businesses and from the citizens, I say to my colleague from Mississippi.

I have here petitions from all over the State of Minnesota. People who signed these petitions did this with some hope. It says:

We, the people of rural Minnesota, exercising our constitutional right to petition the Government for redress of grievances, hereby state and declare: That the exceptionally low prices being paid for farm commodities in the State of Minnesota constitute a dire threat, a crisis imperiling residents, businesses and institutions of rural communities who are demanding an immediate response from our Federal Government; that without action by the Secretary of Agriculture to increase the support prices for corn, soybeans, wheat, small grains, hogs, cattle and dairy products and to extend loans and increase loan rates and to make crop insurance coverage effective, thousands of families relying on farming and rural businesses will lose their livelihoods; that the 1996 Federal farm bill must be revised this year in order to restore an economic safety net for family farmers and allow them to support rural small businesses and community institutions; that these destructive policies must be reversed to ensure healthy main streets, full schools and full churches in rural communities of the State of Minnesota.

I say to the Chair, I don't know how many signatures there are here, but this is just a sample of the people. Let me show you those who have signed their names to this with the hope that it will make a difference.

Madam Chair, the differences between this bill's $4 billion package and the $7 billion package that we proposed are ones that make a difference.

Part of it has to do with the amount of assistance, but the big issue is the price crisis. I am actually not going to speak that long on the floor of the Senate because my colleagues, Senator KERREY from Nebraska and Senator DORGAN from North Dakota, have already spoken about this. In many ways what we are struggling with is not just the wet weather and not just the scab disease, but disastrously low prices. It is hard to believe that we really want to have such a low cap as that in the Freedom to Farm bill—I call it the "Freedom to Fail" bill—at a time when prices are so low.

In our proposal we talked about taking the current cap off the loan rate. As I hear from people in our communities—not just the farmers but the lenders as well—this is the most direct and dramatic way that we can get some income to these families. We would raise the loan rate about 57 cents a bushel for wheat, about 27 cents a bushel for corn, and over 20 cents a bushel for soybeans. That would be what would happen if we would lift the cap.

What was not anticipated—I think my colleague from Mississippi would agree with me on this point—when the Freedom to Farm bill, or "Freedom to Fail" bill, was passed, was that the prices would plummet. I do not think Senators realized that, although I think farmers have always known that prices go up and down. What happened is we basically eliminated the leverage the farmers have in the marketplace—where the loan rate helps them in their dealing with grain companies. In addition there was a safety net that was extremely important. At least it provided some direct assistance to people. We have eliminated that.

I say to my colleagues today, I appreciate their work, but this relief package will not do the job. It is impossible for me as a Senator to come out here and speak for it or to vote for it. It is very important that the President veto this. The President said he will. It is important that we get back to negotiations and work out a package together. It has to be a bipartisan package.

Just in terms of corn growers who currently are receiving $1.50 a bushel for corn or less, they cannot cash flow on that. The same is going on with our wheat farmers—low prices.

I think surely we will hear from Senator FEINGOLD from Wisconsin. Senator KOHL actually has just come out on the floor. Our dairy farmers in the upper Midwest have been going under. We have a federal milk marketing order system that is absolutely discriminatory, and there is a legislative rider in this appropriations bill which effectively extends that discrimination another half a year. That is completely unsatisfactory, at the very time the Secretary of Agriculture has put a process into effect to examine and reform this system. That reform process is not enough for many of us, but we appreciate it as a positive step, moving forward. Now that reform process will be postponed for an additional 6 months under the provision of this legislative rider, which in addition has the effect of extending for 6 months the Northeast Interstate Dairy Compact, another policy which has a discriminatory effect upon dairy producers and the dairy industry of the upper Midwest.

So, as a Senator from Minnesota, I cannot in good conscience support an appropriations bill that will not provide the needed assistance to family farmers in rural communities in my State. It would amount to betrayal. People are in desperate shape. That is the "why" of all these petitions. That is the "why" of all the meetings I have attended: in Crookston, East Grand Forks, Granite Falls, Fulda, Worthington. That is the "why" of grown men and women crying because they are being driven off their farms. They work there, they live there, it is everything that they have ever worked for.

Nobody can say we are talking about a group of citizens who do not work hard, but this just seems beyond their control. Now we have an appropriations bill that does not deal with the price crisis, that does not get enough relief out there, that is not going to enable these people to stay on the farms. It does not do the job.

I think family farmers in rural America know that. We have to do better. Senator COCHRAN has done all that he can do. I think he has pushed hard for what he thinks is right. But some of the rest of us have to come out here and we have to fight hard for what we think is right. The President has to stay strong, and he has said he will veto this bill. We need to go back to the table and put negotiations on a fast-track to get a farm crisis relief package that will do the job.

For my State, the differences between the two packages amount to a quarter of a billion dollars. That is $250 million more for family farmers and small businesses in rural communities. This is a decisive moment for the State of Minnesota, for agriculture and for family farmers.

In many parts of our country we hardly have a family farm structure of agriculture any longer, where the people who live on the land make the investments and work on the land. In the Midwest I think we understand a very sound economic point, which is also, I think, a social message: the health and vitality of our communities are not based upon the number of acres that are farmed or the number of animals that are owned. Somebody will always farm that land or own that land. The question is, Are we going to have family farmers? The health and vitality of our communities are based upon the number of farmers—I say to the Senator from Wisconsin—the number of family dairy farmers.

We have a crisis, and that crisis deserves a strong and effective response from the U.S. Congress. This appropriations bill—and I say this not in a shrill way but in a very determined way—is not an adequate response to that crisis.

Therefore, I will vote against it. I call on the President to veto it. And I call on my colleagues please to work together and do better.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, I rise to discuss the conference report that is before us as well. I want to start by acknowledging the efforts of the chairman of the committee, Senator COCHRAN. Senator COCHRAN, I think, is really one of the most decent Members in this Chamber. He is somebody I respect, somebody I like, somebody who has made a real contribution in the Agriculture Committee in previous years as well as being chairman of the Agriculture Appropriations subcommittee. So I acknowledge right up front he is someone, I think, who has the best interests of American agriculture at heart.

But he is not the only one to make the decisions. He has to make the decision, not only in the Senate Agriculture Appropriations Subcommittee, but in a conference committee. It is a conference between the Senate and the House. And what has been brought back to this Chamber is inadequate.

I represent North Dakota. North Dakota has been absolutely devastated by what I call the triple whammy of bad prices, bad weather and bad policy. That triple whammy has washed away farm income.

This chart shows the Government's own figures. From 1996 to 1997, we saw a 98-percent drop in farm income in the State of North Dakota. That is a crisis by any definition. It is a combination of terrible prices—we have the lowest prices in 50 years—coupled with natural disasters—we have had an outbreak of scab and other fungi because of continuing overly wet conditions—and then we have, on top of it, bad policy.

The last farm bill, I don't know how else to say it, is bad policy. It is its own disaster, because, in previous times, if prices would have collapsed, there would have been an automatic adjustment mechanism. That automatic adjustment mechanism has been taken away, and the result is now, when prices collapse and you have a natural disaster, there is not much there. The result is literally thousands of farmers in our State being forced off the land.

When the Secretary of Agriculture came to North Dakota, his crisis response team told him over the next 2 years we could lose 30 percent of the farmers in North Dakota—30 percent. That would change the face of our State forever.

We have no choice but to fight. We have no choice but to come out and plead with our colleagues to do better and to do more, because if we fail, there will be dire consequences, not only in our State, but in other farm-belt States as well.

It is not just conditions in North Dakota, although we have had the worst conditions. The price collapse is affecting everybody in the farm belt. This chart shows what has happened to

spring wheat prices over a very extended period. This shows what has happened to prices from 1946 to 1998, 52 years of prices. You can see we are at an all-time low. In 52 years, this is the lowest they have ever been, adjusted for inflation. This is it. At no time in 52 years have prices been lower than they are today.

It is not just spring wheat prices. We lead the Nation in production of spring wheat, or at least in many years we do. Barley is also a major crop in North Dakota. Again, 52 years of history, and here we are today, the lowest prices in 52 years. When I talk about the triple whammy of bad prices, bad weather and bad policy, the bad prices are abundantly clear. We have the worst prices in 52 years.

We have looked at spring wheat. We looked at barley. This chart shows durum prices. Does it look familiar? It is exactly the same pattern, the lowest prices in 52 years. You can look back on the whole period of 52 years, and prices have never been lower.

When we then look at what our colleagues have brought before us from the conference committee, we can see that the Republican plan does not measure up. The Democratic plan is $7.5 billion. Some estimates are as high as $7.8 billion. The Republican plan is $4.1 billion.

I must say to you, Madam President, and say to my colleagues, honestly, even the Democratic plan will not solve this problem. If you go back to 1986, the Federal Government spent $26 billion because we were faced with a similar farm economy.

We are not going to be anywhere close to that. We will be less than half of that level of funding this year, even if the Democratic plan passes. Make no mistake, the Democratic plan does not solve the problem, but what our Republican colleagues are offering is totally inadequate. It is not going to stem the tide. It is not going to prevent literally thousands of family farmers from being forced off the land.

I just had a series of meetings all across my State, and every town I go to, there are large meetings of farmers. It is very interesting because usually when I hold meetings like this, it is just farmers. Not this year. Now it is Main Street businesspeople. The mayors and city councilmen in the cities and the bankers are all coming to these meetings, many of whom have never attended a farm meeting in my 12 years in the U.S. Senate, stopping me afterwards and saying, "Senator, there's something radically, radically wrong, and unless something is done and done quickly, not only is that farmer going to fail, but the Main Street businesses are going to fail and the towns themselves are going to fail."

For the first time ever in my experience, mayors and city councilmen are coming to my meetings and telling me that the cities are going to fail unless something dramatic is done and done quickly.

If we look at the constituent elements of the plan, the first part involves support on the income side. The Democrats call for removing the marketing loan rate caps. The Republicans call for increased transition payments. There is a dramatic difference here. The Democratic plan costs over $5 billion; the Republican plan, less than one-third of that.

The difference here is the Democratic plan says that the loan rate caps that were put in the last farm bill at a very low level, artificially low level, especially on the commodities that we produce in our part of the country, leave farmers in a circumstance in which if prices collapse, they have no protection.

Some have said, "Gee, you're going to give a loan to farmers who have an income problem? Isn't that just digging the hole deeper?" Let me explain for those who may be listening that a marketing loan in agriculture is not like a normal loan.

A marketing loan in agriculture works this way: A farmer gets a loan—and in the farm bill, on wheat it is $2.58, but if the price goes below that, if the farmer sells for not $2.58 but sells for $2, he doesn't have to pay back the difference between the market price and the loan rate. That is why it is called a marketing loan. He only pays all of it back if prices exceed the amount of the loan level. This doesn't build debt. This is a floor under income. It is to guard against the kind of price collapse that we have occurring now.

Unfortunately, in the new farm bill, the loan rates were capped at an artificially low level. They did that because of a budget consideration. That is why these loan levels were set at such low rates, because, frankly, agriculture was cut dramatically at the same time the new farm bill was put in place. In fact, much of the problem that we are experiencing with the new farm bill is not the specifics of the farm bill as much as the budget limitation that we were under when the farm bill was written.

In fact, the support for agriculture was cut in half at the time the last farm bill was written. In the previous 5 years, we had been getting about $10 billion a year to support agriculture. Under the new budget agreement, that was cut in half, to about $5 billion a year. That is one reason we are in such desperate shape, because our major competitors, the Europeans, are spending almost $50 billion a year, 10 times as much as we are to support our producers. It is not too hard to understand that the Europeans are on the move, they are on the march, they are gaining market share because they are doing it the old-fashioned way: They are buying these markets.

Madam President, one thing we have to ask ourselves is do we want to roll over, do we want to play dead, do we want to fly the white flag of surrender when our major competitors are spending 10 times as much as we are to support their producers?

I said at the time I thought it represented unilateral disarmament, that the United States was making a profound mistake, because the Europeans have a strategy and they have a plan. And, oh, how well that strategy and plan are working. Their strategy and their plan is to dominate world agricultural trade.

If you look at the trend lines in agriculture, you can see that their strategy and their plan are working very well. They have gone from being major importers to being major exporters in just 10 years. In the United States we are going backwards. If you look at our world position, it is slipping. And it is slipping in part because we are not in this fight. We have ceded it to our competitors.

Why do they have a different view? In part, because they have been hungry twice in Europe. They do not intend to be hungry again. But more than that, they have decided it makes sense to have people out across the land. They do not want everybody forced into the cities. And we have to make a decision in this country. Do we want everybody to go to the cities? Because if that is what we want, we are on schedule. We are right on track because that is what is going to happen. We are going to see the people from the farms move into the cities because you cannot make a living on the farm.

So the first part of the difference between these two plans is on the income side of the house. The Democrats have a plan of over $5 billion of assistance. The Republicans are offering $1.6 billion.

If you look at the specifics between the two, you again see that the Republican plan just does not measure up. The Democratic plan on wheat would provide 57 cents a bushel.

When prices are at the lowest they have ever been—prices in my State are down to $2.50 a bushel on wheat. That is the least they have ever been, at least in the 52 years we have looked at putting these records together—the lowest prices in 52 years. The Democrats have a rescue plan of 57 cents a bushel. The Republican plan would provide 13 cents a bushel on wheat. And 13 cents a bushel is not going to pay many bills, very frankly.

When I tell the farmers back home that the Republican plan would provide 13 cents a bushel, the reaction is a combination of mystification, anger, and disbelief. They cannot believe in this circumstance that the best we can do is 13 cents a bushel.

On barley, the Democratic plan is 23 cents; in the Republican plan it is 6 cents a bushel.

On corn, the Democratic plan is 28 cents a bushel; the Republican plan one-quarter of that, 7 cents a bushel.

And on soybeans, the Democratic plan is 28 cents a bushel; the Republican plan is 2 cents.

Madam President, that is the income side of this proposal to deal with the crisis.

On the indemnity relief plan, that part of the plan that is designed to deal with the natural disasters that are occurring around the country, the Democratic plan is $2.48 billion of money that would go out to farmers; the Republican plan, $2.43 billion. And you can see the differences in the two plans.

The Democratic plan has $935 million for multiyear loss indemnity; $960 million for the 1998 loss indemnity—that would go primarily to the South, the second part there, because those are folks that have just suffered losses in 1998. In our part of the country, we have multiple-year losses—3, 4, or 5 bad years in a row because of natural disasters.

The third element of the Democratic plan is for noninsurable, uninsured crops, $250 million. There is a fourth element, $50 million for flood compensation. These are for folks who do not qualify for anything. Their land is under water. And we have people in North Dakota, northeastern North Dakota whose land has been under water now for 5 years. They have no income—none. The Republican plan is silent with respect to those people. They get nothing. They have been getting nothing; they continue to get nothing. I guess there is at least a consistency to that—nothing; that is what they get.

Those people—I just talked to one fellow who has put in everything he has. He had an insurance settlement—put that in—and his lifetime savings. This fellow used to be a world champion bull rider. He put all his lifetime winnings in. Every single thing his family had he has put into the pot. He is a remarkable, remarkable man. Five years in a row he sees more and more of his land going under water, and his response is really remarkable. He is just hopeful that something good is going to happen. He is just happy to be alive. But he is really counting on us to do something. The Republican plan does nothing.

Emergency livestock assistance, there is $200 million in the Democratic plan. There is $31 million for farm operating loans. There is $40 million for an FSA increased workload; $10 million for U.S. Forest Service assistance; $10 million for tree assistance—for a total of $2.48 billion. You can see the comparable elements to the Republican plan, which is roughly equivalent.

Madam President, another way to look at this is to look at individual farmers. What happens in these different plans? So we took three examples from North Dakota and looked at individual producers with individual situations and compared what the two plans would provide the individual farmer.

Chart A relates to our first producer. We are not using names here because we thought it would be more appropriate to label them A, B and C. This chart represents a typical North Dakota producer who farms 500 acres of wheat, 300 acres of barley and is suffering only from low prices. He has not been affected by the bad weather. And we look at what he would receive under the Democratic plan, which is $12,630. In the Republican plan it is about one-quarter of that. This is a circumstance in which somebody has not been affected by bad weather, just the very low prices.

Producer B represents a circumstance that shows a typical North Dakota producer, what they can expect to receive from suffering not only low prices, but also has repeated years of crop loss due to natural disasters, such things as flooding or the crop disease scab. So this is producer B who is suffering from low prices and from natural disaster. And under the Democratic plan this farmer would get $22,130; under the Republican plan they get $12,686.

Producer C is somebody who has really got the triple whammy. This producer is not only affected by low prices, he has also had repeated years of disaster and has flooded land. Under the Democratic plan they would get $28,000 of assistance; under the Republican plan $12,686.

Madam President, these are specific examples of what people would experience under the two plans. I say to you that neither one of them are going to solve the problem. I mean, that is the truth of the matter. This problem in my State is so deep and so serious that neither of these plans is going to solve the problem. In fact, if we do not do a lot more next year, there are going to be thousands of farmers who never get into the fields because their bankers will not finance them.

If you are looking at what we are doing, we are shoring them up to try to get them to next year, trying to allow them to survive the winter. But the hard reality is—the harsh reality is if we do not do something dramatically more this year and next year, those farmers are not going to plant because if you look at what the Republican plan does and what the Democratic plan does, it provides money this year.

I guess we are all praying that prices increase. I hope that happens. I hope that happens. But with the collapse in Asia, I think, frankly—the collapse in Russia as well—it is probably unlikely that prices will increase substantially. And that means when the banker looks at the income statement for a farmer, under the Republican plan what they see is that we have moved forward the AMTA payments. We all agreed to do that. Republicans are providing 13 cents more a bushel this year in assistance, but there is nothing for next year. The AMTA payments that are supposed to be paid next year have been pulled into this year.

So when the banker looks at the income payments for the farmer for next year, all he looks at are the price projections for the commodities that are going to be produced on that farm. Bankers are telling me they are not going to be able to extend loans to farmers next year if either one of these packages passes because we are not doing anything about next year. The families are going to their bankers in February and March to get operating money for next year.

I had blown up a letter I got from a constituent back home that explains it very well. This is from Steve and Stephanie Johnson. Stephanie wrote the letter from Luverne, ND:

> I am writing in hopes that it will encourage you to quickly push forward the farm assistance program that is in the works.

She goes on to describe that they are farming near Luverne, ND, they have 90 head of cattle, 13 head of horses. They raise corn, wheat, barley, sunflowers, and canola. She works as an RN outside the home, 24 to 40 hours a week, which pays part of their health insurance and most of their bills. Her husband works usually 12 hours a day, 6 to 7 days a week, and he works 24 hours a day during calving time in February or March. He made $12,000 of farm income this year, of which $2,000 and an income tax return of $1,000 went to pay part of the 1997 operating loan balance. So that leaves her husband with $10,000 for the entire year of 1998. As she points out, that is $833 a month without benefits. That amounts to $2.30 an hour. That doesn't include the labor that she and her son have put into the farm either. She says:

> The really sad part of this is we didn't have to take operating loans in the 12 years my husband has been farming until 4 years ago.
>
> The cattle and the horses have helped us break even in the past, but in these last few years we can't even do that.

She says in capital letters:

> With skyrocketing production costs and plummeting prices it is obvious that you can't quite break even. Something needs to be done quickly.

Madam President, she goes on to say:

> We are in no way asking for handouts, only fair prices. We have to pay whatever price the retailers put on our products, but we have no way to set our prices on our products.

She concludes by saying:

> We are not sure if we will farm next year, my husband doesn't want to lose everything he has worked for in the past 12 years. Nor do I think either of us can take any more stress. We are losing numerous family farmers in our area, in the past few years, 4 of our

neighbors quit or were forced to quit. Isn't it time to do something?

Madam President, it is time to do something and it is time to do something that is much more significant than what is in this conference report. The truth is, it is not going to solve this problem. It isn't even a Band-Aid on the problem. At least a Band-Aid covers a wound. I can say if this is the best we do, then we are consigning thousands of farmers—thousands of farmers—to the auction block, because that is exactly what is going to happen in our State.

Finally, to put this in perspective, this chart shows what we are spending to support our producers and what the Europeans are spending to support theirs. We are spending $5 billion a year; they are spending nearly $50 billion a year. If we add $7 billion to that total, we are still being outspent nearly 4–1. I submit that it is pretty hard to win a fight when the other side is outspending you 4–1, much less the 10–1 that is currently happening.

I hope before we are done with this legislative session that we will go back to the drawing boards and substantially strengthen the package that is before the Senate. It is absolutely critically important to the State I represent, and I think it is fair to say that there are many other States whose farm producers are in much the same shape as the people who are farming in North Dakota. Bedeviled by the triple whammy of bad prices, bad weather, and bad policy—not much we can do about the weather; perhaps not much we can do in the short run about prices; we can do something about the policy that is passed on the floor of the U.S. Senate.

I implore my colleagues to join with others of us who really want to make certain that farmers have a fighting chance, a chance to get through this winter, a chance to be out plowing those fields again next spring.

I thank my colleagues for their attention and their patience.

I yield the floor.

Mr. KOHL. Mr. President, I rise in opposition to the fiscal year 1999 Agricultural appropriations conference report. This bill would delay reform of the current milk pricing system and extend the life of the controversial Northeast Dairy Compact. Both policies would cost consumers and hurt dairy farmers in the Midwest.

Most of the debate on this bill has rightly been about how we can help farmers devastated by drought and low crop yields. But just as we must act to help them, we should not act to harm the dairy farmers of Wisconsin and other Midwestern states.

It is not as if there is support for the damaging dairy policies in this bill. Twenty-five Senators have signed a letter opposing extension of the current milk pricing system and the Northeast Interstate Dairy Compact. The Judiciary Committee has requested that no action be taken to renew the Compact without their review.

And it is by no means certain that the Compact could survive scrutiny. The higher prices ordered by the Compact are leading to higher consumer prices and a continued decline in fluid milk consumption. Worse yet, these higher prices are primarily benefiting large dairy farms. In Vermont the largest 7 percent of farms receive 30 percent of the Compact revenues.

As for extending the USDA's time to review the milk pricing system, that is unnecessary. By delaying reform, this legislation does exactly what the authors of the 1996 Farm Bill were trying to prevent. Congress deliberately gave the job of reform to the Secretary of Agriculture so it could be done in a more analytical and less political environment. Our actions today put the antiquated dairy pricing system back into the political arena that created it in the first place.

To many of you, this may seem to be an arcane debate with little real impact. But in Wisconsin, and through the Midwest region, the current inequitable pricing system is destroying family farms—not because they are uncompetitive, but because of a system that closes off regional markets and prices milk based on where it is made, not on its quality or its cost. Our actions today punish a traditional and successful industry. We are making the Midwest dairy farmers the victims of regional infighting and inside-the beltway politics. That is wrong. I urge my colleagues to oppose this legislation.

LONG PARK DAM

Mr. BENNETT. I would like to raise an issue addressed in the Senate report language regarding the Long Park Dam in Daggett County, Utah. Daggett County is the smallest county in Utah, with a population of just over 700 people. It is also the home of the Flaming Gorge Recreation Area, which is host to over 2 million visitors annually.

I appreciate the committee's efforts to provide some assistance in repairing the dam through the water and waste disposal loans and grants program under RCAP. The city of Manila already has acquired a loan for a new treatment plant for Long Park Dam water, which has now been put in jeopardy because of the structural problems in the Long Park Dam. The city has a very limited capacity to assume more debt to repair the dam.

Once the repairs on the dam are completed, the city would use as much as 50 percent of the water stored in Long Park Dam. Given the size of the communities involved and the limited ability to assume new debt, would it be appropriate to remind the Department of the special circumstances in Daggett County and encourage the Department to consider the community's current financial obligations when it reviews the grant application?

Mr. COCHRAN. The Senator from Utah is correct that here are some unique circumstances in this situation. I hope the Department will take into consideration the impacts of visitation on the local communities and the limited tax base in Daggett County, as well as the current financial obligations of the communities involved. The Department should be as flexible as possible when considering this application in order to provide a safe source of culinary water for the community as well as the visitors to the area.

Mr. BENNETT. I thank the Chairman for his comments.

Mr. ROBERTS. Madam President, I rise today to express my strong support of the conference report on H.R. 4101, which is being discussed on the floor and has been discussed on the floor by my colleagues from the northern plains.

I also rise today to express my serious concerns with President Clinton's threatened veto of this conference report, the agriculture appropriations bill—the bill that contains the spending for all of the essential programs that are of great benefit to farmers and ranchers. I want to pay, as my colleagues have, very deserved tribute to the distinguished Senator from Mississippi, Mr. COCHRAN, who down through the years has been a champion on behalf of America's agriculture producers and basically serves as an oversight commissioner in regard to the spending we desperately need for research and development for our farmers to be competitive. He has done another outstanding job under very, very difficult circumstances, because we are going through some tough times in farm country. So I thank the Senator.

Madam President, it is not my intent to get partisan in this debate. Goodness knows we have enough of that going around in this session. But I do think it is time for a little candor. In so doing, I noticed a report from World Perspectives, Inc., which is a publication that comes out every day that provides Members of Congress and subscribers very pertinent information regarding the global marketplace and worldwide agriculture. There is a young man that writes for them by the name of Gregg Doud. Last week, he pretty well summarized, I think, what this debate is all about. He said this:

> On the legislative calendar, Christmas doesn't always come on 25 December. When a sector of the U.S. economy is faltering or votes are up for grabs, it usually means that politicians will come bearing gifts sometime before the November election.

Now, that is a little harsh. I am not too sure I would buy all of that. He went on to say:

> This year's low commodity prices, world financial difficulties, and serious drought means that both U.S. political parties are

currently in a bidding war over how much to spend in farm country.

Obviously, we are doing that because we think we have severe problems. Those are my words, not his.

In their minds, the votes will eventually go to the highest bidder. As a result, considerations about an appropriate strategy for U.S. domestic farm policy could end up last on the list of a policymaker's priorities.

In other words, if we are going to provide emergency assistance to farmers and ranchers, that is one thing in the short term. But for goodness' sake, let's not turn the firehose on and let it get away and destroy a policy that makes sense over the long term.

Then Mr. Doud pointed out the history of these two proposals that had been discussed on the floor. He said, "The announcement by congressional Republicans of their package came only 2 days after Agriculture Secretary Glickman"—Mr. Glickman of Kansas, my former colleague, and my good friend—"announced that he was reversing his stance to be in favor of lifting the cap on the nonrecourse marketing loan rate"—that is the basis of the Democrat plan—and then stated, "This flip-flop was likely an effort to avoid the appearance of conflicting policy positions within the Democratic Party."

He continues, "Secretary Glickman's announcement was coordinated with an amendment offered by Senator TOM HARKIN"—my colleague and friend in Iowa who is the ranking member of the Senate Agriculture Committee and long a voice in regard to farm program policy advice and counsel to his Iowa constituents and the Nation as well. But, at any rate, that was ". . . to the Interior Department's appropriations bill."

By my count, I think we debated this—I don't know how many hours had been devoted on the other side, because in the northern plains the situation is much more severe. I don't know if the Senator from Mississippi has tallied up the hours. There must be 50, 75 or 100 hours on this side. We have spoken to the issue probably not as much as we should have. But this is an issue that has been debated. As a matter of fact, I think we have had five votes. I think this is No. 5 in regard to a vote that we are going to have on this issue. So we have done quite a bit of debating.

I will continue with what I think is a candid assessment, and this is in regard to the Democratic plan to raise the commodity marketing loan rate.

Mr. Doud points out, however: "It is not well suited to providing disaster relief. How did the Government make a larger loan deficiency payment to a farmer who hasn't raised a crop?"

That is a good question.

"In addition, this delivery mechanism does not reach livestock producers and other nonprogram commodity producers."

That certainly is a good quote.

Then he goes on to mention one thing, and this is sort of an aside. I am going to have to skip over here to a point that has been made by some of my good Democrat colleagues, more especially the distinguished Democratic leader, who, to be very candid, has never been too supportive of the current farm bill.

The Senator from North Dakota decried the fact that under the new farm bill, Freedom to Farm, in what he describes as the "Freedom to Fail" bill, "farmers were told to plant fence row to fence row."

As Mr. Doud pointed out, and others of us would like to point out: ". . . but WPI thought farmers were told to respond to market signals, rather than Federal programs."

Let me point out that in regard to wheat, the farmers made the decision. They made that decision. They responded to the market signals, and we haven't gone fence row to fence row. What happened was we had 11 percent fewer acres planted to wheat under the new farm bill than the old farm bill. That means this fence row to fence row business is not accurate.

What happened, of course, is the farmer put the seed in the ground, and it was better seed. And with better farming practices and precision agriculture, we knocked their socks off. We had great yields.

In the northern plains, they have all sorts of problems, wheat scab, weather, unfair trading practices, across the board, border contagion, you name it, they have had it. Quite frankly, a Federal farm program in regard to sugar makes the land prices a little high and raises their price and cost of production. It is high risk up there. Everybody knows that. But not any of these things have anything to do with the farm bill.

The extra production came that drove the market prices lower—from China, 200 million bushels more in regard to wheat production; the European Union was about 300 million bushels more. I don't know of any U.S. farm law that can restrict China, or the European Union, or, for that matter, Australia that has a record crop. It is not all in yet. We don't know yet. But the global supply situation has changed dramatically.

That has nothing to do with the current farm bill. It has everything to do with our export strategy in regard to being competitive and using all of the tools we would like to have in regard to the administration's conducting an aggressive export policy.

As a matter of fact, the president of the Wheat Growers said we have to quit taking a knife to a gun fight. We have to really get tough. And we haven't done that. That is one of the problems. So I guess that would be an accurate statement.

Let me get back to the article. This is by Mr. Doud, again:

Is the term "crisis" an appropriate way to describe the situation in farm country today?

I will tell you one thing. If you are a farmer and you can't get a loan from your banker, and the price is about half of what it was several years ago, it sure is a crisis. It is 100 percent.

"At least one question needs to be answered before deciding how serious this situation really is."—I am back to Mr. Doud's comments—"Will prices stay at the current (a 10-20-year low) level into next crop year? If so, next year may bring reopened discussions, leave no stone unturned, on a major overhaul of U.S. farm policy."

I think that is appropriate.

And I will be right in line with the rest of the people who are privileged to represent agriculture States, if, in fact, that is the case.

We have the unfair trading practice. We can't get our exports cracking. We don't pass the trade legislation that we should pass that the President continues to sort of hunker down in the weeds in regard to fast track and other things.

Then he went on to say: "In a Congressional election year, the debate isn't about whether or not money should be allocated to farm country. It's about the delivery mechanism itself."

Then he lists some information that ". . . suggests that, even in Washington, DC, terms, the amount of Government expenditures in farm country this year is serious money."

"The potential direct U.S. Government outlays to U.S. producers are as follows:

No, it is not the $5.3 billion that showed up on the chart over there from my colleagues. But, in September 1998, this year, the second half of the transition payments will come to farmers.

Transition payments, called AMTA payments—that is the Agriculture Marketing Transition Assistance payments.

I see the distinguished Senator from Mississippi raising his head. The reason I wanted to point that out is that it has been ignored in the debate. Hardly any Member on the other side mentions that we even have transition payments. Everybody says, "The bridge is washed out. I can't swim. My farmers are on the other side." That is country western music. It has the wrong notes. We have the transition payments here. They ignore that.

"In September 1998, the second half of FY 1998 transition . . . payment"—by the way, that transition payment is the highest of any payment during the entire 6-year period of the farm bill. And I know it is the highest as of this year because I helped write the bill. I thought at the end of 2 years that we probably would be going through some kind of a price swing. And I thought that assessment should be the greatest

in this particular year, and it is. How much? $5.7 billion is the total with the first half having already been paid in December of 1997, or January of 1998.

"In October 1998, $5.5 billion will be made available in FY 1999 transition . . . payments."

That is next year. Farmers probably wouldn't want to accept that. I wouldn't, if I can get by with my lender and I can tighten up, because of the world markets and the situation. I probably wouldn't want to take that. But it is available. And that is $5.5 billion.

"Emergency assistance programs that are currently being discussed . . ."

That is what this debate is all about here. That is in addition to those two transition payments that many of my colleagues are ignoring. That is going to be about $4.1 billion. You add that up.

Then our Senate Agriculture Committee chairman, the distinguished chairman of the Senate Agriculture Committee, DICK LUGAR, recently put the possible marketing year price tag for the loan deficiency payment.

I am not going to get into a description of that payment. As a matter of fact, I talked about all of these payments. People wonder. My goodness. How many payments are we making to farmers, and what kind and shape and form? But those will be about $2 or $3 billion. And then, finally, crop insurance for the entire marketing year is $2 billion.

According to Mr. Doud, that totals up to $16.4 billion. That is a lot of money. Yes, the farm crisis is very serious. I understand that. But $16.4 billion is quite an investment in regard to agriculture.

Let me see if I can find a closer here. In regard to Mr. Doud's article:

> Policymakers should not ignore the message this [debate] sends to trading partners and the WTO regarding U.S. domestic farm policy, particularly as it applies to the next round of trade negotiations. Once again, [we want to emphasize] that in an even-numbered election year, the debate isn't about whether or not money should be allocated to farm country. It is about the delivery mechanism and whether or not "Freedom to Farm" will be maintained. U.S. agricultural trading partners will be paying [very] close attention to see if "Freedom to Farm" survives.

Now, as the principal author of Freedom to Farm, I have an interest in this, but I said it didn't come down from the mountain on any tablet saying this was the only farm bill; if the farm bill didn't work, you ought to change it. And I think once this emergency assistance is provided, if we can see what happens in 1999—and I hope the global contagion gets better and I hope all the other factors improve—why, perhaps we won't have to do this. And if we can enact some of the promises we made in conjunction with Freedom to Farm, we shouldn't have to do it. But Congress has not done that and the administration has not done that.

I want to now return to the threat of a Presidential veto.

The President has sent a letter to Congress stating he will not support legislation that does not include agricultural relief provisions similar to the plan to uncap loan rates as proposed by Senators HARKIN, DASCHLE, WELLSTONE, KERREY, CONRAD, BAUCUS, and JOHNSON.

He, as a matter of fact, took time out in his Saturday radio address to talk about two things—well, three; one, we have a serious farm crisis. Right. Second, we need to uncap the loan rates. Wrong, because of what it will do that will be counterproductive to long-term policy to farmers and ranchers. Three, we ought to pass IMF. Yes. Yes, I am for that. And I am just as unhappy with Members of my own party in the other body who oppose that. I think we need IMF. So the President was right about two out of three.

Let me talk about the plan that is promoted by the northern plains' Senators—not trying to pick on them; they have a very legitimate point of view—that would uncap the marketing loan rates and provide approximately $1 billion in disaster assistance to the northern plains. But the other side of the story is that their proposal provides less than $500 million for the rest of the United States, from New Mexico to Maryland, which has experienced drought, flooding, or a combination of both.

I really find the President's arguments for his threatened veto rather frustrating and difficult because the administration really threatens to veto this package—I am quoting here.

> . . . if the bill presented to the President includes agriculture disaster provisions that provide inadequate indemnity assistance or are inconsistent with the Daschle-Harkin proposal.

It is obvious the President really believes we need to provide assistance to our producers. I believe that as well. Yet he threatens to veto a bill that provides $4.1 billion in assistance to our farmers and ranchers.

And as long as we are mentioning vetoes, he has also threatened to veto a House-passed tax bill that also provides very needed relief to farmers and ranchers.

As to the two vetoes, one on the emergency assistance and the tax bill, let me just list all of the provisions that have been passed by the House of Representatives in its tax bill: 100 percent deductibility of health insurance—every farm association I have ever been associated with has passed this in their resolution; permanent extension of income averaging for farmers—God bless CONRAD BURNS, the distinguished Senator from Montana, for putting it in originally with a tax bill; an immediate $25,000 expense deduction for small businesses; and an additional net operating loss carryback period.

These are steps that, when combined with the $4.1 billion in income assistance, would immediately put money in the pockets of farmers and ranchers and, most importantly, they are positive answers for the long term as opposed to the Democrat plan which I personally think would be very, very counterproductive.

On several occasions earlier this year Secretary of Agriculture Dan Glickman made the comment that trade is the "safety net" for America's farmers and ranchers, yet I am concerned that the Secretary and the administration refused to support fast-track legislation when it was considered in the House. I said they were AWOL during the debate. And they even asked, as I recall, some of my colleagues across the aisle in the other body to vote against the legislation. "Not this time," "not the proper time," that was the quote, to pass fast track. Meanwhile, our foreign markets for agriculture products have collapsed and we know that. And, Latin American countries are waiting for fast track to pass before entering into agricultural trade with the United States.

I went with Senate Majority Leader TRENT LOTT to Latin America. Every country we visited asked, "When are you going to pass fast track? The European Union is knocking on our door. And we need this particular provision."

I do not know; I would like to ask the President, if now is not the proper time to open up new markets for our producers, when will the proper time be?

I agree with him on IMF. I do not agree with the decision to hunker down in the weeds with regard to fast track. And I must say the failure to pass fast track holds the potential to become one of the most serious U.S. agriculture foreign policy blunders since the shattered glass embargo policy of the late 1970s and early 1980s. When we withdrew, it may have been a mistake. And when it went down to defeat, it was a terrible mistake.

Consequently, I should also add that I am not very happy with my Republican colleagues over in the House of Representatives who decided not to vote for fast track. That was a very bad mistake as well.

So the President apparently has refused to support these trade and tax and income assistance initiatives that I believe will help our farmers and ranchers in both the short and long term, but he continues to support a proposal that will provide virtually no assistance to producers who have suffered losses in 1998.

We can raise the loan rates as high as we want. As a matter of fact, in the six or seven farm bills I have been associated with, there was always the debate, do you use the loan rate as a market

clearing device or income support? And several farm bills ago we agreed that when you raise the loan rate to the degree you really interfere with markets, that is not the proper way to do it. And we used to have deficiency payments to assist farmers during the tough times when their markets would decline due to unfair trading practices or some other reason. We changed those to transition payments.

What will raising a loan rate do for producers in Oklahoma, Texas, Louisiana and Maryland who have lost all or most of their crop to some kind of a weather situation? What about the farmer in Louisiana or Mississippi who lost most of his rice crop due to drought and had his cotton crop get hit with 16 inches of rain from a tropical storm earlier this year and then was hit by Hurricane Georges in late September? That was incredible. These producers are facing a serious situation. They will receive virtually no assistance from higher loan rates, and the Harkin-Daschle proposal provides less than $500 million for 1998 losses, but it contains almost $1 billion for multiple year losses in the northern plains. I am not trying to pick on them. But I think it is skewed just a bit. I don't question the problems suffered by producers in the northern plains in recent years, nor do I question that prices are low. We have heard time and time again about the painful crop losses experienced in the northern plains over the past years, but, "thank goodness, South Dakotans are expecting a good crop this year—that is a welcome change—after the blizzards and flooding of 1996 and 1997, scab disease, and unfair trading practices." That quote comes from a September 1998 edition of the National Farmer Union News. Thank goodness they do at least have a crop.

But let me get back to the plan that is within the Ag appropriation bill and why I think it is the proper course. The plan to be included will provide $4.1 billion to producers. Of this amount, $1.65 billion, 29 percent of the transition payments—the infamous transition payments that are ignored and forgotten or somehow have disappeared in the debate on the other side—will be provided to farmers as payments for lost export markets caused by world economic pneumonia, the global contagion, the Asian Flu. Not to mention U.S. sanction policies that shut out our producers, out of world markets, and the inadequate agricultural trade initiatives of this administration—compounded by some in this Congress.

Any farmer who received AMTA payments—the transition payments that do not exist, on the other side of the aisle—in 1998 will receive an additional 29 percent of this amount. Those receiving payments will include southern cotton, wheat, corn and rice farmers who had little or no crop to harvest. The Harkin-Daschle plan leaves them empty-handed. The plan in the agriculture appropriations bill includes $1.5 billion for losses and $675 million for multiple year losses.

The Daschle-Harkin plan provides approximately $1 billion for the northern plains, $500 million for the south. Again, I am not trying to criticize problems in the north. But the plan does not do much for any grower suffering losses in New Mexico, Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Georgia, Kentucky, Florida, South Carolina, North Carolina, Virginia and Maryland—and the list goes on.

Senators from those States, wake up. Here is the real issue that is now being debated. The northern plains Senators, and now the President, have stated repeatedly that we have yanked the rug out from underneath the producer—no safety net.

"Tough luck," I think it was described by my good friend and colleague, the Senator from North Dakota. As they have said, there is no bridge, nothing. But they fail to mention that the Government has provided approximately $17.5 billion—$17.5 billion in transition payments since the inception of the new farm bill in 1996 through 1998. It is estimated the old bill, the old supply/demand bill, the old command and control bill where the USDA would tell the farmer what seed to put in the ground and maybe he would qualify for a subsidy—that bill would have provide only around $10 billion during this time. That is a difference of $7.5 billion. They are getting more money under the new bill, less money under the old bill, but the new bill is the problem? Hello.

It is estimated, as I said, the old bill would have provided only about $10 billion during this time. They forget to mention the estimated $4 billion the producers will receive in loan deficiency payments in 1998. And, what about the $5.5 billion in advance 1999 payments? Again, if I'm a farmer I'd be mighty careful with that. And if you add these together and include the additional $4.1 billion included in the agriculture appropriation bill as put on the floor by the distinguished Senator from Mississippi, total funding provided over the 3-year period is $31 billion. Mr. President $31 billion; that is nothing? That is tough luck? That is a bridge that has been washed out, $31 billion?

Still, the Senators on the other side of the aisle from the northern and great plains argue this is not enough. It may well not be, over the long term. I understand that. If things do not improve, with all the things that have gone wrong it may well not be. They say their producers have been forgotten. They even cited this on the floor in a Congressional Budget Office table. This is going to get a little tricky here. The table that is called the CBO study showing a side-by-side comparison of the two plans—we have all seen it in regard to this debate. In addition, I think the CBO plan was sent with a letter attached to numerous State Governors, certainly trying to gain support for their plan. But there was only one problem with these actions and this CBO study. It is my understanding, and I think I am right, it is not a CBO study. In fact, CBO was not even involved in running these numbers. Rather, they were put together by staff members of the appropriate Senators who have proposed the Democratic plan.

I don't want to play this business of, "How much is enough?" I have said before, the problem is very serious in the northern plains, and for that matter all over the country, where we have had these unprecedented problems in regards to farm country. But I thought perhaps we should do some "truth in spending" and take a look at the level of payments the States of North Dakota, South Dakota, Minnesota, Nebraska and Iowa have actually received under the 1996 farm bill. It may not be enough. But with all of this talk about, "no bridge, tough luck, you are just out of luck, we are not going to support you"—Here we go: North Dakota in 1996, North Dakota farmers and ranchers received $309.7 million; 1997 $245.1 million and 1998, $245.2 million. Total, $800 million. That is more than nothing.

The yearly State average in Government payments in 1991–1995—the old farm bill which has been defended saying this might be the foundation for the next farm bill, this one is not working—what would have that provided? That average, 1991–1995, $265.4 million.

In 1996 through 1998 the average was $266.6 million. In July, the House Agriculture Committee estimated North Dakota farmers will be eligible to receive $215.1 million in advanced 1999 payments. Again, I am not sure I would take that, but some may have to.

The 29 percent bonus payments for 1998 crops will equal approximately $71 million. Adding the 1998 payments to the 1998 bonus payments and the advanced 1999 payments together, North Dakota farmers could receive up to $531.3 million during the calendar year 1998, this year.

South Dakota, 1996, $161.8 million; 1997, $183.1; 1998, $161.3—total, $506.2 million.

The yearly State average in Government payments in 1991–1995 under the old farm bill, $149.7. The 1996 through 1998 average was 168.76 million—19 million more per year. In July the House Agriculture Committee estimated South Dakota farmers will be eligible to receive $160.7 million in advance 1999 payments. The 29 percent bonus payment for 1998 crops will equal approximately $46.7 million. When you add

them all up, South Dakota farmers could receive $368.9 million during calendar year 1998.

I am going to skip Montana. Nothing personal, I just think we ought to shorten it up.

Minnesota, the Democratic Senator from Minnesota has been on the floor indicating that times are tough in Minnesota. They are. It is a crisis. He is entitled to say that. In 1996, $261.5 million; 1997, $383.8 million; 1998, $322.6 million; total, $968.1 million—almost $1 billion. That is not nothing? Is that a double negative?

The yearly State average in Government payments in 1991–1995 under the farm bill—you haven't heard one word on the other side about the failures of the old farm bill and people standing in line waiting on the USDA to issue all the paperwork so they could fill out the paperwork to plant less, not at least respond to market signals but so that they might get a subsidy. Not one word. That was $270.2 million.

In 1996 through 1998, the average was $322.7 million—over $50 million more. In July, the House Agriculture Committee estimated Minnesota farmers will be able to receive $336.8 million in advanced 1999 payments. The 29 percent bonus for 1998 crops will equal approximately $93.5 million. Add them all up, $753.08 million during calendar year 1998. That is a lot of money. It is, perhaps not enough for the dire situation they face and in absentia of other things that we should be doing. The question is not how much is enough, but the claim, again, by the other side, that we are not providing any assistance.

Nebraska: 1996, $303.2 million; 1997, $490.082 million; 1998, approximately $400 million. Total: $1.193 billion.

The yearly State average in government payments in 1991–1995 was $349.9 million. That was back under the old farm bill.

The 1996 through 1998 average was $397 million; $349 million to $397 million, about $50 million more. I am not going to go through the advanced payments and the 29-percent bonus. I will add them all.

Nebraska farmers, as well as being No. 2 in the Nation in football, could receive up to $830 million during the calendar year 1998.

Iowa—Senator HARKIN, my good friend on the Ag Committee who has a very honest and sincere difference of opinion about the direction of the farm policy program: 1996, $350.2 million; 1997, $680 million; 1998, $535 million. Total: $1.566 billion.

The yearly State average under the old farm program was about $449 million; under the new farm program, $522 million. Madam President, $522 million is more; $449 million is less.

OK. Advanced payments, the bonus payment, add them all up: Iowa farmers could get about $1.288 billion during calendar year 1998.

Madam President, I apologize to my colleagues for taking this much time and going over all the figures. The facts are clear. The rug has not been yanked out from producers in the northern plains. In fact, these States have fared quite well under the 1996 act's payments. When compared to the old farm bill—I realize we have extenuating and very dire circumstances now—the farmers who need assistance the worst—those without a crop—receive nothing—nothing—from higher loan rates. Yet, this is the situation many southern farmers will face under the proposal that is the alternative to the conference report.

I have made some remarks on the floor on several occasions against the loan rate proposal, uncapping loan rates. I don't disagree with my colleagues across the aisle that we need to provide assistance to farmers; that is a given. But history has shown us that their plan will not work, and I believe several myths should be addressed about their proposal.

Myth No. 1: Higher loan rates will put more money into the pockets of all producers and do not lead to excess stocks and lower prices in the long run. It is also argued that higher loan rates will not eventually lead us back to Government set-asides.

Contrary to these assertions, history has shown us that higher loan rates lead to excess stocks, greater production, a long-run depressing effect on price, and uncompetitiveness in the world market.

In addition, due to the difficulty in predicting budget outlays with marketing loans, it inevitably leads us back to command-and-control policies in an attempt to limit the budget exposure.

Again, some in the House and Senate do not feel we should spend $4.1 billion in emergency funding. How are we going to pay for $7 billion? And, more to the point, if you encourage more Government stocks and a tie-up of the transportation system and more production, you are going to extend that loan beyond the 15 months and you are going to get into more expenditures. We have been down that road before and farmers overwhelmingly tell me they do not want to retrace the journey. I think we should look forward and not backwards.

Myth No. 2: There is no safety net.

I have gone over the payment numbers. I have mentioned previously that there is a safety net. How can an extra $7.5 billion, at a minimum, over the last 3 years, compared to the old program, be hurting farmers and ranchers? I want a safety net that is a trampoline, not a hammock. If we go down this loan rate trail, it will be a hammock—we will sag in the middle.

On the other hand, if we can get our export policy straightened out, our trade policy straightened out, and our tax policy changes and regulatory reform, and get cracking, it may well be a trampoline with this assistance we are providing.

Myth No. 3: New trade markets will not help us get out of this problem.

There are, indeed, some in this body who argue that trade is not the answer to avoiding these problems in the future. How can you discount the importance of trade when we have to export a large proportion of our ag products? We must continue to work toward trade agreements and sanctions reforms that do not continue to shoot our producers in the foot and lock them out of world markets. And we must encourage producers to maintain the flexibility that allows them to plant according to the demands of the world market. Raising loan rates won't achieve these goals.

Several weeks ago, Senator CRAIG—the distinguished Senator from Idaho, who has been a very aggressive and constant champion of the American farmer and rancher and all the commodities and all the producers of those commodities in his great State of Idaho—and I sat down, along with others, in a small group, and we made a list of what we thought would be appropriate to address this farm crisis.

We decided on lost market payments and disaster payments. That is in this bill. We decided on crop insurance reform. Got some. Not enough. Need to make it better. First order of priority in the next session. Wish we could have done it this year.

We decided on tax relief. I have already mentioned that. It is in the House bill. The President says he is going to veto it. That will be the best long-term—perhaps not the best—one of the best long-term things we could do for farmers and ranchers in 1999, 2000, and the year beyond.

Trade expansion. I have gone over that. Folks, you have to sell it or you are going to smell it, and we are smelling it right now. We need fast track and normal trading status with China, we need IMF, and we need sanctions reform. As I said before, we have to quit taking a knife to a gunfight.

Full enrollment in the Conservation Reserve Program.

The agriculture appropriations bill contains $4.1 billion in payments and also protects the sanctity of crop insurance. The bill does not include the important reforms that are needed, but I am pleased the protections included in the bill, and we are going to work for that reform next year.

I mentioned tax relief, and Senator CRAIG, who is on the floor now, and I sent a letter to the Secretary requesting full enrollment in the CRP program. This is an administrative action. The Secretary doesn't need any congressional action. We don't need to debate this and delay it. He can undertake it right now. It will provide an

important tool to address the problem of marginally productive land that repeatedly suffers from natural disasters or disease problems, land like the northern plains. One of the things he can do right away is enroll the CRP in that part of the country. He can do it with the stroke of a pen.

Madam President, it appears that we will not be able to achieve all of the goals that Senator CRAIG and others of us have proposed in this Congress. However, this agriculture appropriations bill, combined with the House tax bill and the trade tools the administration already has available, will provide an important step in addressing the economic problems throughout our rural areas. But the President must be willing to step up and work with us, if he is serious about helping our farmers and ranchers.

Webster's defines a "statesman" as one who exercises the political leadership at his disposal wisely and without narrow partisanship. I am hopeful that we will see the President and my colleagues across the aisle act as statesmen on this issue and that we will not prevent farmers and ranchers from receiving this much-needed assistance. This agriculture appropriations bill is too important—too important—for our producers. I urge the President to reconsider his veto threat on this bill.

I thank my colleagues for their patience, and I yield the floor.

Mr. COVERDELL. Mr. President, I rise today in strong support of the conference report to the FY 1999 Agriculture Appropriations bill. This legislation includes much needed economic assistance for Georgia farmers. The disaster and market loss assistance proposal, which totals over $4 billion, includes $1.5 billion for one time payment to person with a crop loss in 1998, $675 million for multiple year crop loss and crops impacted by disease, $175 million for livestock feed assistance, $1.65 billion for a one time payment to offset financial hardship caused by the loss of markets, and $10 million for tree farmers through the Forestry Incentive Program.

I would like to thank the Majority Leader, Senator COCHRAN, Senator LUGAR, Senator ROBERTS, and others involved in the crafting of this important legislation. For months I have been stressing the need for Congress to address the current financial crisis facing farmers in Georgia and across the nation. I am pleased that our collective efforts bring us here to discuss this legislation. This disaster package is one step in many that is needed to get these farmers back on their feet.

Under this proposal the Secretary of Agriculture is given broad authority to define and implement these provisions. I am hopeful that when deciding how to distribute these funds, the Secretary does not forget Georgia farmers. President Clinton and Secretary Glickman should not help farmers in one section of the country by neglecting farmers in the Southeast. Georgia farmers have suffered disasters 2 out of the last 5 years and should be eligible for assistance under the multi-year losses program. In addition, the Secretary should include all crops, insured and uninsured, when considering who should be eligible for assistance under this disaster and market assistance proposal. Georgia farmers who produce peaches, onions, blueberries, watermelons, pecans, and other speciality crops, have just as much right to be eligible for this disaster assistance as farmers who produce major program crops such as corn, wheat, and cotton. Those who bought crop insurance should not be unnecessarily penalized and left out of receiving any assistance under this legislation. The current crop insurance program does not work and needs to be completely overhauled by Congress. We need a crop insurance program which is affordable and factors in the cost of production.

Secretary Glickman needs to also look at ways to provide assistance for peanut producers, either through a market loss assistance payment or under one of the other disaster assistance programs. The cost of production for peanuts continues to remain high while income for farmers continues to fall. Disease, weather, government regulations, taxes, increased costs for equipment and supplies, reduction in yields, and other problems have all contributed to this situation.

I look forward to working with Secretary Glickman and the U.S. Department of Agriculture in making sure these funds are distributed in a fair and equitable manner.

Mr. FAIRCLOTH. Mr. President, I rise in strong support of the agriculture appropriations conference report.

This bill includes critical assistance for farmers. It helps all farmers, not just Midwestern grain farmers, and that is why I believe that this is the right bill.

I urge President Clinton to withdraw his veto threat and to support this critical disaster relief bill. It is outrageous that the President is playing politics with the fate of American farmers. I was astonished to see Jacob J. Lew, the Director of the Office of Management and Budget, write that the President's "senior advisers would recommend that he veto the bill" unless the House and Senate craft a bill for the Midwest rather than for the whole nation.

I find it incredible that the Clinton Administration can oppose a package that includes $4.3 billion for increased AMTA payments, weather-related crop damage relief, "multi-year" disasters, livestock assistance, and assistance for tree farmers. This is about farmers, not politics, and it is time for the White House to put policy first.

This is a good bill for North Carolina and for all farmers. I congratulate the Committee for a job well done.

Mr. JOHNSON addressed the Chair.

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

Mr. JOHNSON. Madam President, I rise to express in part my profound disappointment with the contents of the agricultural appropriations conference report, recognizing that there are many in this body—in particular, that there are numerous instances, thanks to the leadership of the Senator from Mississippi, and others—who have brought together a sense of bipartisanship on some key issues. And there are other issues and other needs that I believe this body needs to address outside of this agricultural appropriations bill, as my very good friend and colleague from Kansas has made reference to a string of extraneous other issues that are urgent.

On the issue of trade, I believe that there is fairly good agreement in this body relative to where we need to go next. There is support in this body for funding for the International Monetary Fund. That is perhaps the single thing we could do that would have the greatest immediate impact on stabilizing currencies and opening markets and stabilizing economies in Asia, and increasingly in Russia and Latin America. Unfortunately, that issue has been held up in the other body, not this one; but it is an issue that should be dealt with before we adjourn for the year.

My colleague raises the issue of fast track. On that issue I share his concern that we ought to have fast-track authority. This body does as well. The House does not. I think in all fairness, though, it ought to be kept in mind that if we were to pass fast track, that would have a consequence years down the road but not next month, not the next 6 months. It would simply put our trade representative back in at the negotiating table for trade negotiations. That would bear fruit probably years down the road from now, but it would not have an immediate consequence.

Certainly, in the case of relief of unilateral sanctions and the sanctions reform legislation that our colleague, the chairman of our Senate Ag Committee, Senator LUGAR, has championed, we ought to be moving forward with that. Unfortunately, we have not. But I think there is broad-based bipartisan consensus that we ought to do that. And certainly MFN, now having normal trade relations with China as well, is something that we should go forward with.

I think all these issues are concurred upon by this President and by the majority of both political parties in the Senate. Those are issues we should proceed with. We should not use them, however, as an excuse for a lack of action, for inaction on key disaster issues before us today.

On the tax agenda, as well, I think that there is broad-based support in both political parties for tax relief targeted to middle-class and working families, certainly for those in the agricultural sectors of our economy. But again in fairness, it ought to be kept in mind that the tax package that arrived in this body from the other body is funded 100 percent out of the Social Security trust fund surplus. That is unacceptable to a great many of us in this body. It is utterly unacceptable to the President of the United States who has expressed his veto intent if that were to reach his desk. I think there is a great likelihood it will reach his desk, but if he were to veto it, he would do the right thing.

And we talk about statesmanship, that is what we are talking about—doing the right thing, rejecting what seems on the surface to be popular, recognizing that in too many instances the underlying premise that allows that action to go forward is, in fact, simply wrong. Stealing money, raiding, plundering the Social Security trust fund is not acceptable for any of us. Regardless of how great the crisis might be that we have in agricultural today, how much we would like to have tax relief for every sector of our economy, that is not where we need to go.

To his great credit, Senator DASCHLE, with the help of numerous others, has put together a tax package which provides most of the same kinds of relief that my friend from Kansas was making reference to, but is funded exclusively out of efficiencies, out of savings, out of the closure of tax loopholes in the existing Tax Code and budget. So it is not a question of whether we can have tax relief or whether we cannot have tax relief; we can so long as it is carefully targeted, so long as it is focused on those areas where it is most in need, and so long as it is truly offset by savings, by efficiencies, by loophole closures—other places—and not premised on a raid on Social Security.

So, again, I think we ought to be able to find bipartisan agreement before we leave here on those issues as well.

I want to say that we did reach some concurrence on some important issues in this body. The pain and the hurt that is going on across much of rural America today is too great to allow for the kind of finger pointing and partisanship that too often characterizes the debate in this Congress, especially as we draw near an election as we reach the end of this Congress.

I am pleased that in this body we were able to find bipartisan agreement on my particular amendment that was incorporated in the Senate version of the agricultural appropriations bill on meat labeling. The Senator from Idaho was a champion on the meat labeling issue. And I was pleased that the chairman, the Senator from Mississippi, was supportive of our concern in the conference committee in that regard.

I am disappointed in what turned out to be a party-line vote from our colleagues in the House of Representatives that thwarted the will of the U.S. Senate in that regard—a measure which has the support of the National Cattlemen's Beef Association, the National Farmers Union, the American Farm Bureau Federation, and the American Sheep Industry Association.

The underlying bill, which had the sponsorship of eight Republican Senators and eight Democratic Senators, along with myself—this was a bipartisan effort to, for the first time, allow consumers to know the origin of their food products which they serve their families, much as they do virtually every other consumer item that they purchase. Yet even this commonsense measure was turned down in the conference committee, to my great disappointment. And I want to confirm that this issue simply will not go away. It will be revisited and revisited until it becomes law.

We also found bipartisan support on the Senate agricultural appropriations bill—again, with the support of the Senator from Idaho, the Senator from Mississippi, and a great many others—in a bipartisan fashion, to allow price transparency in the livestock industry to go forward, to put our individual livestock producers on the same footing as the packing industry to give them a better marketing opportunity. And yet even that which would have seemed, again, to be common sense we lost, unfortunately, on a partisan, party-line vote on the part of the House conferees, over the objections of the Senate.

I want to express my disappointment at the loss of both of those provisions which would not have meant night or day, would not have turned around overnight the price crisis that we have in the livestock industry, but we would have contributed, I think, in a very constructive fashion to lay the groundwork for a long-term recovery, and it would have been a constructive, positive step in the right direction. We reached some bipartisan agreement, I think, in this body early on, again, on the need for disaster relief.

I think we all recognized as time went on, as disasters struck the South and the West, other parts of the country, that the amount of money, the $500 million we had placed in the Senate agriculture appropriations bill simply was not going to be adequate from anyone's perspective, and that needed to be augmented in a significant way. I think the President is right that if we are going to realistically address the real pain all across rural America, that a final level of disaster relief approximating the funding in the President's recommendation rather than in the House proposal and imposed on the conference report on ag appropriations is more appropriate.

I think we all recognize that there needs to be some give-and-take, that the final version of whatever we do probably will not meet the 100 percent satisfaction of any of us here, should not be 100 percent what the Republican leadership in the House was offering, probably will not be completely what the President is offering; but we need to come together somewhere in the middle in a way which more effectively deals with the disaster that is national in scope and deals with it in a meaningful way, all within the context of, obviously, a balanced Federal budget.

I believe we can do that, but we need to take, I believe, some of the direction that is coming from the White House to moderate the provisions which have been imposed in the ag appropriations bill by our House colleagues.

This should not turn into a bidding war. It has been suggested that could occur. That would be wrong. That is not where we need to go. But we do need to step back, and with some careful deliberation and some care, evaluate the scope of the relief that needs to be made in order to have a meaningful consequence in the context of this national disaster.

One area where we were not able to reach bipartisan consensus in this body—and I certainly respect the views of those who differ with me and with many of my colleagues on this side of the aisle—is on the wisdom of utilizing a strategy which would take the cap off the existing marketing loan provisions in the freedom to market legislation.

Now, it is suggested by some that that is an attack on Freedom to Farm, that this is on the part of those who would go back to the old days of the previous farm bill. I think that simply is untrue. That is a straw man that is easily knocked down but one that does not characterize the goals and the perspective of those of us who believe that it makes a lot of sense to take the caps off the existing marketing loan. Keep in mind, the current bill has marketing loan provisions in it. It is not a turning inside out of that legislation.

The problem with the existing legislation, the existing farm bill, is that the loan rates established in that farm bill are unrealistically low. They are too low to be meaningful given the kind of crisis that we have today. And taking the caps off that loan rate and tying it to a 5-year Olympic average is a moderate but responsible step in the right direction. In fact, if we were to do that—and we are talking about doing this for 1 year only, so it would have no consequence whatever on planting decisions made by others because the crops have already been planted and are about to be harvested—it would have a 57-cent-per-bushel increase for wheat, 28 cents for corn, 28 cents for beans, if we were to follow the proposal in the President's recommendation.

That won't make anyone rich, that won't bring the price back to anywhere

near where a lot of us think in an ideal world it ought to be, but it will stave off in so many ways the crisis that is upon us. It will give a decent return. It will treat renters more fairly than alternative proposals would. It will not turn the clock back. It will not abandon the existing farm bill. It will be done within the context of that farm bill and we will preserve the marketing flexibility that I think a great many of us value in that farm legislation.

I think there is room for bipartisan concurrence. This is not a matter of one political party rolling the other or stiffing the other or coming away 100 percent victorious. I think in good faith everybody in this body wants to do what reasonably can be done to create the framework whereby family producers can at least survive the current era and emerge from the other side with an opportunity for prosperity in the future.

If we do nothing and if we take steps that are simply wholly inadequate, we are going to see the loss of thousands upon thousands of agricultural producers both in the grain and livestock sectors of our economy. The FSA leadership in my State tells us that we could lose as many as a third of the farmers and ranchers in my home State of South Dakota. That is unacceptable. That has consequences not only for the lives of those families, many of whom have been on the land for 100 years or more, going back to homesteading days, but it has consequences up and down the main streets of every community as well—not just the small farm community but the larger communities—as well as the ripple effect that takes hold, affecting the medium and large communities. I think this has global consequences. We need to recognize that as we address the situation.

I think we ought to avoid the pride of authorship and the temptation to subscribe to partisan warfare and find the middle ground. It makes meaningful, constructive, positive relief a "doable" sort of thing. I am hopeful we can send this conference report back to committee, not to emerge with a radically different approach, but to emerge with something looking more like what the President has recommended, more like what many of us on this side of the aisle would like to see happen. The veto threat is there and people can argue whether it ought to be there or not. I believe that the President is correct. I believe that the President is doing the responsible thing and doing the statesmanlike thing under these dire circumstances.

In the end, it is going to require both sides coming together. I think that is what our constituents want to see. I think they want to see us during these closing days of this 105th Congress reach that consensus that would allow for some substantially higher level of disaster relief than is currently being posed, utilized in a way that more efficiently gets to the people who need it, which addresses the national nature of the disaster which we face, and which sets a framework for prosperity in future years rather than simply being a Band-Aid for now.

Again, it is my hope that the issue of labeling country of origin on meat products—a compromise version which the Senator from Idaho and I subscribe to and went to great lengths to propose—could be revisited. Secondly, it is my hope that price transparency in the livestock industry can be revisited before we leave at the end of this week.

Much remains to be done. There is too much to be done to fall victim to partisanship and to finger pointing. We need a greater level of statesmanship, a greater level of cooperation than, frankly, has been the case all these past months. We are dealing with the very lives and the very future of thousands of hard-working, honest people in rural America who want nothing more than an opportunity to survive the year and to live by the sweat of their brow and the hard work of their families in years to come.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Madam President, first of all, let me thank the Senator from South Dakota for those kind words. I enjoyed working with him on the meat labeling issue. While the legislation before the Senate advances it only slightly through a study as it relates to the country of origin, I do believe in this country the consumers have a right to know. I believe the consumers have a right to understand whether they are buying foreign or domestic beef. I think the livestock industry deserves, also, that opportunity.

I thank my colleague from South Dakota for his leadership in the area. We will continue to work on this. This is an issue that will not go away. I certainly understand the difficulties of those in the retail industry. We can work those differences out. The compromise the Senator from South Dakota spoke to, that he and I worked on, moved a lot in that direction. I am sorry that they finally, in the end, felt they had to gang up on us a bit during the conference, but we will be back and the issue will be resolved.

I must also tell you that I support a compromise in livestock reporting. I think there must be a transparency in that market for all the world to see. There isn't at this time. We are going to have to work to get to that. I am disappointed that the bill delays the implementation of a Federal milk marketing order reform that I supported.

Now, while I have expressed my disappointment, I will stop with that because those are the areas that I had some concern about. Let me discuss the positive things that are in this very important bill. First, I thank the chairman of the Agriculture Appropriations Subcommittee of the full Appropriations Committee, the Senator from Mississippi, Senator COCHRAN, for his leniency, his cooperation, his understanding, but most importantly, his dedication to the American farmer—whether in his State of Mississippi or whether in my State of Idaho—in ensuring that there is fair play in the balance of appropriating the Nation's resources, tax dollars, for the purpose of American agriculture.

I do believe that this agriculture appropriations bill contains important funding for America's farm families. I am proud of it. I will vote for it. I ask my colleagues on both sides of the aisle to do the same. It is an excellent effort on the part of the Senator from Mississippi.

Compromise is what we work at. I am disappointed that the President, at the last moment, would send a signal of veto. I am amazed that this is a President who didn't say agriculture twice in his first campaign, but promised to say it three times in his second campaign. He never came with an agriculture policy, and now, in the last minute, after they discovered there was a farm crisis 3 months ago, he wants to veto an effort that has been underway for months to try to not only be sensitive to the issues that are down on the farm at this moment, causing great consternation, but would do so by saying, "let's veto."

The reason he says "let's veto" is because it is a habitual kind of thing for the President to want to fall backward into old policy that didn't work, that bound America's agricultural producers into a lockstep Government program offering no flexibility to the marketplace, but more importantly, having to ask the producer to turn to Government every year to decide what they were going to produce and what they were going to get in return.

Now, that is not what the American farmer wanted, and even today, while those in production agriculture recognize the importance of some adjustment, some change in the current program, they are still saying leave the new farm bill program in place. Yet, this President is threatening a veto because we will not fall back to the policy of the old.

What does the bill do that we are talking about here on the floor? Let me tell you what it does and let me tell you what it does for my State of Idaho. I will use it as an example. It funds research at America's colleges and universities in agriculture, at a time when agriculture and yields were dropping nationwide because we weren't investing in the future of American agriculture.

Well, in my State of Idaho, the bill contains $500,000 for peas and lentils research; $500,000 for grass seed research;

$500,000 for barley research; $550,000 for research on canola, a new and important crop in our area of Idaho; $1.7 million for research in small fruits; and $1.2 million for research in potatoes and potato disease, the blight that devastated production in the Idaho potato crops last year. Those are all part of a new research initiative the Senator from Mississippi worked to assure that we would get funded so we can invest in the productive future of American agriculture. It funds food stamps and other nutrition programs.

Very little has been said about that today by those on the other side. Yet, that is critically important to America's poor and disadvantaged. It funds conservation and environmental programs, and some very good ones. It contains important biodiesel legislation, a new program for a very important part of a new and emerging market for production agriculture in the oilseed industry. It contains important sanction reform legislation and exempts agricultural products from sanctions on India and Pakistan.

Why, then, if all of these good things are in there, do we have a President that threatens a veto? I have to believe it is because they didn't come with a policy; they don't have one today, and they have this habitual problem of wanting to fall back into the past. Freedom to Farm is everything about the future and very little about the past. That is where we ought to be.

Now, there is a problem in weather-related disasters. There are certainly problems with world markets, as we increasingly tie production agriculture and its profitability to the world markets. Well over 40 percent of everything a farmer in America produces today has to sell in the world market, and we have to be sensitive to that. When those markets go south, prices go south. Does that mean the policy is bad, or does it mean we have a world economic problem? I think it is the latter. We recognize that and we have pumped billions of dollars into that. It won't go to the trader and it won't go to the exporter; it goes right to the bank account of the American farmer—$2.35 billion in disaster-related programs, weather-related programs.

We turn to the Secretary of Agriculture and say: You have the tools, you implement it. We even gave him money to hire more staff to do so—$1.65 billion in income assistance directly to the farmer. This assistance will help provide America's farmers with economic stability that they need to talk to their banker this fall and to talk to their banker next spring, to get a line of credit to put the seed in the ground. And the cycle goes on.

What does it mean in my State of Idaho? I will break it out for you. Today, the price of wheat at the Port of Lewiston, ID, is $2.75. So in the 1998 crop-year, if you add the transition payment of 65 cents, another transition of 45 cents, a loan deficiency payment of 55 cents, and the aid package I just talked about of $1.65 billion, that is 19 cents—that is $1.85 per bushel, Government assistance, to a $2.78 price at the Port of Lewiston today. That is $4.62 per bushel, and $4.62 is, under the current domestic and world market situation, a fair if not a good price in Idaho for wheat.

Idaho wheat hit the bottom in early September when the price hit $2.26 at the Port of Lewiston—although the price was lower further inland in my State, which is more dependent upon rail traffic. Today, wheat is sold at $2.78; that is up 50 cents from its low. The market has assessed the production, and it is making its adjustments. We are helping stabilize that. That is probably why the bill that I am talking about, the current legislation, is supported by the National Farm Bureau and a majority of Idaho's farmers. Is it enough? Well, it is enough to get by on, especially when Government should not be the sole provider of the well-being of production agriculture. But it should understand when there is a crisis and respond to the crisis. That is what we are doing. That response is $1.84 a bushel in assistance.

Now, some keep talking about the loan caps. We voted and voted, and we voted once again on that issue. A majority of Congress said leave the loan caps alone. I believe that the farmers don't want current policy changed. And while some would agree that the loan caps ought to be changed, when I talk to my farmers back home and we walk them through all that this appropriation bill offers, they say: That is fair, Senator. That is as much as we could expect you to do, and thank you for doing it.

We have worked hard on this bill. The Senator from Kansas explained the coalition that came together before the July 4 break. We met with all of the commodity groups and asked, "What do you need?" They said, "Don't change the policy, but we have to have some transitional assistance." Times are tough, and we understood that. Many of us went home in August and listened to our farmers and came back with the mind of putting a package like this together to offer assistance.

The President wasn't listening then and he wasn't focused then. Mr. President, why did you quit your travels and come back this week and say you are going to veto the bill? I don't understand that. I don't understand why you have not been focused on this; yet, all of a sudden, it is time to veto it. You said, "I support Senator HARKIN's programs"; yet, you offer a supplemental that is billions of dollars less. You have taken two positions on the issue and now you have a third. You say, "I will veto what you send me." I don't understand that. I don't think America's farmers understand that very well. Government isn't the end-all to production agriculture. It should be of assistance when assistance is needed. It should care, and it should be concerned, and that is what this bill is reflective of this evening. We should knock down the political barriers and boundaries to enhanced trade. What has this administration done this year? They have not sold or given away one kernel of wheat in the name of humanity. Yet, they have hundreds of millions of dollars to buy wheat in the world and move it into the world hunger areas. Mr. President, why are you not doing that? Why do you come home from your world travels and political travels and say it is time to veto this effort? I don't understand that, Mr. President. I don't understand it.

What we do understand, what Congress understands, and what this bill is reflective of is that you don't change policy; you work to adjust it. You make it fit the marketplace. When there is a national environmental or weather-directed disaster, when there is a downturn in world markets, you make adjustments, you care about production agriculture, and you darn well make sure the money gets home to the bank account of the farmer.

That is what this appropriations bill offers. That is why the House voted on it 333 to 53. That is a big bipartisan vote for the House. Somehow there has to be some good in this legislation, if it drew that kind of a vote in the House. I hope it draws a bipartisan vote here when we vote on it. It deserves it, because it is reflective of the concerns of the current agricultural situation in our country, and, most importantly, it is reflective of the concern of production agriculture when production agriculture says don't change the policy over some transition, make sure that you are sensitive to what we are concerned about.

But what is important to all of us is that we listen to production agriculture. And we know that there are times when a safety net is necessary. This year, as in past years, we have offered one of the largest safety nets in the history of our Government, and we will continue to do that. But let us not change the policy and drive our Government into the business of being the partner of production agriculture, drive it into the business of not ever determining the acreage that should be farmed, or the amount that should be farmed, but into the business of knocking down political barriers, into the business of working as a partner in selling in the world markets instead of simply sitting back with hands folded saying, "Oh, gee, we have an agriculture problem."

I think we ought to do something about it. We ought to control production. We ought to squeeze down on production in the rest of the nations of the

world, save time to gear up and time to increase our acreage. If we are going to pull away, if the United States is going to pull away from its spot in the world market, we are going to fill it. That is what the policies of the past offered, and we had to fight for decades to gain them back.

I hope that in the end, when the rhetoric cools, when the President develops an understanding of production agriculture—and I give him 24 hours to do it—that he will sign the bill, offer up the kind of assistance that this bill recognizes is important for our producers, and get on with the business of being a cooperating partner with production agriculture, and not a barrier, or not a hindrance, or not a Johnny-come-lately.

Mr. President, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Iowa is recognized.

Mr. HARKIN. Thank you, Mr. President.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that Yvonne Byrne and Maureen Knightly, members of my staff, be granted floor privileges during the debate of the agriculture appropriations conference report and the vote that is taking place at 5:30.

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

Mr. HARKIN. Mr. President, first, I was listening to what the distinguished Senator from Idaho was saying. He raised one question. He asked the question, What do farmers want? That is a fair question. But there is an answer.

A poll was prepared by Rock Wood Research, a subsidiary of the Farm Journal, Inc.—we are all familiar with Farm Journal—for the Nebraska Wheat Growers Association, the American Corn Growers Association, and the Nebraska Farmers Union. It was a widely disseminated poll. It was done between September 4 and September 10 of this year. And 1,000 farmers, actual producers, were interviewed—500 corn growers and 500 wheat growers.

There were a number of questions. One of the questions asked was whether Congress should lift loan caps and raise loan rates 59 cents per bushel on wheat and 32 cents on corn, and 72.5 percent of the farmers polled said yes, they wanted the loan rates raised; only 19 percent said no.

So if you are asking the question about what farmers want, I have a scientific poll done of 1,000 farmers, a pretty good cross section, and 72.5 percent said they wanted the loan rates raised.

Another question: A farm program should retain planting flexibility, including farmer-owned and farmer-controlled grain reserves; 85.9 percent of the farmers interviewed said they would support that proposal. Only 9.9 percent opposed it.

Yet the Republicans in this body and in the House would never vote to give farmers a farmer-owned and farmer-controlled grain reserve. We have had that in the past. I, for one, happen to be in favor of reinstituting it. But, obviously, the party in power will not countenance that. So when you ask what farmers want, it is here in this poll; it is as plain as can be. If we were voting on what farmers wanted, we would have lifted the caps from the commodity marketing assistance loan rates and we would have a farmer-owned and farmer-controlled grain reserve.

So much for that question.

It has also been said that our marketing loan proposals are undermining Freedom to Farm. That is not so. What has undermined Freedom to Farm is external events, which is weak export demand from the Asian markets, along with the strong dollar, generally favorable weather and bumper crops in many areas. Those are the factors that have undermined the hoped-for success of Freedom to Farm.

Actually, the proposal that we have made would in some ways help Freedom to Farm. It is kind of odd that I find myself, who was opposed to Freedom to Farm because of its lack of income protection, saying that our proposal probably will help save it more than what is being done in this conference report. But, be that as it may, I still think that, looking at it both in the short and the long term, raising the caps on the marketing loans is the way to go.

One other point that I wanted to raise is that I really take issue with any suggestion that Secretary of Agriculture Glickman has flip-flopped on loan rates. I don't believe that assertion is supported by the facts. Secretary Glickman for some time has talked about the need to restore a farm income safety net. In fact, he said that when the President signed the 1996 farm bill into law. He was not saying that he opposed taking the loan rate caps off; he just said there needed to be a safety net. When a specific proposal to lift the caps on loan rates was made, he endorsed it, as did President Clinton. So I can't see that as any kind of a flip-flop.

A lot has been said here about generosity and how generous the Republican proposal in the conference report is for farmers, for disaster-related assistance. I divide the conference report in this regard into two areas. There is the part that goes for the natural disaster assistance and the part that goes for the income losses related to commodity prices.

On the disaster side, the proposal that we offered in conference would provide $2.486 billion in disaster assistance. The conference report has $2.350 billion. Actually, the proposal that we offered would have been more generous overall to farmers suffering from disasters than the conference report in front of us.

Mr. President, having said all of that, I must also say that there are many good features in this conference report. I commend the distinguished chairman and ranking member for their outstanding work under very difficult constraints to pull this conference report together. It has a number of provisions important not only to my State of Iowa but to the Nation that I am pleased to see included. So there are a lot of good things in the bill.

But there is one overriding shortcoming in the bill that will, of course, compel me to oppose the conference report. And that is what we have been speaking about most of the afternoon, those of us who have been on the floor; that is, what I feel to be the lack of adequate assistance to help our farmers—our farm families—deal with the worst economic devastation in over a decade. It is a matter that is simply too important to let go. I regret that I must urge my colleagues to vote against the adoption of the conference report.

Again, just to refresh my colleagues about the seriousness of the crisis facing American farm families and rural communities, in July, when this legislation was last on the Senate floor, 99 Senators voted in favor of a resolution recognizing the severity of the crisis that confronts us in agriculture and calling for immediate action. What was bad then has become even worse since.

Commodity prices have fallen even further. In the period of 11 weeks, corn and soybean prices at Central Illinois Terminal Elevators have declined 39 cents a bushel for corn and $1.49 a bushel for soybeans. At Iowa Interior Elevators, prices have fallen by similar amounts to about $1.53 a bushel for corn, and about $4.65 a bushel for soybeans. And on the livestock side, hog prices have continued at low levels, remaining at or below $30 a hundredweight in southern Iowa markets since early September. Country elevator prices are expected to fall even lower as the fall harvest gets fully in swing. Cattle prices remain low. Wheat prices have been depressed for a long time and are expected to continue so.

In addition to the low commodity prices, farmers in several regions of the country have suffered devastating losses from damaging weather, crop diseases, and other natural disasters. There has been severe drought in the South, Southwest, Southeast, and now followed by devastating hurricanes.

In the northern plains, several years of crop disease have put farmers on the ropes. As a result of all of these forces, farm income is falling drastically. It is estimated that this year net farm income will be down by more than $11 billion from last year.

That is over a 20-percent drop in farm income in 1 year. Again, this loss of income is having a horrendous effect on farm families and their communities. And there appears to be no relief in the market on the horizon.

We are all talking about the market. The theory of Freedom to Farm supposedly was that farmers can plant for the market. Well, there is no market to speak of now. We have too large a quantity of commodities for the market. We have a glut on the market, and our Asian markets and other markets are suffering. I don't know when they are going to come back. So if the response is that farmers can plant for the market, I assume the advice to farmers is not to plant because there is no market.

Well, how can that be when the farmer has his fixed costs. He has land. He has his equipment. He has all this money tied up. He has to plant. He has to plant his crops to try to make something. In fact, economically, that farmer will try to plant more. He will try to get more out of his fixed asset base to make up for his losses. He will try to get more production out of his fixed base to make up for lower prices. Therefore, we look again next year for another bumper crop coming on and continued low prices. The Asian economy is not expected to turn around quickly, the Russian economy is in the tank, and the relative strength of the U.S. dollar means that other exporting countries can offer more competitive prices than we can.

So we are now in what appears to be a prolonged period of low commodity prices. And unless we take some action, action that is truly effective, we are headed into another round of farm foreclosures and families forced out of business and off the land.

A recent Iowa State University study, for example, concluded that 2 to 3 straight years of low prices could push as many as a third of Iowa farmers into restructuring or liquidation with disastrous consequences for Iowa's economy.

I want also to underscore the broad ramifications of this farm crisis on the wider economy. Agriculture is the largest industry in my State of Iowa, as it is in a number of States. When agriculture is in a downturn in Iowa, the entire State economy feels it.

If we consider the drop in corn and soybean prices alone this year, leaving aside the precipitous drop in hog prices, Iowa's economy this year is going to take a hit of about $1.4 billion. Chopping that much out of Iowa's economy could cost upwards of 26,000 jobs, jobs that we can ill-afford to lose in my State.

Again, I want to make it clear exactly what part of the conference report I disagree with—the part dealing with loss of income caused by low commodity prices.

Again, I am not opposing that part of the conference report dealing with disaster assistance, although I did point out that what we had in our package was a little bit more generous to those farmers hard hit by the disasters than what is in this conference report.

We had worked, Senator DASCHLE and a number of my colleagues and I had worked on an emergency request sent up by the administration. We made some modifications and additions to the administration's request. We came up with what we considered to be a well-balanced bill. The emergency package that we put together would have provided about $130 million more in disaster-related assistance than the provisions now in the conference report.

The other essential part of the package, apart from the disaster assistance, is to restore some of the farm income safety net. If we consider those two aspects of the emergency package in tandem, then every State in the United States would have come out better under our proposal than under what is now in the conference report, and that includes the States hard hit by natural disasters.

Let me explain further why what is in this conference report is inadequate to deal with the problem of low commodity prices. The conference report includes $1.65 billion that would be added to the Agriculture Market Transition Act, otherwise known as AMTA, payments that farmers will receive for fiscal 1999. I understand that these payments would mean an addition of about 19 cents a bushel for wheat and about 11 cents a bushel for corn when considered on the basis of program payment yield.

Keep in mind there are no payments directed for soybeans or oilseeds in this conference report even though soybean prices have dropped dramatically.

Also, keep in mind that actual yields are greater than the program payment yields used for calculating the AMTA payments. So if we consider the actual production on farms, the conference report would provide about 13 cents a bushel for wheat and about 7 cents a bushel for corn. Again, no direct assistance for soybeans.

These levels of assistance are totally inadequate. In fact, a spokesman for one Member of this body said it better than I could. He said the proposal is a "slap in the face" to farmers. Well, it really is. I likened it to giving a person dying of thirst a thimbleful of water; it might relieve suffering momentarily but it really doesn't solve the problem of the person dying of thirst.

The proposal that Senator DASCHLE and I along with others put forward is different. This proposal, which has been talked about by others this afternoon, simply would lift the caps from the commodity marketing assistance loan rates. If that was done, our proposal would add about 57 cents a bushel in added income protection for wheat, compared to 13 cents in the conference report, 28 cents a bushel for corn compared to 7 cents a bushel for corn in the conference report, and about 28 cents a bushel for soybeans compared to zero for soybeans in the conference report. I might also point out it would provide higher loan rates for both cotton and rice.

Our proposal obviously was rejected in conference. That is very unfortunate because it goes much further than what is in the conference report toward addressing the devastating loss of farm income due to low commodity prices. Again, if we have low commodity prices caused by a glut, bumper crops, combined with the loss of foreign markets we are going to have to enact some reasonable income protection to help farmers make it through this economic disaster—a disaster not of their own making. I know there has been a lot of discussion about fast track as though that is the magical solution to everything that is wrong in the farm economy. If only we had fast track, it is suggested, everything would be beautiful. Let's be honest and let's be real about it. Fast track could help us 5 or 7 years from now, which is how long it took to get the Uruguay Round completed. But fast track doesn't help us now. Not in any way does it help the farm families who face foreclosure in the next few months. I say that as someone who has voted for fast track in the past, who voted for NAFTA and voted for the Uruguay Round agreement. I defy anyone to come to the floor and tell me how, if fast track were passed right now, it could possibly help farmers who are in dire straits this year and next year. So fast track may have some benefits down the pike, depending on what comes out of the negotiations, but none in the immediate future.

Again, I and others who have proposed lifting the caps on marketing loan rates have been accused of going beyond the scope of the farm bill, of reopening the farm bill. Well, the fact is marketing loan are in the farm bill. The bill set a formula for loan rates, but then put an arbitrary cap on the loan rates for budgetary reasons. Taking off the caps and letting the formula already in the bill work, as we are proposing, is not really reopening the farm bill. We are simply taking what is in the farm bill, a tool that is in there, and using the tool to enhance the farm income protections within the basic structure of the 1996 farm bill—simply by removing the caps. That change, combined with extending the loan period, will help farmers well into next year—and next year and the year after if the policy were adopted for the long term as I believe would be desirable. Added AMTA payments will go out this year, and that is it. A lot of the new

AMTA payments will go to farmers who will not be farming next year. A lot of that AMTA payment will go to farmers whose landlords will seize the opportunity to increase the rent and take it back in rent payments. So basically the AMTA payment is sort of a one-time payment to farmers, but it really is not going to solve the problem.

Again, I would like to illustrate the difference between the conference report and what the Democratic plan was. For a 650-acre corn and soybean farm in Iowa with 390 acres of corn base, 260 acres of soybeans, the conference report will provide a $4,230 payment to that farmer. The Democratic proposal, in removing the marketing loan caps, would provide increased income protection of $18,455 or a difference of $14,225 to the farmer with 390 acres of corn and 260 acres of soybeans in Iowa.

So again, that is a very substantial difference, and it is a difference that would carry through into next year because of the improved income safety net aspect of the marketing assistance loan. The small AMTA supplement is a short term one-time payment.

So again, I just ask my colleagues from the Corn Belt whether 7 cents a bushel paid out now, but soon gone, is anywhere near enough to address severe farm income problems. Is 13 cents a bushel enough even to begin to address the economic devastation in wheat country? And I ask my colleagues whether a proposal with no direct support for soybeans is adequate to address the steep decline in soybean prices.

So that is really the question today. The question is whether or not those very small cash payments are going to be adequate for the tremendous farm income problems that are out there. I do not believe so. I do not believe that will help nearly enough—

The PRESIDING OFFICER. If the Senator will withhold, the hour of 5:30 having arrived, the clerk is to report the motion to invoke cloture on the motion to proceed to H.R. 10.

Mr. HARKIN. Mr. President, I ask unanimous consent that I just be allowed 3 more minutes.

The PRESIDING OFFICER. Is there objection?

Mr. ROBB. Mr. President, reserving the right to object, I ask for 1 additional minute at the conclusion of the remarks of the Senator from Iowa before the rollcall vote on the motion to invoke cloture.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HARKIN. Mr. President, again, this conference report needs to be rejected and sent back for further work to restore farm income protection by removing the marketing loan rate caps. There are also two other areas in which the conference report is not acceptable.

I would mention the labeling of beef and lamb for country of origin. The House Republicans rejected this idea. It is too bad, because under the WTO it is allowed, to have country of origin labeling. It is not just for our beef and lamb producers in this country. I believe our consumers have the right to know, when they buy a steak or chop or other cut of beef or lamb at the meat counter, what its country of origin is.

Second, we had mandatory price reporting in the Senate bill so livestock producers will have information to help them evaluate packer bids for fairness. The conference report converted that bill language into weak report language. We have had study after study after study on pricing practices in the livestock and meat business and the need for more openness and transparency. It is time we have real action, not another study on that.

For those reasons I believe the conference report ought to be rejected and sent back for further work. If it is not, then I am afraid we will have a one-time payment to farmers this fall and we will be back again here next year with fewer farmers and even more economic devastation in rural America.

Mr. President, I ask unanimous consent to have printed in the RECORD "Suggested Changes in Farm Policy for the 21st Century," submitted by Dr. Neil Harl of Iowa State University, and I yield the floor.

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

SUGGESTED CHANGES IN FARM POLICY FOR THE 21ST CENTURY

FINE TUNING "FREEDOM TO FARM"

(By Neil Harl)

Farmer-owned storage program for major commodities.

Long-term land idling (up to 20 years) in marginal areas (contracts terminate if prices rise above a specified level).

Standby authority to implement acreage set aside (if prices remain for a specified period below a designated level).

Adequate funding for FSA direct lending and loan guarantees for limited resource borrowers.

Continue LDP and marketing loans with slightly higher loan rate (not higher than cost of production on marginal lands).

The PRESIDING OFFICER. The Senator from Virginia, under a previous unanimous consent request, is recognized for 1 minute.

Mr. ROBB. Mr. President, I rise to express my surprise and dismay about what occurred in the conference committee on the agriculture appropriations bill.

During debate on this bill in July, Mr. President, the Senate accepted an amendment I offered to waive the statute of limitations for discrimination complaints filed by many small and minority farmers against the U.S. Department of Agriculture. This amendment addresses an urgent and shameful problem, Mr. President, and we worked with farmers, the White House, the USDA, the Department of Justice, and the Congressional Black Caucus to develop language that would protect the legal rights of farmers' and be implementable by USDA.

Mr. President, similar language was included in the House bill, but it was drafted more quickly and with less consensus. It was more narrowly defined and had less aggressive time limits for USDA to resolve discrimination complaints. And it cost $5 million less.

And even though Representative MAXINE WATERS, the chairman of the Congressional Black Caucus lobbied the conferees in support of the Senate version of this amendment, Mr. President, the Senate lost on almost all counts.

To give my colleagues some background, the investigative unit at USDA's Office of Civil Rights was abolished in 1983. Farmers whose complaints were pending at the time were led to believe their complaints were still being investigated, when they were not. Farmers who filed complaints after the abolition of the unit were also led to believe that their complaints would be processed and investigated, despite the fact that the USDA had no resources with which to conduct such investigations. The bottom line is that none of these complaints were ever considered—but none of the farmers were told that was the case.

When Secretary Glickman learned of this problem, Mr. President, he directed that the complaints be resolved quickly. In fact, I offered an amendment to last year's appropriations bill to fund the investigative unit.

But when USDA was finally prepared to enter into settlement agreements on some of these cases, Mr. President, the Department of Justice stepped in to claim that the statute of limitations for the complaints—despite USDA's deception in the matter—had expired. The amendment I offered to this year's appropriations bill eliminates this legal obstacle and allows farmers to pursue their claims of discrimination. It allows them to have their day in court, so to speak.

As we approached conference, however, I learned through staff that objections to accepting the Senate version of this amendment were raised based on cost. Our version was scored at $15 million, while the House version was scored at $10 million. Mr. President, there's no question the two amendments were slightly different. But the $15 million in the Senate amendment was to compensate Americans for discrimination perpetuated by their own government. It was a figure determined by CBO, conferring with USDA, about which of the pending complaints would have likely resulted in legitimate and

provable cases of government discrimination. It is money that our government owes to farmers who have been treated in such an unjust and morally reprehensible manner.

Mr. President, during conference deliberations, I learned that the House conferees objected to the scope of the Senate amendment. As I've alluded to before, the House version addressed only discrimination complaints against the Farm Service Agency. My amendment addressed complaints filed against not only the Farm Service Agency, but also the Rural Housing Service. We know that discrimination has occurred in both agencies, and study after study has clearly illustrated this. Unless we address complaints against both agencies, we allow justice to continue to elude a number of minority farmers in America who deserve at long last to be treated fairly.

To my dismay, Mr. President, the conferees accepted the House version of the civil rights amendment, adding only a small portion of the Senate version.

The Senate version of the civil rights amendment allowed for the waiver of the statute of limitations for discrimination complaints made against both the Farm Service Agency and the Rural Housing Service. The House version only allowed the FSA claims.

While the conference language allows farmers to file suit in federal court if their claims for relief are denied by USDA, the Senate language specified that the federal court shall apply a de novo standard of review. This standard would have allowed a federal court to review USDA's findings and rationales with a fresh eye, so to speak. In other words, a court would not be required to give as much deference to USDA's decisions. This is obviously a protection that would have given aggrieved farmers a degree of legal protection that is imminently justified. Yet no such protection exists in the conference language.

To make matters worse, Mr. President, the one protective provision that I was told would be included in the conference language—the expedited review provision—was somehow omitted from the conference report. When the conferees reached a compromise on this amendment, it is my understanding that they specifically agreed to include a provision of my amendment which limited USDA to 180 days in which to investigate complaints, issue findings, and propose settlement awards, where applicable. This provision was supposed to be included, but it was not.

Mr. President, I am at a loss to explain why we can't do a better job of rectifying such a grevious history of overt, admitted discrimination for so little money. Our Minority farmers deserved better conference language from this Congress than they got. It just underscores the enormous obstacle we face in resolving this issue—and that is that too few members care enough about this problem to give it the attention and the priority it calls for.

Before I conclude, Mr. President, I'd like to share with my colleagues some updated news. Last week, the Office of Inspector General issued a report which lambasted the Office of Civil Rights' handling of the backlog of discrimination complaints. The report characterized the Office's case files as "too slovenly to ensure the availability of critical documents." It further berated the Office for its failure to implement the majority of recommendations made to the Department in a February 1997 report.

I am not sure why this Department has had so many problems, not only with eliminating unjust and inexcusable behavior, but also with efficiently resolving complaints of discrimination. These are symptoms of an overwhelming and inexcusable problem. As many of my colleagues know, this is a problem that I have been working to solve for almost two years, from the moment it was first brought to my attention by a group of minority farmers headed by a Virginian.

Mr. President, I have heard account after account of inexcusable behavior on the part of various officials at USDA, primarily those in positions of authority who process farmers' applications for loans. Some farmers have had trouble even getting loan applications, much less having their applications processed in a timely manner. Many farmers have cited stories in which their applications have been purposely processed later than those of non-minority farmers. The loan money then, in effect, was dispersed to non-minority farmers first. Then, when many minority farmers checked the status of their applications, the USDA officials responded by stating that there wasn't any money left. Another farmer told me that a USDA official was permitted to keep a noose in his office, despite repeated complaints about the message it sent to minority farmers wishing to do business in that office.

I know that Secretary Glickman is committed to stemming this pattern, but ultimately Congress is responsible for overseeing our government agencies. In the two years that I've been working on this issue, talking with farmers, meeting with the Secretary and the President, we, as a Congress, have not taken a sufficiently forceful approach to stem this shameful pattern of discrimination. In my view, that makes us part of the problem as well.

When the conferees chose not to accept the Senate language, they made a choice that sends a disquieting message to minority farmers across this country. The message they sent was that they were willing to do the bare minimum for minority farmers who have suffered discrimination at the hands of government officials. It is a message that we, the Congress, are not willing to get fully invested in eliminating discrimination within our own government.

The President has indicated that he will veto this bill, and I am hopeful that my colleagues will take another opportunity to look at the differences between the Senate language and the conference language. We will have another opportunity to correct a critical error in our priorities. The farmers deserve our best oversight efforts, and they deserve the strongest civil rights amendment that we can craft. I will continue to push all of our colleagues to do so. A lack of attention to this issue means not only failure on our part, but a perpetuation of a problem for which we should all be ashamed.

Thank you, Mr. President. I'd like to ask unanimous consent that this letter and executive summary from the Inspector General to the Secretary of Agriculture dated September 30, 1998 be included in the RECORD immediately following my remarks.

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

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF INSPECTOR GENERAL,
Washington, DC, September 30, 1998.

REPORT TO THE SECRETARY ON CIVIL RIGHTS ISSUES—PHASE V

From: Roger C. Viadero, Inspector General.

Subject: Evaluation of the Office of Civil Rights' Efforts to Reduce the Backlog of Program Complaints, Evaluation Report No. 60801-1-Hq.

In July 1998, your Assistant Secretary for Administration asked the Office of Inspector General to review the efforts by the Office of Civil Rights (CR) to reduce the backlog of program complaints in USDA. Attached is a copy of the results of this review. This represents our fifth evaluation of the Department's efforts to reduce the program complaints backlog and to improve the overall complaint processing system, including the investigative process.

We found that the Department, through CR, has not made significant progress in reducing the complaints backlog. Whereas the backlog stood at 1,088 complaints on November 1, 1997, it still remains at 616 complaints as of September 11, 1998.

The problems we noted before in the complaints resolution process also continue. CR's data base remains an unreliable repository of information, and its casefiles are too slovenly to ensure the availability of critical documents. A disaffected staff and a leadership vacuum have contributed to a system that cannot ensure complainants a timely hearing of their grievances.

Of considerable concern to us is CR's lack of progress in reforming its operations in accordance with our previous recommendations. Few corrective actions have been taken to increase the efficiency of the complaints resolution process. We also noted that CR staff members have not always been honest in portraying the actual level of their performance. Some of the information they gave us proved to be inaccurate. Some of the

information they gave you on earlier occasions proved likewise to be inaccurate.

Because of continuing problems in the complaints resolution process, we are recommending that you convene a Complaints Resolution Task Force (independent of CR) to immediately assume control of the backlog and have full authority to resolve complaints, including entering into settlement agreements. We are also recommending that the civil rights function within the Department be elevated to the level of Assistant Secretary.

At your request, we will be continuing our work with CR, giving special emphasis to its management of settlement agreements.

EXECUTIVE SUMMARY

Purpose

The Assistant Secretary for Administration asked us to perform a followup review of the operations of USDA's Office of Civil Rights (CR), the office responsible for resolving complaints made against the Department for alleged civil rights violations in the administration of its programs. During four previous reviews of the Department's civil rights program complaints system, we determined that the system was not functioning properly and that the Department had amassed a growing backlog of complaints that required immediate attention. Although CR itself could not accurately determine how large the backlog was at the time of our first review, it later identified 1,088 outstanding unresolved complaints before November 1, 1997.

Results in brief

Our past reviews had questioned the productivity of CR; we had found a disaffected staff and a leadership vacuum. Little was being accomplished by USDA agencies to respond to citizen complaints of discrimination and little was done by CR to manage the resolution process. Some complaints in CR's backlog had languished for over 2 years. After our February 1997 report, CR made the resolution of its backlog its first priority.

Our current review disclosed that the backlog of complaints of civil rights violations, although reduced, still stands at 616 cases as of September 11, 1998. Of these 616 cases, 80 are under investigation, 310 are awaiting adjudication, 23 are undergoing a legal sufficiency review, and 103 are pending closure. The remaining 100 cases still await a preliminary analysis. (Because 164 complaints are involved in lawsuits against the Department, their cases cannot currently be processed. Of these 164 cases, 147 are included in the remaining backlog.)

The backlog is not being resolved at a faster rate because CR itself has not attained the efficiency it needs to systematically reduce the caseload. Few of the deficiencies we noted in our previous reviews have been corrected. The office is still in disarray, providing no decisive leadership and making attempt to correct the mistakes of the past. We noted with considerable concern that after 20 months, CR has made virtually no progress in implementing the corrective actions we thought essential to the viability of its operations. The following table summarizes the key areas for which our recommendations were made and in which the uncorrected deficiencies persist.

TABLE 1.—AREAS OF DEFICIENCY PREVIOUSLY NOTED BY OIG AND STILL UNCORRECTED—RECURRING OFFICE OF CIVIL RIGHTS ISSUES

Issue	OIG Evaluation Phases					
	Alert (02/25/97)	I (02/27/97)	II (09/29/97)	Memo (12/18/97)	IV (03/04/98)	V (09/30/98)
Review State foreclosure actions	X	X	X	X	X	X
Send letters of acknowledgment (Completed November 1997)		X	X			
Develop and maintain a data base		X	X	X	X	X
Evaluate each agency's civil rights staff		X	X	X	X	X
Clean casefiles		X	X	X	X	X
Clear backlog		X	X	X	X	X
Publish regulations		X	X	X	X	X
Reconcile casefiles with USDA agencies		X	X	X	X	X
Write plans for compliance reviews		X	X	X	X	X
Follow up on isolated instances of potential discrimination				X	X	X
Find lost casefiles		X	X	X	X	X
Use aging reports		X	X	X	X	X
Train investigators			X	X	X	X

X Condition originally noted and recommendation made. X Condition continues. X Corrective action taken but not adequately implemented. See exhibits B and C for the Secretary's memoranda regarding Phases I and II.

We estimate that if CR continues to operate under its current methods and at its current rate, the backlog of complaints existing on November 1, 1997, will not be completely resolved for at least another year.

Most conspicuous among the uncorrected problems is the continuing disorder within CR. The data base CR uses to report the status of cases is unreliable and full of errors, and the files it keeps to store needed documentation are slovenly and unmanaged. Forty complaint files could not be found, and another 130 complaints that were listed in USDA agency files were not recorded in CR's data base. Management controls were so poor that we could not render an opinion on the quality of CR's investigations and adjudications.

Of equal significance is the absence of written policy and procedures. It is incumbent upon CR to revise department policy to ensure it complies with civil rights laws and to establish the framework of its own activities. We believe standardized, written guidelines are essential to CR's operation, and it is a matter of concern to us that CR has, over the space of 20 months, produced nothing to lay the foundation for good management controls.

The absence of formal procedures and accurate records raises questions about due care within the complaints resolution process. We found critical quality control steps missing at every stage of the process. Staffmembers with little training and less experience were put to judging matters that carry serious legal and moral implications. Many of CR's adjudicators, who must determine whether discrimination occurred, were student interns. Legal staffmembers with the Office of the General Counsel (OGC), who review CR's decisions for legal sufficiency, have had to return over half of them because they were based on incomplete data or faulty analysis. We noted that a disproportionately large percent of the 616 cases of unresolved backlog had bottlenected in the adjudication unit.

Furthermore, CR may not understand the full scope of its authority. CR has concentrated its oversight on federally-conducted programs; it has largely ignored a host of federally-assisted programs (e.g., crop insurance, research grants) in which complaints of discrimination may have been made.

CR's unsuccessful efforts to resolve the backlog of civil rights complaints are in part the symptom of an insecurity that has affected office morale. The many reorganizations the complaints resolution staff has undergone, the high turnover the staff has experienced within the last several years, and the inadequate training afforded both managers and staffmembers, have left the staff unfocused and without clear direction. The staff we found at the civil rights offices was not a coherent team of dedicated professionals with a shared vision but a fragmented order of individual fiefdoms, each mindful only of its own borders and its own responsibilities. Low office morale has contributed to a lack of productivity. CR's data base shows that since January 1997, CR closed only 19 cases through adjudication, 8 of which were not even investigated by CR. Through this inefficiency, complainants are being denied a timely hearing of their civil rights complaints.

Also disturbing was the evasiveness we encountered at CR. We found discrepancies between what we were told by staffmembers and what we were subsequently able to verify. We found similar discrepancies in information CR communicated to the Secretary. These discrepancies, in the number of open and closed complaints, were repeated at congressional hearings and other public forums.

We concluded that in order to complete the backlog of cases expeditiously, the Secretary needs to transfer resolution of the backlog to a complaints resolution task force, composed of seasoned adjudicators and well qualified civil rights personnel from Federal agencies outside USDA. The task force should have full authority to review and resolve all complaints.

To increase CR's efficiency in the long term, the Secretary should create an Assistant Secretary of Civil Rights with subcabinet-level status. Concurrently, the CR Director should emphasize hiring managers who have a solid background in civil rights and a good knowledge of Department programs.

Once in operation, the task force would provide CR with the opportunity to focus on its own structure and implement the reforms it needs to function efficiently. We believe CR is capable of these reforms and that it is in the best position within the Department to act objectively in resolving civil rights complaints. Consequently it should retain Department authority to investigate future complaints. We believe that when CR has taken the corrective actions we previously recommended, as well as the steps outlined in this followup report, it will provide more efficient service.

Key recommendations

We recommend that the Secretary take the following actions to ensure that citizens who have complained of discrimination by USDA receive a timely hearing:

Immediately convene a complaints resolution task force, composed of well qualified civil rights personnel from other Federal agencies and senior USDA program personnel with decision-making authority. The task force, under the direction of an Executive Director who reports directly to the Secretary, should immediately assume control of the backlog and have full authority to review and resolve complaints.

The complaints resolution task force could also assist the CR Director in reviewing new complaints that have exceeded the 180-day resolution deadline set by the Civil Rights Implementation Team.

The OGC and the CR Director should be available to assist the task force in its efforts.

The task force should perform a case-by-case, document-by-document sweep of the casefiles to restore retrievability to the information contained in the files.

Elevate the Department's civil rights functions to the level of Assistant Secretary with full authority across agency lines.

Require CR to (a) issue needed operational policies and procedures within a 2-month timeframe, (b) resolve within 2 months all other recommendations that we made in our previous reports but that CR has failed to implement, (c) keep open all cases with settlement agreements so the agreements may be tracked, and (d) institute other operational improvements that will ensure the efficient operation of the civil rights functions within the Department and ensure due care in the resolution of all civil rights complaints as well as a timely hearing for all complainants.

Statistical data on complaints

According to CR's data base as of September 11, 1998, the Department's inventory of complaints totals 1,439 that are open and 582 that are closed. Of the total open and closed cases, 383 are part of 2 lawsuits brought against the Department; 77 from the *Brewington* lawsuit, and 256 from the *Pigford* lawsuit. These cases are identified separately because the court prohibited CR from processing the cases as long as they were under litigation.

CR categorizes complaints that have not yet been reviewed as "intend-to-file" cases. Normally these cases are considered "unperfected." However, if the complainant has indicated an intent to go forward with the complaint once Congress waives the 2-year statute of limitations, the case is identified separately.

The three tables on the next page identify the status of all cases in the inventory.

TABLE 2—STATUS OF CIVIL RIGHTS PROGRAM COMPLAINTS AS OF SEPTEMBER 11, 1998

	Not in Lawsuit			Pigford Lawsuit [1]			Brewington Lawsuit [2]			Total		
	Intend	Open	Closed	Intend	Open	Closed	Intend	Open	Closed	Intend	Open	Closed
Backlog		469	455		144	16		3	1		616	472
New		138	106		19	2		6	1		163	109
Unperfected	271		1	6			7			284		1
Statute of Limitations	248			69			59			376		
Totals	519	607	562	75	163	18	66	9	2	660	779	582

[1] Actual total number of complainants in the Pigford lawsuit as of 08/06/98 is 481. Not all complainants are captured in CR's data base.

[2] Actual total number of complainants in the Brewington lawsuit as of 08/06/98 is 132. Not all complainants are captured in CR's data base. CR is prohibited from processing cases under litigation and cannot yet process those cases which fall outside the statute of limitations.

TABLE 3—STATUS OF CIVIL RIGHTS BACKLOG PROGRAM COMPLAINTS AS OF SEPTEMBER 11, 1998

	Not in Lawsuit	Pigford Lawsuit	Brewington Lawsuit	Total
Pre-Investigation	69	31		100
Under Investigation	75	5		80
Adjudication	214	93	3	310
At OGC	19	4		23
Pending Closure	92	11		103
Closed	455	16	1	472
Total	924	160	4	1,088

TABLE 4—STATUS OF CIVIL RIGHTS NEW PROGRAM COMPLAINTS AS OF SEPTEMBER 11, 1998

	Not in Lawsuit	Pigford Lawsuit	Brewington Lawsuit	Total
Pre-Investigation	126	17	6	149
Under Investigation	2			2
Adjudication	7	2		9
At OGC				0
Pending Closure	3			3
Closed	106	2	1	109
Total	244	21	7	272

Mr. BUMPERS. Mr. President, I ask unanimous consent I be permitted to proceed for 2 minutes prior to the cloture vote.

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

Mr. BUMPERS. Mr. President, when Senator COCHRAN and I reported the fiscal year 1999 appropriations bill for agriculture, rural development and related agencies to the Senate earlier this year, our recommendation included maintaining the studies and evaluations activities for USDA's food programs with the Food and Nutrition Service (FNS). This recommendation was consistent with the President's budget request.

The studies and evaluations activities are important for a number of reasons. These activities enable better program management of the several domestic feeding programs administered through USDA. We should remember that USDA's nutrition programs comprise the lions' share of the USDA budget and are often all that stands between many of our people and abject hunger. Because of the long-term health implications associated with a healthy, nutritious diet, it is absolutely vital that program administrators have access to relevant and updated information regarding nutrition and program delivery.

Mr. HARKINS. I agree with the Senator from Arkansas' explanation of the importance of these research functions at USDA. Although the Senate position going into conference was to fund the food program studies and evaluations through FNS, the House insisted on their provision which would place these functions with the Economic Research Service (ERS). We were able to reach an agreement with the House conferees, as included in this Conference Report, to transfer $2 million from the ERS back to the FNS for this purpose. It is our expectation that the ERS will continue its working relationship with the FNS in order for that agency to conduct the same type of studies and evaluations as in the current fiscal year.

Mr. BUMPERS. Mr. President, I would like to note the importance of coordinating the research agenda for the food program studies and evaluations between USDA's research and nutrition subcabinet officers. I cannot understate the importance of these two branches of USDA continuing to work together, as they have done this year, to ensure that FNS' research agenda meets the needs of program managers to have adequate information to guide their program decisions.

Mr. COCHRAN. Senator Bumpers is correct. I strongly urge the Under Secretary for Food, Nutrition, and Consumer Service and the Under Secretary for Research, Education and Economics to continue working together to establish a reasonable division of effort consistent with a sound research agenda.

NATIONAL SWINE CENTER

Mr. HARKIN. I would like to engage my colleague, Senator BUMPERS, the ranking member of the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies in a colloquy regarding the pending legislation. For clarification, I would like the Senator to provide further explanation of language included in the Statement of Managers accompanying the conference report to H.R. 4101.

It is my understanding that language under the heading of the Agricultural Research Service imposes a limitation on funding for the National Swine Research Center at Ames, Iowa, but is related to operational and maintenance costs for that facility beyond those normally associated with assignments of ARS personnel. This interpretation would not be inconsistent with the general provision of the conference report that prohibits the transfer of title of the Center to USDA.

Mr. BUMPERS. The Senator from Iowa is correct. While the conference report does not allow for the transfer of title of the facility to USDA, and the

Statement of Managers includes language limiting the use of funds for operational costs, that limitation does not apply to the allocation of funds pursuant to normal ARS scientist assignments. The Statement of Managers includes direction that an increase of $2 million for ARS research at Ames, Iowa, is included as reflected in the accompanying table. That table indicates an increase of $1 million for the National Animal Disease Center and an additional $1 million for Livestock Management. The latter amount is available for use at the National Swine Research Center consistent with normal ARS personnel funding allocations.

Mr. HARKIN. I thank the Senator for his further explanation.

Mr. BUMPERS. Mr. President, let me say, and I would be remiss if I did not say it at this point, I think, one of the things I will miss deeply when I leave the U.S. Senate will be the excellent relationship I have had with the chairman of this committee. He has been, probably, much more generous to me through the years that he was chairman than I was to him when I was chairman. But I want the whole Senate to know of my deep admiration for him. I want the whole country to know it. He is a consummate gentleman. He is a man of impeccable integrity. He is accommodating to a fault to his colleagues. And one of the things I will miss is his counsel, advice and common sense.

He is the personification of what public service should be. I have been most honored to serve with him and I will cherish his friendship always.

I yield the floor.

FINANCIAL SERVICES ACT OF 1998—MOTION TO PROCEED

CLOTURE MOTION

The PRESIDING OFFICER. The hour of 5:30 having arrived, or 5:36, the clerk will report the motion to invoke cloture on the motion to proceed to H.R. 10.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 588, H.R. 10, the financial services bill.

Trent Lott, Alfonse D'Amato, Wayne Allard, Tim Hutchinson, Dan Coats, Rick Santorum, Robert F. Bennett, Jon Kyl, Gordon Smith, Craig Thomas, Pat Roberts, John Warner, John McCain, Frank Murkowski, Larry E. Craig, and William V. Roth, Jr.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate be brought to a close?

The yeas and nays are required.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Utah (Mr. HATCH) and the Senator from Pennsylvania (Mr. SANTORUM) are necessarily absent.

Mr. FORD. I announce that the Senator from California (Mrs. BOXER), the Senator from Illinois (Mr. DURBIN), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote "aye."

The yeas and nays resulted—yeas 93, nays 0, as follows:

[Rollcall Vote No. 297 Leg.]

YEAS—93

Abraham	Faircloth	Lott
Akaka	Feingold	Lugar
Allard	Feinstein	Mack
Ashcroft	Ford	McCain
Baucus	Frist	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Breaux	Grassley	Nickles
Brownback	Gregg	Reed
Bryan	Hagel	Reid
Bumpers	Harkin	Robb
Burns	Helms	Roberts
Byrd	Hutchinson	Rockefeller
Campbell	Hutchison	Roth
Chafee	Inhofe	Sarbanes
Cleland	Inouye	Sessions
Coats	Jeffords	Shelby
Cochran	Johnson	Smith (NH)
Collins	Kempthorne	Smith (OR)
Conrad	Kennedy	Snowe
Coverdell	Kerrey	Specter
Craig	Kerry	Stevens
D'Amato	Kohl	Thomas
Daschle	Kyl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lautenberg	Torricelli
Domenici	Leahy	Warner
Dorgan	Levin	Wellstone
Enzi	Lieberman	Wyden

NOT VOTING—7

Boxer	Hatch	Santorum
Durbin	Hollings	
Glenn	Moynihan	

The PRESIDING OFFICER. On this vote, the yeas are 93, the nays are 0. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I know that a number of my colleagues are on the floor who want to make statements. I see Senator DOMENICI is here, and he indicated to me that he wanted to speak for several minutes. I am wondering if my colleagues would agree to let Senator DOMENICI make his statement, and then I would like to address the vote that has just taken place. I am not going to spend too much time. If there is no objection, I will yield to Senator DOMENICI without losing my right to simply speak to this vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New Mexico is recognized.

KOSOVO

Mr. DOMENICI. Mr. President, I will take just a couple of minutes. I want to comment on the administration's discussions with us regarding Kosovo and just make one statement that I feel compelled to make on the Senate floor, which I have made to the administration and to a number of Senators.

First of all, from this Senator's standpoint, it will be extremely difficult to support any kind of military action in Kosovo unless the President of the United States requests of us significant increases to the defense budget to address the shortfalls in military readiness, personnel, and modernization recently acknowledged by the Joint Chiefs of Staff.

From my standpoint, we ought not be supporting additional military action and putting our men and our equipment in harm's way unless and until we have a game plan to put adequate resources into our Defense Department for the readiness shortfalls that already exist.

The crisis in military preparedness that has only belatedly been acknowledged by the President and his administration is very grave.

To support ongoing operations around the world, our men and women in uniform are deployed far away from their homes and their families for unprecedented lengths of time. Morale among many of our troops is suffering, and recruiting and retention statistics are dangerously low. Modernization of our force is seriously underfunded across the services. Training in many of the combatant commands must halt well before the end of the fiscal year due to funding and supply shortfalls. Nearly 12,000 military families are once again on food stamps. And failing to provide additional funding for potential costly military operations in Kosovo while United States forces are about to complete 3 years in Bosnia at a cost of nearly $10 billion will, in my opinion, severely and perhaps irreparably exacerbate the critical readiness crisis that exists.

In summary, if the President expects this Senator to support Kosovo action—and I am not sure the administration seeks a resolution—I have just stated succinctly what I believe is an absolute necessity on the part of the President and his administration; that is, tell us how you are going to make our military ready again before you send them into harm's way again, when we already know that we are short of much of the equipment and parts and our military is in many respects lacking and deficient in readiness.

I think it is a simple proposition. I think they have time to do it. I think it is serious. I think when many Senators find out about the readiness issues, they are going to be saying the same thing: Let's see how we are going to fix that before we engage in another battle.

I yield the floor. I thank the Senator.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

THE FINANCIAL SERVICES MODERNIZATION BILL—MOTION TO PROCEED

Mr. D'AMATO. Mr. President, first of all, let me commend my colleagues for the overwhelming vote on H.R. 10, the financial services modernization bill, which passed 93 to 0, in terms of moving forward. It was a motion to proceed to consider. I know it wasn't on the bill itself, and I know that there are some Members who do not agree and some who oppose very strongly various provisions of the bill. That is understandable, because it is a major piece of legislation.

I thank the majority and the minority leaders for their support and for their help in getting this bill to this point, facilitating it, and the members of the Banking Committee and the ranking member, Senator SARBANES of Maryland, who have worked in the most constructive of manners, putting the interests and needs of the financial services community of this great Nation of ours—the capital formation system that is so important—putting those interests and needs first.

I have to tell you that this is not a partisan matter, that the Senate has addressed this in the uniquely bipartisan way that reflects very, very credibly upon this institution, again, recognizing the fact that Members certainly cannot agree with all of the provisions that may be contained in this very comprehensive bill.

Mr. President, the need for legislation to modernize the financial services industry is obvious. The existing legal framework has been for some time fundamentally outdated, and this body itself has recognized the existing laws are part of the statutory framework built largely in the 1930s and they just do not fit the realities of today's financial marketplace.

Congress has been attempting to pass legislation to modernize this system for almost 25 years. The only barrier to success now is the Senate of the United States. We really are at a historic moment.

Let me cite the views of Paul Volcker, a former Chairman of the Federal Reserve, to place our deliberations in some kind of historical perspective. No one can say it is turf as it relates to Mr. Volcker and what his position may or a may not be. He says:

> Over the long years of debate, it typically has been the U.S. Senate that has been in the vanguard in seeking reform, and it was the House that could not reach satisfactory consensus. Now, after extended hearings and debate, with strong leadership support, a coherent and responsible bill has emerged from that body. This month the Senate has a unique opportunity to complete the process, ending years of frustration for the markets and for Congress alike. At issue is not just the matter of American banking legislation and certainly not a narrow political calculation of what parochial industry position is most completely satisfied. This is a time for the United States in much easier circumstances to demonstrate that we are capable of enacting ourselves the kind of reforms we press on others.

Mr. President, how cogent these words and these observations are. Indeed, Mr. Volcker wrote this article and submitted it, and it has been carried in a number of news media across the country some weeks before the full extent of what is taking place in the world banking community and the financial services industry has been understood, before it has become even more important and paramount that the kinds of reforms that are so necessary and that many other countries have been avoiding are reforms that we ourselves must and should undertake, instead of having a piecemeal approach in a haphazard way, of whether the regulator at the Fed or the Treasury in terms of the Comptroller undertaking changes leaves us in a situation where I can truthfully say we have abdicated our responsibility. I hope that we will not lose this opportunity to discharge our responsibilities in a manner that will reflect credibly on this body and the Congress of the United States and on each and every Member.

Mr. President, the fact is that this bill is a good bill. The fact is that we have been able to get together, for the first time, in an unprecedented fashion, a broad consensus for the need for financial modernization by the players themselves, by the people who are actually in this area. Virtually all of the financial services community has endorsed this legislation.

Indeed, let me just list a number of those groups. The American Community Bankers. How often have we heard it said, "Oh, the little bankers are opposed to this." Indeed, the American Community Bankers are in favor of this legislation. The American Bankers Association. Now we are talking about the larger banks. They have signed on. So from community bankers to large money center banks. The American Council of Life Insurance Companies. Imagine, when did we ever have the life insurance industry and the Congress working together with their banking contemporaries? There has been such fierce estrangement of the issues. The Financial Services Council, the Independent Bankers Association of America, the Independent Insurance Association. Now we are talking about those people who are out there selling and who heretofore have been adamantly opposed; we have them supporting this. The Investment Companies Institute, the securities industry, the BOND Market Association, the National Association of Multiple Insurance Companies, and most executives of major financial companies have been strongly supportive.

Mr. President, no less than former Chairman of the Federal Reserve Board Volcker—and I read his remarks—is totally supportive because it is long overdue. Our present Chairman, Alan Greenspan, one of the world's most respected bankers, says this is a good bill and is supportive. The Securities and Exchange Commission and their Chairman, Arthur Levitt, are supportive of this bill.

Yes, there is room for reasonable people to have differences over various aspects of this bill. I suggest to you that some of those differences can and should be debated, the time can be provided, and that we can vote on them, and let the will of the Congress decide and not let the clock of a late session be the enemy of progress. Let's not let the quest for perfection stop that which is an excellent bill. Let's not look for 100 percent when we can get 99 and be doing the business of the people.

I am not going to argue the merits of some of those positions that my friends have—friends on my side of the aisle. Indeed, when it comes to various issues, reasonable people can disagree, but the question is, are we going to undertake our responsibilities in a manner which befits the great office and the prestige of U.S. Senators or are we going to say, no, unless I get it my way 100 percent, dot the i, cross the t, we are going to kill that which would otherwise advance the interests of all of our people, all of our citizens?

I hope that we can move to a higher level. I am not prepared to, nor will I, debate the relative merits of the changes that some of my colleagues are suggesting are necessary to earn their support. Indeed, I am not going to defend those who may have used the present law in a manner never intended to gain their way, to gain financial advantage for themselves as opposed to their community. If and when that takes place, it is wrong. It should be stopped.

But I suggest that if we look at the totality of this bill, to say that, unless we can deal with this particular abuse, we are not going to have financial reform, would be a mistake. I am not going to defend those who have used the law inappropriately, those who in essence violate the spirit, yes, and I think the actual law that exists today.

Do I think that we could do better? Yes, if we had sufficient time. Do I think we could bring together and put together a coalition that could pass this bill if, indeed, we adopted some of the changes that my colleagues and friends might want to see? And I am talking specifically about the area of CRA, the Community Reinvestment Act. The answer is no; it would be the death of the bill.

Now, Mr. President, I could understand my colleagues'—and I do understand—strong revulsion for the manner

in which CRA may have been used in particular cases that they are conversant with, familiar with, and that they have put forth to this body. I understand that. But I do have difficulty understanding how and why at this time, when we can achieve such great progress in dealing with 90-plus percent of the problems that exist today, where we can make the kinds of fundamental changes that almost everyone agrees are necessary so that we can meet our obligations here at home and in the world of finances, we would sacrifice that gain because we can't get perfection at this point in time.

Wouldn't it be better to improve the situation dramatically by passage of this bill notwithstanding that it may not deal with an area that is as contentious as CRA? I suggest to you that if we had a great and strong bill, a platform by which we could see that our financial services could operate without having to go to the regulator, to the nameless, faceless regulator day in and day out to get various exemptions that may favor one over another, that is not in the interest of this country.

The piecemeal legislation, day in and day out, how do we better ourselves by that? What kind of an example do we set for the rest of the world when we say we can't even agree on a fundamental operation? Because we want perfection? Because we want to cure that deficiency that is there, that some have been evil in using and may be, in quoting the words of some of my friends, using to extort? I do not condone that, but you are not going to cure it here. And what we will be doing is killing an opportunity to make substantial progress. That is what we are doing. And you have to weight that up. Are you going to achieve substantial progress? And if you can make that cure, I will be with you. But you can't. Understand it.

Now, if the managers of the bill said under no circumstances are we going to permit you to offer amendments, we want to go right to cloture to cut off your amendments and your right to offer amendments and your right to debate them and to let people hear what is taking place, then I could understand using every parliamentary procedure to stop this bill.

That is not the case. This Senator would be willing to say, and I know because I have discussed it with the ranking member, Senator SARBANES, we would offer any reasonable time for Members of this body to offer amendments dealing with the problems that may exist in CRA, dealing with possible solutions, and having votes, whether they are up or down, without amendments, to see if we can't get a consensus. I don't believe you can. And if you can't get your position today, at least to give the people of the United States an opportunity to have a banking bill which people understand clearly and not one that is manipulated day in and day out by the various needs and exigencies of the financial services community so that they have to come pleading: "Oh, well, will you let me sell insurance? Oh, well, will you let me do securities? Oh, well, can I do it in the bank or outside the bank? Oh, well, is this legal or is that legal?"

While one group is receiving permission to do something, others are left behind. That is not the way for this country to be operating. It is wrong, and it is, indeed, an abrogation of our responsibility—an abrogation.

I hope, even at this late hour, notwithstanding the deep feelings that my colleagues have, related to the abuses that have taken place, that they would say the greater picture is one of doing the most good for the most people. That is what we are talking about.

This is an opportunity to do the most good—not for one industry over another but for our great country, and to see to it that there is a law that everyone sees clearly, where we reduce the necessity of having major financial institutions and parts of our industry being placed at competitive disadvantages because one gets a certain permission and another is left behind and then quickly must move to deal with that. That is not what competition in America can and should be about.

I have heard my colleagues raise this argument. I have been critical, yes, of the regulators for what I thought was absolutely going beyond what Congress had ever given to them. But the courts have said, and I think they have done it on a practical basis, that if you, the Congress, do not stop them with legislation, or you do not pass legislation that sets the ground rules, why, it is obvious that is the manner in which the law should be administered.

I do not think that is responsible. I really do not believe our forefathers ever thought or intended for us to operate in this manner, under these conditions. I certainly think that, looking at the world economic situation today, this does not create stability, if we fail to complete this. I say "fail to complete" because there are those who can run the clock out, run it out on our American citizens, because that is who is going to be deprived. Yes, all of our citizens.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I will be brief. I simply want to, first of all, commend the distinguished chairman of the committee for the very effective work I think he has done in bringing this to this point. I think it is important to understand we have not reached the bill yet. We are now actually postcloture on the motion to proceed to the bill. I do not think it is clear at this point yet exactly how many of these procedural hoops we will have to go through in order to finally get to the substance of the bill and in order, in the end, to have a vote up or down on the bill. I hope the leadership could commit to staying with this process as long as is necessary in order to reach that point, because I think there is overwhelming support for this legislation in this body—overwhelming support.

I think the Financial Services Act of 1998, which has been brought out of the Senate Banking Committee, is a carefully balanced piece of legislation. It would finally respond to an issue we have been wrestling with for years and years. I say to the chairman of the committee, we have been dealing with this issue for a very, very long time, and finally we have brought it to the point where we have an opportunity, I think, to put into law important legislation for the operation of the financial services industry.

This legislation would permit banks to affiliate with securities firms and insurance companies within a financial holding company structure, regulated by the Federal Reserve. The Banking Committee held four hearings in preparation for marking up this legislation after it passed the House. It passed the House by just one vote. We are informed, and I believe reliably informed, that the vote in the House on this legislation as is now being presented to the Senate would produce a very substantial majority. In other words, well above, clearly well above the vote that it obtained in just managing to get through the House and coming over to the Senate. The changes we have made have generally been met with favor on the other side of the Capitol.

We heard from the administration, the financial regulators, the various industry groups, public interest and consumer groups, and in the end the bill was brought out of the Banking Committee on the 11th of September by a broad, bipartisan majority of 16 to 2. The legislation, as I indicated, is balanced. It would expand the range of permissible financial activities for commercial banks while preserving the safety and soundness of the financial system, providing adequate consumer protections, and expanding access to the financial system for all Americans.

This bill has received unprecedented support across the entire range of the financial services industry. Just last Wednesday, the American Bankers Association, the Independent Bankers Association, the American Council of Life Insurance, the Independent Insurance Agents of America, the American Insurance Association, the Securities Industry Association, the Investment Company Institute and the Financial Services Council sent a joint letter to the two leaders—to Senators LOTT and DASCHLE—saying:

The Senate Banking Committee, through its actions on H.R. 10, the financial modernization bill, in its discussions with a wide

variety of parties including both Members of Congress and representatives of the private sector, has now produced a carefully negotiated product.

They indicated their very strong support for the package which we are bringing to the Senate. Last Friday, the American Community Bankers, who represent the thrift industry, sent a letter to the two leaders expressing support of H.R. 10, and stating:

ACB supports the bill as a generally constructive measure.

These letters obviously reflect a very broad consensus that has been put together around this bill. Obviously, it is my hope we will be able to move it through the Senate over the next few days and move it on towards enactment into law. It is interesting to note, since I have colleagues on the other side who are raising the CRA issue, that the industry groups affected by the CRA issue are in favor of this bill. The community groups, I have to tell you because I am very much aware of it, are opposed to this bill, because they think it is inadequate on CRA. You know, they are making that concern very clear.

So I say to my colleagues on the other side who come along and they say, "We are going to attack CRA," that the very people affected by it, the industry groups, say, "We can live with this." The community groups are very unhappy with it. So we have that situation here.

In addition, and I am going to talk later in more detail about the separation between banking and commerce, which I think is an important aspect of this bill and one that Paul Volcker wrote a very thoughtful op-ed piece about in the Washington Post, on September 10. Let me just quote that and then I will not develop that issue any further tonight:

A convincing argument can be made for combinations of banking, securities and insurance companies—under appropriate regulatory and supervisory safeguards. What cannot be defended is reshaping the financial services industry by ad hoc regulatory decisions, manipulating or manufacturing loopholes in plain contravention of the intent of the unchanged law.

The proposed legislation will maintain and strengthen elements of financial regulation and oversight essential to the overall stability of the system. Specifically, H.R. 10 would reinforce the long-standing policy of the United States against the combination of banking and "commerce," broadly defined.

As I indicated, I will come back to many other commentators who have stressed the importance of that aspect of this legislation, and I think one of its major accomplishments is to draw that line and draw a clear line and avoid this sort of fudging that has been taking place in this area.

On the safety and soundness, let me say I think the regulatory structure put in place by this legislation is important and would permit the formation of financial holding companies. These financial holding companies would be able to engage in any activity that is determined to be financial in nature or incidental to such financial activities.

Thus, the holding company could include a commercial bank, securities firm, mutual fund or insurance company. Each entity within the holding company would be regulated by its existing regulator. Thus, a commercial bank would be regulated by its bank regulator, whether that is the Comptroller of the Currency, the FDIC or the Federal Reserve. The securities firm and the mutual fund would be regulated by the SEC and by the appropriate State securities regulators, and the insurance company would be regulated by State insurance regulators, as is now the case. So you have functional regulation of each entity within the new financial holding company.

In addition, the Federal Reserve would serve as the so-called umbrella regulator of the financial holding company. The Federal Reserve would have authority to set capital at the holding company level. It would have authority to conduct examinations and request reports from subsidiaries of the financial holding company if it determines they are necessary to assess a material risk to the bank holding company for its subsidiaries.

I think this balance is an effective approach to protecting the safety and soundness of the financial system and most independent observers, with respect to safety and soundness questions, agree with that evaluation.

There are also important consumer protections contained in the legislation with respect to the sale of uninsured financial products, and I am sure we will have a chance to develop those in some detail.

Where we find ourselves procedurally is the next vote, obviously, will be on the actual motion to proceed to the bill. At that point, the bill would then be before us and open to amendment. I subscribe to the position put forward by the chairman of the committee that Members ought to have a chance to offer an amendment; we ought to have reasonable debate on them and then move to vote on them, one way or another, and work through the legislation in that fashion.

It has been a long road to reach this point. I think it is important to try now to conclude deliberations on this important legislation in an orderly and rational fashion, and I think the approach the chairman has outlined certainly accommodates that.

We hear stories or rumors that people are out to simply try to delay this as long as they can in order to, in effect, sink the legislation. I very much hope that doesn't happen. An awful lot of work has gone into bringing us to this point, as is reflected by the comments of the various parties who have been deeply interested and affected by this legislation. I, frankly, think the Congress now has an opportunity to finally come to grips with an issue—this issue is being dealt with on an ad hoc basis. No one thinks it should be done that way. No one. At least I don't think anyone. I don't want to speak for all of my colleagues, but that is true of all of the regulators, all of the commentators. They say the way to deal with this is to do it statutorily through enactment by the Congress. So we will just have to see as we move ahead whether we can come to closure on this important issue. I very much hope it will be possible to do so. Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

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

Mr. GRAMM. Mr. President, let me begin by congratulating the chairman of our committee, Senator D'AMATO. I have had an opportunity to serve both in the House and in the Senate. I have worked with many great legislators in that process. But I have to say that the job Senator D'AMATO has done in putting this bill together, in bringing together people with very different starting points to a unity among the variety of interests that are concerned about this bill, represents one of the most outstanding and, I think, one of the most miraculous legislative achievements that I have seen in my service in the House and the Senate. I congratulate him. I congratulate Senator SARBANES, the ranking member, for his work.

Certainly our colleagues are right when they say that all the interests are for this bill, but I think it is fair to say that Senator SHELBY and I are not here today to represent any particular interest or even the collection of all interests. We are here today representing what we believe is a fundamental principle. Where I come from, when interest comes up against principle, then interest loses.

We have a fundamental issue before us. I believe that perhaps the greatest national scandal in America is not the scandal that is being covered every day at the White House. It is a scandal where a law is being used in such a way as to extract bribes and kickbacks and in such a way as to mandate the transfer of literally hundreds of millions of dollars and to misallocate billions and tens of billions of dollars of credit. I believe that this represents something that should be stopped.

Perhaps some word of explanation should be given. If the people who are being extorted, if the people who are being blackmailed are not objecting, why are we objecting? My response to this is to point out that when the mob was engaged in the protection racket, the little merchant who was afraid generally did not object. But we don't generally accept that in America anymore

because there have been police officers and there have been prosecutors who did object on their behalf.

Senator SHELBY and I are here to object on behalf of bankers and small community banks that, in many cases, are afraid to object on their behalf.

I have related to the Senate on many occasions, and we are going to have an opportunity to debate this at length, the abuses under the Community Reinvestment Act, or CRA. I want to make a couple of points related to it.

No. 1, the so-called Community Reinvestment Act and the provisions contained in it was voted on only once in the Congress. It was voted on in 1977 in the Senate Banking Committee on a motion to strip the provision from a proposed housing bill, and that motion failed on a tie vote, 7 to 7, in 1977, which means for half of the Members to vote to strip the provision when the Republicans were in the minority, there had to be a bipartisan vote.

So far as I have been able to find, that is the only vote that ever occurred on this provision of law.

The logic of this provision, which came from the former chairman of the Banking Committee, Senator Proxmire, was to require banks to make loans in areas where they operated. The concern expressed at the time was that banks weren't serving their communities, and, therefore, the Government took upon itself to impose on the banks the necessity of lending in their local community.

I am not going to debate tonight the wisdom or lack of wisdom of that, but as I have pointed out on many occasions, what has happened is that CRA has taken on a meaning that has nothing to do with lending.

It has now become common practice in CRA for professional protest groups to protest a bank's "community service record" and, in turn, use the leverage of those protests to extract bribes, kickbacks, set-asides in purchases and quotas in hiring and promotion, none of which has anything to do with CRA and the lending practices of banks in the communities they serve.

All of this is made possible by the banking regulators in enforcing this law, who respond to the protests by holding up action which banks wish to undertake and often are under immense pressure to undertake once it has been announced. Professional groups here in Washington that you can hire will go to your community and protest against the bank, even dump garbage on the property, make all kinds of statements, claims and demands and, in turn, extract resources for themselves and for others. So strong is the growing resentment against this provision of the law, that when proponents of the provision sought to put it in the credit union bill, it was defeated on the floor of the Senate.

When consideration on this bill began in the Senate Banking Committee, Senator SHELBY and I, and others, offered an agreement which was—this is a very contentious issue, so let us call a truce on it an leave it alone for now. I want to repeal this provision of law. I want to end this scandal. I want to stop this extortion. Others want to expand it, expand this provision of law.

Knowing that we would never be able to compromise on this issue within the very limited time that we had to enact this important financial services legislation, I sought to come up with a solution. And the solution was to treat it as slavery was treated by Abraham Lincoln in his campaign in 1860. That was, where the evil existed, leave it alone, but do not expand it into new areas.

On that basis, if we had left CRA out of this bill, we could have moved together, we could be at this moment united for this bill, and this bill, in my opinion, would be on the way to becoming law. But that is not what has happened.

There has been great confusion about what is actually contained in the bill. So I want to take a few minutes and go over what is in current law and what this bill actually does.

In current law, there are really only two provisions related to CRA. First, bank regulators consider how a bank has been meeting the local credit needs only when a bank applies to open a new bank, a branch or engage in a merger. Second, bank regulators may deny applications for these activities based on the record of the bank in community lending. That is the current law.

Based on this, all over the country banks that have exemplary records in community lending and that have received the highest ratings on CRA are routinely shaken down every time they want to open a branch, every time they want to start a new bank, every time they want to engage in a merger. They end up having to make cash payments, kickbacks, establish quotas in hiring, and many other things, because the regulator simply holds up approval of the action, even though the bank may have a perfect record on CRA.

In fact, we discussed on the floor the record of Bank of America. It was brought up by proponents as an exemplary bank in CRA. I pointed out how professional protest groups had said they were going to shut down the bank in California when it sought to merge with NationsBank if it did not make more concessions to them.

Those are the abuses under the current law. But look what is added by this bill. When you listen to proponents of the bill, it is as if there are no CRA provisions of any significance in it. In fact, we just heard that the so-called community groups, whoever they are, that they did not get—what?—they did not get enough of what they wanted. I submit they never get enough of what they want nor will they ever get it until we redistribute wealth in America.

Here are the provisions that are added:

The first provision added, the third that would become a part of the law, is that officers and directors can be fined up to $1 million per day for CRA noncompliance—a totally new provision of law.

The new fourth provision that is proposed: Banks can be fined up to $1 million a day for CRA noncompliance.

The fifth provision: cease and desist authority for CRA noncompliance.

Sixth provision: the Federal Reserve may place any restrictions on any banking activity for CRA noncompliance.

Seventh provision: the Federal Reserve may place any restriction on any insurance activity for CRA noncompliance.

Eighth provision: the Federal Reserve may place any restrictions on securities activities for CRA noncompliance.

Ninth provision: the Federal Reserve may place any restriction on any other activity of the holding company for CRA noncompliance.

Tenth provision: Any violation by any one bank in the holding company triggers the penalties that I have listed above against the entire company.

The eleventh provision would place in law sanctions affecting insurance sales.

The twelfth provision: CRA is applied to uninsured, wholesale financial institutions.

If we have the abuse that we have under current law with two simple provisions that have no enforcement mechanism whatsoever against a bank, unless it is seeking to acquire a new bank, to merge, or to branch, can you imagine what will occur when the officers of a bank can be fined $1 million a day for noncompliance? Or can you imagine the perpetual shake down of a national, nationwide bank, with 1,000 branches, when the entire company receive those penalties if one branch is found to be or accused to be out of compliance? So this is a very, very big issue.

Here is where we are. We have rules in the Senate. And those rules were designed to protect the rights of the minority. And basically, my position, and Senator SHELBY's position, is that the expansion of CRA by these provisions will greatly increase the opportunity for extortion and kickbacks and the imposition of coercive agreements, such as those whereby companies in the past have agreed to give protest groups a percentage of their profits, have agreed to hire protesters as advisors on dealing with these provisions of law—things that turn your stomach and that in any other area would call

for prosecutors and would send the police out to do something about it.

We are now condoning it by law with very weak enforcement provisions. If we have a $1 million-a-day fine, we are going to have an explosion of these kinds of activities.

I have talked to Federal Reserve Board Chairman Alan Greenspan and I have talked to the Secretary of the Treasury about this whole problem area. And I have proposed yet another compromise. The easiest thing to do would be to leave CRA out of the bill. But I have recognized that the President has said that he would not support leaving it out. We have colleagues who would not support leaving it out. So here is the compromise that Senator SHELBY and I want to propose as an alternative, as another option: Expand CRA to the new financial service holding companies so that the laws that apply now to other banking entities will apply in the same way to the new banking entities. But also add two provisions of law to check abuses.

First, we want a simple, well-defined antiextortion, antikickback provision that focuses CRA on lending and not on cash payments, or quotas, or set-asides, or giving protesters a percentage of your profits for a certain number of years.

Second, if a bank is in compliance with CRA in its last examination, then that compliance should mean something. It should remain in force until the next regularly scheduled exam. Then we could end the double-jeopardy situation where the officers and directors are in a position where they can be extorted—even if they have a perfect CRA record—the moment they apply to open a new bank, to merge, or to open a new branch, even though they have an exemplary CRA record.

If we could do these three changes—expand CRA to address the requests those who want to expand it, joined together with those two checks against abuse, one on bribery and extortion, and the other on eliminating double jeopardy—I believe we could have a bill.

Let me make this clear. Obviously, many people are for this bill. All the interests are for this bill. But there is a strong principle at stake here, and I am not for this bill. Senator SHELBY is not for this bill. We believe that using our rights under the rules of the Senate we can probably stop this bill. We will, if we can, stop this bill unless some accommodation is made on the effort to expand CRA. We will not let this bill go forward with these massive expansions in CRA power.

We are in a position where one side is not willing to let the bill go forward with these massive expansions in CRA; the other side says they will kill the bill if these expansive provisions are taken out. So that is where we are.

I want people to understand, if you are for this bill, don't waste your time calling Senator SHELBY and me. We will not be moved. If you are for this bill, call those who are for expansion of CRA and ask them what is wrong with a simple expansion of CRA and a simple amendment dealing with bribery and extortion and a simple provision establishing that if a bank is in compliance, it is in compliance.

I urge those that are for this bill to let their views be known on this issue. I understand some banks in this country are willing to go on paying these bribes and keep quiet about it because there are other provisions of the bill they want. This is a wrong that is bigger than dollars and cents, and it needs to be stopped. I remind my colleagues that the clock is running and will run out, and this bill will die unless an accommodation is made on this issue.

If you care about this bill, if you really believe that this bill is important—and I believe it is important, but I don't buy into the logic that we are not going to pass the bill early in the next session if we don't pass it here this week, but some people believe we won't—what I am saying is for those who want the bill now, there is one thing you have to do to get this bill. You will have to do something about the expansive CRA provisions.

Finally, let me say even if you fix CRA, the clock is running out, and if you are going to fix it, you better do it fast. That, I think, is the essence of our message.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. SHELBY. Mr. President, I will take just a minute tonight. I associate myself with Senator GRAMM. We worked on this together in the Banking Committee and we will be working together on this for a long time. I will take a minute to inform the Senate of my objections to H.R. 10.

I believe that members of the Senate have not had the proper time to study and debate this matter. Most do not even know what is in this bill. This is a very complicated bill. There are a lot of good things in it, but there are some things that Senator GRAMM has raised and I will raise as the debate goes along that we need to debate and we need to take out of this bill. I believe Senators are just being told basically that this is a historical opportunity, you must pass H.R. 10.

Think about it tonight. We make history in this Chamber, the U.S. Senate, every day. If we pass H.R. 10 just because everyone on Wall Street tells us to pass H.R. 10, this will, indeed, be a historical moment. But I don't believe that is going to happen, not with a lot of the provisions that are now in the bill.

If H.R. 10 is so great, why is everyone reluctant to debate the bill? How come the members of the Senate Banking Committee were not permitted to read, study, or share the manager's amendment until the morning of the markup? Is that the way a Committee is supposed to function? What is hidden in this bill?

I'll tell you one thing that is in this bill—so well hidden, not one of the bank trade associations—not the American Bankers Association, the Independent Bankers Association of America, America's Community Bankers, the Bankers Roundtable or even the Consumer Bankers Association knew the implications of the CRA expansion in this bill until Senator GRAMM and I sent around a "Dear Colleague" about a week and a half ago. None of those associations realized that they were subjecting member bank officers and directors to million-dollar-a-day civil money penalties for CRA noncompliance.

Why didn't the associations realize this? These associations are caught up in the rush to judgment. They have not given proper consideration to this bill, and neither have we.

With less than a week to go in this Congress, H.R. 10 is being jammed through the Senate. The Senate is supposed to be the deliberative body.

There are many good things in H.R. 10, Mr. President, but there are also many bad things in H.R. 10. Currently, community groups and even labor unions use CRA to protest the merger of financial institutions. Most of the time, the merging institutions are forced to pay off the protest groups just in order to consummate the merger. Make no mistake about it, this is legalized extortion, one that the U.S. government is aiding and abetting.

The financial institutions who support this bill are used to paying off consumer groups. Nationsbank and BankAmerica have committed $350 billion to CRA in order to merge. Citibank and Travelers Group have committed over $100 billion to CRA in order to merge. These large institutions are used to paying a toll every time they want to do business.

That may be fine for Wall Street, but that is not fine for Main Street. Not every financial institution around the country has $350 billion to buy off consumer groups and labor unions.

Who do you think pays for this legalized extortion? I'll tell you who: all the paying customers in this country. Everybody is complaining about large institutions charging more and more fees at higher rates, ATM fees, late fees and the like. It takes a lot of fees to pay for a $350 billion CRA commitment.

Senator GRAMM and I have consistently stated our position since the Banking Committee first held a hearing on H.R. 10 several months ago. We will not seek to repeal, reduce or eliminate the CRA as it stands in its current form. However, we will not agree to expanding either the scope or the enforcement authority of CRA in H.R. 10.

Now, some have insisted on expanding both the scope and enforcement authority of CRA in H.R. 10. In this bill, some even delink CRA from deposit insurance and subject bank affiliated wholesale financial institutions woofies to CRA. The interesting thing about this is the woofies do not take deposits of less than $100,000 and are not insured by the Federal Government.

I guess, we could roll over like all the banks before us who have paid off the consumer groups. But, I for one, will not succumb to that kind of extortion, and I will fight this thing as long as it stays in the bill. Government mandated credit allocation is wrong. Legalized extortion is wrong.

Last week, Senator GRAMM said that this is a principled objection. It is. We will not be bought off by Wall Street. Wall Street does not have the best interest of Americans in mind in this bill. The only thing they understand is dollars and cents. The principle they understand is profit. The interest of Wall Street is not always the interest of Main Street.

Here is a message for Wall Street in terms I hope they can understand: If you really want to pass financial modernization, in order to consummate mergers and make money off of every American by offering a vast array of services, go to those that are insisting on expanding CRA and ask them to work with Senator GRAMM and myself in making H.R. 10 CRA neutral. Otherwise, I believe this bill will ultimately fail. There may be some late nights and strong words, but I, for one, am committed to ensuring this bill will not become law.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

UNANIMOUS CONSENT AGREEMENTS

Mr. HAGEL. Mr. President, on behalf of the leader, I ask unanimous consent that notwithstanding rule XXII, that the Senate proceed to vote on adoption on the motion to proceed at 10 o'clock a.m. on Wednesday. Before the Chair grants the consent, for the information of all Senators, immediately following the adoption of the motion to proceed to H.R. 10, the cloture vote with respect to S. 442 would occur under the provisions of rule XXII.

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

Mr. HAGEL. Mr. President, on behalf of the leader, I further ask consent that it be in order for the majority leader, after notification of the Democratic leader, to move to proceed to any available appropriations bills, conference reports, or resume the Internet bill prior to the 10 a.m. Wednesday vote, notwithstanding the invoking of cloture.

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

ORDER OF PROCEDURE

Mr. HAGEL. For the information of all Senators, in light of this agreement, the leader expects the Senate to resume the agriculture appropriations conference report tomorrow morning. In addition, tomorrow afternoon, the leader expects the Senate to resume the Internet tax bill. Therefore, votes could occur with respect to that bill, as well. A cloture vote on the Internet tax bill will occur Wednesday at 10 a.m.

Assuming cloture is invoked, the Senate would then remain on the Internet tax bill until disposed of. Therefore, votes can be expected throughout the day and evening on Wednesday.

Having said all of that, there will be no further votes this evening, and Members can expect votes prior to noon tomorrow.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

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

The PRESIDING OFFICER. The motion to proceed on H.R. 10 is pending under cloture.

Mr. GRAMS. Mr. President, I ask unanimous consent that that be set aside and I be allowed to speak as in morning business for up to 40 minutes.

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

IMPROVING SOCIAL SECURITY

Mr. GRAMS. Mr. President, our Nation's Social Security system, forged in a much simpler time and patched and plugged over the years to keep it relevant, has been a godsend for millions of Americans over the program's 63-year history. It doesn't provide a life of luxury, but Social Security offers senior citizens a little bit of certainty during what is often a very tough time.

I have friends and family members who depend on that monthly check from Social Security, and I am grateful that it is there for them and would never do anything to take it away. But that is not to say we can't do something better, or we should not try to improve a system that will not be able to provide that certainty for retirees in the future.

As a product of the 1930s, it is clear that the Social Security system is a system that was best suited for yesterday, not tomorrow. Social Security's pay-as-you-go structure fails to meet the challenge of a sharp demographic change that is now underway in this country. With fewer and fewer workers supporting each retiree, the program is soon to go broke, or it will be too costly for our children and grandchildren to support, thus creating financial hardship for millions of baby boomers and leaving nothing for future generations. In the meantime, Social Security is shortchanging today's workers, denying them the opportunity to expand their personal wealth and control their own financial destinies.

The coming Social Security crisis is real, and it will shatter our economy and destroy the ability of our children to achieve the American dream. The question is, why? Because the only way to save the current system is to raise taxes by more than double, reduce benefits as much as one-third, while raising the age of eligibility to retire as high as 70 years old. These solutions are unacceptable for the workers of the future. If you offered this to somebody, why would they want to pay more, get less, and wait longer for retirement? To be honest with our families, we have no choice but to pursue real reform of Social Security. Mr. President, the sooner we act, the easier and less costly our choices will be and the more secure our children's future will be.

With a strong sense of responsibility, I rise today to introduce legislation that I believe will offer the best solution to avoiding the crisis ahead and preserving Social Security, while providing improved retirement security for every working American as we now approach the 21st century.

Mr. President, during the past six decades, whenever a Social Security crisis would arise, Washington's approach was to tinker with the system by either increasing the payroll tax or reducing benefits. When the tinkering was done, the politicians would slap themselves on the back and claim that Social Security will be solvent for another 50 to 75 years. That has happened more than 50 times—always at the expense of the American workers, who found themselves with higher taxes or lower benefits. But this is obviously the wrong approach. If it had worked before, we would not be where we are today.

Social Security, as you will remember, started off taking only one-half of 1 percent of your income. It is now at 13 percent. One-eighth of everything you make goes into a system that, right now, can't promise you that you are going to get the benefits that you expect.

Unlike any previous crisis, the magnitude of the current situation makes a traditional bailout impossible. Again, under an optimistic scenario, it would require a payroll tax increase of at least 50 percent or a one-third cut in benefits just to keep Social Security from bankruptcy. Under a more realistic "high-cost" projection, paying promised Social Security benefits would require the current 12.4 percent payroll tax to be more than doubled to

26 percent. If you include the additional tax to save Medicare, the total payroll tax would have to increase to an astonishing 46 percent, and even a tax hike that massive would be only a temporary fix. The total tax—income and payroll—could reach as high as nearly 80 percent for young Americans who enter the workforce today.

Payroll tax hikes at this rate will heavily burden working Americans who are already struggling to make ends meet. They will rob our children of their financial future, and demolish our economy.

Reducing benefits is not an acceptable solution. Low-income families are increasingly dependent on Social Security; in 1994, Social Security benefits accounted for 92% of the total income received by elderly Americans living alone, beneath the poverty line. A one-third benefit reduction will throw more elderly and disadvantaged Americans into poverty, and cast those already mired in poverty into further desperation. Again, those benefit cuts could be much deeper under more realistic scenarios.

We must abandon the traditional approach to fixing the Social Security system. We must expand our thinking—explore new opportunities to fundamentally change the way we think about Social Security—resolve the problems once and for all and offer the American people nothing less than peace of mind when they retire.

The best solution to avoiding the imminent crisis is to move from Social Security's pay-as-you-go system to a personalized retirement program that is fully funded and offers retirement security to every American. This is not a new idea. Sixty years ago, during debate in this chamber over creation of the Social Security system, Democratic Senator Bennett Clark proposed just such a plan. It passed the Congress overwhelmingly but was pulled out in conference with the promise it would be done the next year.

Again, back in the 1930's, Democratic Senator Bennett proposed a plan for personal accounts for retirement. It passed the Congress overwhelmingly but it was pulled out in conference again with the promise that it would be done the next year. That promise was never kept by the few who advocated a government-financed and run program. During each past crisis, similar proposals of personal retirement accounts have been discussed—yet never implemented.

Today, there are a number of plans that have been introduced by my colleagues from both aisles, favoring diverting anywhere from 1 to 4 percent of the Social Security payroll tax to set up a system of market-based personal retirement accounts. My colleagues are to be commended, Mr. President, and this is a move in the right direction.

However, if a market-based personal retirement system works so well, and is the right things to do as proven by countries like Britain, Chile, Australia and others, we should take full advantage of it by accelerating the wealth building for retirement security and expediting the transition from a PAYGO system to a fully funded system.

Mr. President, this is precisely the reason I am introducing my reform plan.

My legislation, the "Personal Security and Wealth in Retirement Act," is based on six fundamental principles, principles that must guide Congress in any effort we undertake to ensure retirement security. The primary principle is to protect current and future beneficiaries, including disadvantaged and disabled adults or children, who choose to stay within the traditional Social Security system. The government must guarantee their benefits. There should be no change that reduces their benefits, and no retirement age increase.

Let me say that again: a guarantee of no change in benefits or age of retirement for those who wish to stay within the traditional Social Security system. We must do no less.

I emphasize this principle not so much because we want to gain the support of seniors, nor to neutralize their opposition to Social Security reform, but because of the sacred covenant the federal government has entered into with the American people to provide their retirement benefits. It's our contractual duty to honor that commitment. It would be wrong to let current or future beneficiaries bear the burden of the government's failure to make the changes needed in a system that cannot handle the demographic changes that will begin to create huge cracks in our existing program.

The second principle my plan upholds is that Social Security reform must give the American people freedom of choice in pursuing retirement security. The purpose of Social Security is to provide a basic level of benefits for everyone in case of misfortune. And so if social insurance is a safety net to catch those who fall, it does not make sense to penalize those who are quite able to stand on their own two feet.

The third principle is to preserve a safety net for disadvantaged Americans, so no covered person is forced to live in poverty.

My fourth principle is that reform should make every American better off, and certainly no worse off, in their retirement than they are under the current system. It should enable workers to build personal retirement savings, improve the rate of return on their savings, increase capital ownership, and pass on their savings, as part of their estate, to their children.

The fifth principle is to replace the current pay-as-you-go financing scheme, in which today's workers support today's retirees, with a fully funded program.

In other words, one generation will pay for its own retirement and not rely on the second and third generation to pay for it. Social Security's pay-as-you-go feature is the program's fundamental flaw because it leaves the system vulnerable to changing demographics, thus creating enormous financial burdens for our children and grandchildren. Moving to a fully funded system will not only reduce inequality among generations, it will greatly increase our nation's savings and investment rates, and therefore prosperity.

The sixth principle is that any reform of the current system must not increase the tax burden of the American people. The taxpayers are already giving up an historic 40 percent in federal, state, and local taxes out of every paycheck they earn. Hiking taxes yet again in the name of fixing Social Security would be unfair and unjust to working Americans, and would only pave the way for additional, future tax increases.

Mr. President, with the above-mentioned principles as its foundation, the plan I bring before the Senate today is designed to achieve the goal of providing better and improved retirement benefits for all Americans. The proposal I will outline here is carefully designed to produce a highly appealing retirement option by maximizing the freedom and prosperity of working people. I have consulted seniors, farmers, small business owners, as well as large employers. I have made a number of revisions in accordance with their views.

Now, Mr. President, allow me to present the highlights of the plan and explain how it works.

The first component of the "Personal Security and Wealth in Retirement Act" upholds our primary principle by allowing people to remain in the current Social Security program if they so choose. In fact, my plan clearly stipulates that it is the right of workers to do so, and that they will be protected. The government will guarantee the promised benefits for those who elect to stay within the traditional system.

Many of the existing reform proposals include components to increase the retirement age to anywhere from 67 to 70, and/or mandate a reduction in promised benefits. The polls show that 75 percent of the American people oppose the age increase. That is hardly a surprise; the American people already work too hard. It is not fair to raise the retirement age and force them to extend their work careers. You cannot promise one thing and then do another.

Nor is it right to reduce their benefits. Such an irresponsible approach would serve only to throw more elderly Americans who increasingly depend on Social Security into poverty, and increase the hardship dramatically on

those who are already suffering under poverty.

That is why my plan explicitly protects those who choose to stay within the current system against an age increase or benefit reduction of any kind—again, those who choose to stay within the current system are explicitly protected.

The key provision of my plan is to allow workers to set up a market-based, fully personalized retirement account, or PRA. Currently, workers and their employers pay a 12.4 percent FICA tax into the Old-Age/Survivor and Disability Insurance Trust Funds. Under my plan, we will allow workers to divert 10 percent out of their 12.4 percent FICA tax, within the covered earnings, into their PRAs and use the remaining 2.4 percent to finance transition costs. The responsibility for payment of taxes will be equally divided between employers and employees.

When the transition is complete, the 2.4 percent will be eliminated as tax relief, because under a market-based retirement system, a savings investment of 10 percent will itself provide a generous retirement.

In fact, with the 2.4 percent tax cut, workers would be paying 20 percent less into the fully funded system and they could still expect at least twice as much in benefits as they receive under Social Security. So our plan would actually cost less and it would provide more—much different from the current system.

Under this plan, workers would enjoy maximum freedom to control their funds and the resources for their own retirement security. Workers would have at least the freedom to design their own retirement plan, investing in stocks, equities, bonds, T-bills, or any combination of these or other approved financial instruments with approved investment firms and financial institutions. A worker could even have their funds placed in a traditional savings account, if they would choose.

There is no doubt that a market-based retirement system will generate much better returns than the traditional Social Security system we have today. Government data show that almost all workers in two-earner families receive real returns from their Social Security of approximately only 1 percent—a 1-percent or less return on their investments, with some actually receiving even negative returns. The return reaches 2 percent only for a family with two low-income working spouses. And these returns under Social Security will only diminish further in the future with benefit reductions and the raises in retirement age.

Compare that to the performance of the market where, over the 70-year period from 1926 to 1996, the average annual nominal return was 10.89 percent. And if you adjust that for inflation, that is still an average annual rate of return of 7.56 percent. So in over 70 years of the market there has been an average annual return of 7.56 percent. You couple that with Social Security now promising 1 percent or less in returns. It is much sounder, much better benefits for those under the new PRA system.

PRAs will put the power of compound interest to work in providing benefits for everyone, and under my plan the average annual benefits for two average-income, full-time working spouses could reach over $200,000. Compare that to $33,000 under today's Social Security. For one spouse earning an average income, the benefit could be $140,000. Meanwhile, you provide under Social Security only about $29,000. Low-income families also do better under my plan. The current Social Security program would provide $18,000 in annual benefits, but under this legislation their benefits could reach as high as $100,000.

Now, this isn't a fantasy; it can be achieved, and the proof can be found right here in America. Consider the employees of Galveston County, TX. They opted out of Social Security back in 1981 to set up a private retirement plan, an option on which the Federal Government long ago has shut the door. And here is what they have been able to achieve in Galveston County. Under Social Security, the death benefit is only $253, while under the Galveston plan the average death benefit is $75,000, and the maximum benefit can reach $150,000. What a difference—$253 under Social Security and up to $150,000 in Galveston County, TX.

The disability benefit from Social Security is $1,280 per month, but in Galveston County, TX, for its employees, disability benefits are $2,749—more than double the disability benefits for their employees in Galveston County, TX, than under Social Security.

The maximum Social Security retirement benefit is $1,280 per month, but in Galveston County the average monthly retirement benefit for its employees is $4,790 a month—four times, nearly four times greater under the personal retirement plan than under Social Security—$1,280 per month under Social Security, and Galveston County, with their personal retirement accounts, $4,790 a month.

To their great credit, some in Washington have recognized the power of the markets. Their solution, however, has been to suggest we let the Federal Government invest the Social Security trust funds for the American people, or at least allow the Federal Government to invest a portion of it.

While appreciating the distance that my colleagues have come in reaching this point, I strongly believe that Government investment of the Social Security funds is dangerous and that it could seriously disrupt a market that is performing so well. Even Federal Reserve Chairman Greenspan agrees that this is an unworkable idea, and in a recent hearing of the Senate Banking Committee he said:

> No, I think it's very dangerous. . . I don't know of any way that you can essentially insulate Government decision makers from having access to what will amount to very large investments in American private industry.

He also said:

> I know there are those who believe it can be insulated from the political process. They go a long way to try to do that. I have been around long enough to realize that that is just not credible and not possible. Somewhere along the line that breach will be broken.

That was Chairman Greenspan.

Studies reveal that the current Social Security system discriminates against divorced women. If a woman gets married, stays home to care for her children, and divorces in less than 10 years, she doesn't get any benefits from Social Security. As a result, women in general receive lower benefits than men do. Poverty rates are twice as high among elderly women as among elderly men—13.6 percent versus 6.2 percent. Imagine supporting a retirement system that puts many of our parents into poverty—not security but into poverty.

My plan recognizes the need to have some form of protection built into the system to protect nonworking spouses as well, usually women, and especially in the event of divorce, and we propose to allow couples to treat the worker's retirement account as community property so divorced women would be able to share in the retirement benefits. Research shows that a 10-percent savings contribution rate would benefit women more than a partly personalized two-tiered system. And that is true even for poor women who move in and out of the job market.

Critics of a personalized fully funded retirement system often cite Social Security's survivor and disability benefits as a key reason to defend the status quo, but, of course, they often omit the many restrictions that go along with these benefits as well. The fully funded retirement system I am outlining could provide better disability benefits than the current Social Security system offers, and again I will refer back to Galveston County, TX, as a great example. Under my plan, for example, when a worker dies, his family would inherit all of the funds accumulated in his PRA. The savings would not disappear into the black hole of the Social Security trust fund.

The system would also provide, in addition to the retirement savings, a survivors benefit package. So imagine, Mr. President, right now—and I use my father as an example. When he died at the age of 61, there were no benefits at all from Social Security. So for the whole time that he paid into the system, he got $253 as a death benefit. But

under our plan, all the money that he had accumulated in his personal retirement account would become a part of his estate tax free and go to his heirs—not to the Government but to the family. His heirs would benefit from his investment into his retirement account. Also, the system, as I said, would also provide, in addition to the retirement savings, a survivors benefit package.

Let me share a personal note here to prove that point. Under my legislation, retirement dollars stay right where they belong, and that is with the family that faithfully collected them, not with the Government. The Social Security disability insurance trust fund is most imperiled. Currently, workers pay 1.7 percent of their FICA tax for disability insurance. But the DI trust fund will be exhausted in the year 2019. GAO believes the program now to be outdated and that it doesn't reflect today's realities. So my plan requires that fund that manages the PRAs to use part of their annual contribution or yield to buy both life and disability insurance, supplementing their accumulated funds to at least match the promised Social Security survivors and disability benefits.

By requiring retirement funds to purchase life and disability insurance for workers, all workers in each individual fund would be treated as a common pool for underwriting purposes and the insurance would be purchased as a group policy; not by individual workers, but by the investment firms or financial institutions, thus avoiding insurance policy underwriting discrimination while providing the largest amount of benefits at the lowest possible costs.

Mr. President, another special feature in this plan is to allow PRAs to be established early on in life, before a child is even out of diapers. The idea is that when a child is born and given a Social Security number, his or her parents, even grandparents, should be able to put money into that child's retirement account and to allow compound interest to work. Mr. President, $1,000 deposited for a newborn could grow to nearly $200,000 by the time that child retires. That would not be a bad start. So, if you put $1,000 into his account when the child is born, by the time he or she would retire, that would add an additional $200,000 to that account. Not a bad start, and again it shows the power of compound interest.

In fact, when Albert Einstein was once asked what is the most powerful force on Earth, he answered without delay; he said, "compound interest."

To supply maximum flexibility and allow workers to tailor their insurance and retirement package according to their needs and financial ability, the Personal Security and Wealth in Retirement Act allows workers to invest up to 20 percent of after-tax income to make additional voluntary contributions to their PRAs. So those who want to look ahead and even maybe plan for an early retirement, they can put even more money away, up to 20 percent of their income. That way, funds will be accumulated faster, making early retirement possible. And, since this would be an after-tax contribution within the current income limit, it would not provide a tax shelter for the rich. I do not know about you, but I am hard-pressed to think of a better way to encourage savings, to allow workers to better control their retirement finances.

One of the key components and most important parts of my plan is to ensure that a safety net will be there at all times for disadvantaged and unfortunate individuals. This can be done without any Government guarantees of investments or overly strict regulation of investment options. Under this legislation, a safety net would be set up and would be involved with a guaranteed minimum level: 150 percent of the poverty level. When a worker retires, if his or her PRA fails to provide the minimum retirement benefits, and for whatever reason, the Government then would make up the difference. It would fill the glass to the top. The same applies to survivor and disability benefits. If a worker dies or becomes disabled and his or her PRA doesn't accumulate sufficient funds in order to provide the minimum survivor and disability benefits, the Government would match those shortfalls.

The simple safety net is necessary, and the minimum benefit would guarantee that no one, no one in our society would be left impoverished in retirement while still allowing workers to enjoy the freedom and prosperity achievable under a marketed-based retirement system.

Some of my colleagues may be concerned about the Government financing this type of subsidy. Since the likely performance of the personalized retirement system would be far better than today's, Government spending for this minimum benefit is likely to be quite modest. In fact, the reform overall would probably allow us to reduce Government income assistance spending by far more than we would spend subsidizing the minimum benefit.

Let me say that again. If this would work out and allow the Government to help subsidize the minimum benefit, to make sure no one retires into poverty—in fact retirement benefits would be 150 percent of poverty—that would reduce Government income assistance spending by far more than we would spend to subsidize the minimum benefit. Because workers would retire with far higher benefits through the personalized retirement system, they would need less Government assistance than they need today. So, again, there would be savings in the system that would help to pay for this subsidy.

Unlike all other existing proposals, workers under my legislation could retire at any time. So, again, unlike all the other existing plans that are out there, workers under my proposal could retire any time they choose and withdraw funds from their PRAs as long as the minimum retirement benefit could be guaranteed by the account. So what we are doing is giving control of not only the fund, but also the future plans of the retired individual. When he wants to retire, rather than the Government saying you have to retire at 65, under my plan you could retire at 55 if you had the money set aside to meet those minimum benefits. Or if you wanted to continue working, you could stop paying into the account and you could work until you are 75 and invest in other avenues or other financial instruments.

Once workers reach the minimum retirement benefit level they can continue to contribute to the PRAs, but they would not be required to do so. They could then choose to retire, continue working and invest that portion of income in other accounts, or they could just plain choose to spend their money as they wanted to. The rationale for this is simple. When workers accumulate enough funds for their retirement, they are no longer in danger of becoming a burden on society and they should therefore be allowed to retire at any age they choose without the Government telling them when.

Why should the Government tell you when you can retire or penalize those who choose to continue working or retire even earlier? Over time, early retirements will surely reduce the ratio of workers per beneficiaries. But because this is a fully funded system, demographic changes will have no effect—they will have no effect—on the solvency of the system. A generation would pay for its own retirement. It will not be held hostage to the next generation. And the word "independence" fits right here.

Under this plan, workers could use the accumulated funds upon retirement to buy an annuity paying promised benefits for the rest of the worker's life. Annuities would be structured to provide benefits not just over the worker's life, but also over the life of their spouse. Unlike today, widows would not have to live in poverty. The benefits would not be reduced when one or the other would die. Or the workers could make regular, periodic withdrawals or a lump sum withdrawal of the money not needed to buy the annuity to provide the minimum benefits.

The bottom line is that these withdrawal options would allow workers to basically sit down, to design their own retirement income so they will not be forced to buy an annuity when the market is temporarily down upon their retirement. And what is more, all the withdrawals will be tax free and smart

retirement planning will help maximize the benefits.

One of the major criticisms of a market-based personal retirement account system is that it inherently is volatile, and again subject to the whims of investors, exposing a worker's retirement income to unnecessary risks. My plan has specifically addressed this concern by requiring the approved investment firms and financial institutions that would be there to manage personal retirement accounts to have insurance against any investment loss. By approximating the role of the FDIC, we ensure that every PRA would generate a minimum rate of return of at least 2.5 percent to provide no less than the minimum retirement benefits.

Regardless of the ups and downs of the markets, workers would still do better under this system than under the current Social Security system. So even under the minimum benefit of 2.5 percent minimum, that is still better than the current system of Social Security today paying 1 percent or even less. This is another safety net built into the plan to give the American people peace of mind when it comes to their retirement investment. Further, to reduce risks to a worker's PRA, my legislation also requires that rules, regulations and restrictions similar to those governing IRA's would apply to personal retirement accounts as well. PRA's must be properly structured and they must follow strict, sensible guidelines set forth by the independent Federal board that will be set up to oversee the system.

To choose qualified investment firms and financial institutions that will be there to manage the PRAs, the oversight board would be responsible for examining the credibility and ability of the companies and approve them as PRA managers accordingly.

As workers choose the new worker retirement system, this legislation requires the Government to issue also what we call recognition bonds. That is, to help compensate them for past taxes that they have already paid into Social Security so that you would not lose any money that you have already paid into the existing Social Security system. The bonds would be credited with real interest for workers over the age of 50. The bonds for workers below 50 and above 30 would be credited with an inflation adjustment. So since younger workers would benefit most from the reform, workers under the age of 30 would not get recognition bonds.

Another important element of the plan is to ensure that a worker's PRA remains his or her private property, and also that the holder has the right, as I have said before, to pass it on. So it becomes part of the estate for their family or heirs, not for the Government. When he or she dies, the remaining funds would be transferred to any person or persons designated by the holder. Their heirs would not pay any estate tax on the inheritance as well.

So, Mr. President, a major legitimate concern about PRAs is the transition cost. Obviously, this is the most difficult part of every PRA plan. Every PRA plan has had to struggle with this. Social Security, however, has accumulated to date over $20 trillion in unfunded liabilities. So, in other words, we have made promises—Congress, the Government—has made promises to Americans saying we are going to pay X amount of benefits to retirees. If you put that into dollars—we have underfunded; we have made promises but with no money to back it up yet—$20 trillion in unfunded liabilities.

The transition from the current system to a personal and fully funded retirement system will also be costly. However, my point is we should not focus too much on this issue at the expense of resolving the coming Social Security crisis because if we do not make the tough choices, the trust fund is going to go broke.

So we have $20 trillion in unfunded liabilities. The estimates are, to transition to a personal retirement account system would take maybe about $13 trillion.

We believe it is going to be a less costly, more secure future and providing better benefits if we step up to the plate and make the decisions we need to make. No matter how much we pay for the transition, it is still much cheaper to finance the transition than it is to watch Social Security go broke, because once our plan is fully solvent, Social Security will still be facing some of the biggest problems or even greater problems in funding.

Having said that, Mr. President, we should also be sensible about the transition costs. We shouldn't increase the overall tax burden or incur huge debt to finance the transition. Again, we shouldn't be out there increasing the overall tax burden. We shouldn't be out there building a huge debt to finance this transition. And since the unfunded liability is enormous, we need to find some innovative ways to help pay for them, not through tax hikes, not to burden Americans with more taxes, but to find innovative ways to help make the transition.

As you know, when a family faces financial trouble, every member of the family pitches in. It first cuts its spending, it won't go to the movies, or it might not eat out as often as it has and will delay purchasing big household items. The Government needs to take the same type of approach. A family, when it is facing a financial crisis, needs to pitch in and make financial sacrifices to make it through. The Government has to do the same thing.

My plan proposes to help cut Government spending to help finance the transition. We require capping mandatory Government spending by allowing only new spending for new beneficiaries who meet the same criteria for benefits under the law. This would prohibit the expansion of these programs during the transition, but it would still cover those entitled to the current benefits.

In addition, we propose a 5-percent across-the-board budget cut for every Federal agency, plus a 15-percent reduction in Government overhead.

Mr. President, in the long run, my plan will balance itself because as workers opt for the personalized retirement system, they will receive fewer benefits from the old Social Security system as a result. Again, remember the statement made by the President and many others, and that statement is: Save Social Security first. That takes money, not just good intentions; not slogans, but actual action.

Since the plan is designed to spread its transition costs across generations, the system will start off relatively slowly. It will grow over time and, therefore, offer other financial mechanisms that will be needed, particularly during the start-off period.

One of these mechanisms is to ask workers who opt out of the Social Security system to continue to pay, as I said before, the 2.4 percent of their FICA tax to help with the transition. Right now, we pay 12.4 percent of income into Social Security. Under this plan, 2.4 percent would go to transition costs. The other 10 percent would go into the individual retirement fund.

The plan also proposes using the majority of the general revenue budget surplus, again with the notion, "Save Social Security first." If there is a surplus, the majority of our budget surplus should go to helping reduce the transition costs of Social Security.

To cover a portion of the transition deficit, we would sell the $700 billion in Government bonds that have accumulated in the Social Security trust fund. If we still fall short in financing the gap, my plan calls for issuing new Government bonds to the public in order to help raise money. This would be done over a period of time, and, again, this stretches the financing of the transition over generations, not one generation having to pay for the mistakes the system has made, but many generations will have to help cover the costs.

These bonds would not involve new Government debt. This is important—no new debt. We are not talking about issuing new bonds to create new debt but to, in other words, put into focus the $20 trillion in unfunded liability. What we are doing is saying we are now going to recognize that and put into place bonds that are going to help cover this. Again, this is not new debt but only explicit recognition of the implicit debt that the Government already owes through the unfunded liabilities of Social Security.

These are the promises that we have already made, and they need to be paid

for. It is the cost of hanging on to this system too long, and it will cost even more if we wait.

Mr. President, the advocates of the status quo are using the recent stock market adjustment in an attempt to scare the American people away from a market-based retirement system. In my view, it is highly improper to use market cycles as the reason to deny exploring a viable solution to the coming Social Security crisis.

Historical data recognizes market cycles, and the long-term prospects for the stock market have always been bullish. William Shipman, one of the country's leading pension management experts, has studied the worst performances of the market. He finds that in the past 70 years—and this includes the period of the Great Depression—on only 10 occasions have stocks fallen by 18 percent in 1 quarter or 14 percent in 1 month or 8 percent in 1 day. Even if the market would drop 89 percent on the day that a worker entered retirement, that worker would still have more in their retirement account than they would have available under Social Security.

If you look at the numbers, Mr. President, again, even if the market would happen to drop 89 percent of its value in just 1 day, and it happened to be on the day the worker retired, the worker would still have more in their retirement account than they would have available under Social Security. That would be a worst-case scenario.

We know that better planning and looking ahead would mean the worker would lose very little, if any, no matter how the market cycle would go with good financial planning. So the scare tactics that many are using are just that, scare tactics in order to help support their current Social Security system. We need to give the American people the information they need so they can make a very educated choice. We don't need scare tactics from either side. We need just to lay out the information, show them the truth, and then allow Americans to help us make this change.

Let me repeat, even if the market dropped 89 percent on the day a worker entered retirement, that worker would still have more in their retirement account than they would have available under Social Security.

Mr. President, there are also many safeguards in this plan that a worker would not have to draw retirement money on that day, that there could be moneys taken out so he could wait a while or also do many things leading up to his retirement so he wouldn't have to worry what was going to happen on that last day. There are many choices and options to maximize retirement benefits, but many are going to use any fluctuations in the market to try to scare people. Again, we need to just give the American people the information they need to help them make the choice.

As you know, our entire economy is based on a capitalistic market. If the market drops at this rate, even Social Security won't be immune from any downturn. We will have to borrow against future workers to pay any benefits. A market-based retirement plan is a long-term investment, not short-term speculation, and that is a key distinction that I urge all my colleagues to acknowledge in considering this plan.

The market-based retirement plan is a long-term investment, not a short-term speculation. When you are in it for 40 years, you can ride out those cycles, but, again, over the last 70 years the market has paid 7.56 percent in interest, not the 1 percent or less than we now see in Social Security.

The entire debate over how to reform Social Security boils down to a few simple questions: Do you trust the Government to provide retirement security, or would you rather rely on yourself and would you rather have more control over your own resources? Do you want the Government to be your financial adviser? Is it necessarily true that what is good for Washington is good for you? I don't think so. To me and many Americans, the choice is very clear.

In conclusion, I turn to the words of President Franklin D. Roosevelt on June 8, 1934, and that is the day he proposed to Congress the establishment of the Federal Social Security system. He wrote this:

> This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and expansion.

Mr. President, 63 years later, after six decades of economic development and expansion that dwarf what the world had known in 1934, we began to stray from the values that helped found this great Nation. We have strayed from the words of President Franklin Roosevelt as he signed Social Security into law.

In 1998, Americans choose to turn, not to the Government to provide that "greater measure of welfare and happiness," but to the individual, to ourselves; not to look to Washington, but to look to our families. The Government cannot be there to provide the "greater measure of welfare and happiness."

Mr. President, the Personal Security and Wealth in Retirement Act acknowledges that to achieve the fullest measure of security and individual liberty, the individual must be free from the inherent constraints of Government. It restores those values from which we have drifted, and it offers every American the opportunity to achieve real personal wealth—not with the Government telling you what you are going to get in retirement, not with the Government telling you you have to retire, not with the Government telling you what benefits that you are going to get—but America will be offered the opportunity to achieve real personal wealth and the dignity and the freedom and the security that it affords in retirement.

Thank you very much, Mr. President.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Minnesota.

MORNING BUSINESS

Mr. GRAMS. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 5 minutes each.

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

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, October 2, 1998, the federal debt stood at $5,525,136,204,444.24 (Five trillion, five hundred twenty-five billion, one hundred thirty-six million, two hundred four thousand, four hundred forty-four dollars and twenty-four cents).

One year ago, October 2, 1997, the federal debt stood at $5,387,382,000,000 (Five trillion, three hundred eighty-seven billion, three hundred eighty-two million).

Twenty-five years ago, October 2, 1973, the federal debt stood at $461,744,000,000 (Four hundred sixty-one billion, seven hundred forty-four million) which reflects a debt increase of more than $5 trillion—$5,063,392,204,444.24 (Five trillion, sixty-three billion, three hundred ninety-two million, two hundred four thousand, four hundred forty-four dollars and twenty-four cents) during the past 25 years.

FOURTEEN LITTLE LEAGUERS—THE PRIDE OF ALL OF US

Mr. HELMS. Mr. President, when one pauses to ponder the implications of it all, 1998 has been a remarkable year in terms of there having been a sort of rebirth of (I still contend) America's great national pastime—baseball.

And as an old (very) former sports writer, I have never pretended that baseball has not always been my favorite sport. I like all of them, I hasten to say, but baseball is, to this good day, Number One with me.

So what, you may inquire, has made this year all that great? Let us begin by recounting the drama of Mark McGwire and Sammy Sosa, each of whom broke the 37-year-old home run record of Roger Maris—and then kept on breaking their own records.

I had meant, Mr. President, to pay my respects long ago to 14 very special youngsters from Greenville, North Carolina, who made hearts beat faster and faster as the team made their way to the national championship game of the Little League World Series.

Greenville is the hometown of a lot of good things and good people. East Carolina University is there, including its splendid medical school. It is a colorful city (56,000) which understands and practices the free enterprise system. And you better believe that everybody in the area around Greenville was proud of those 14 young Little Leaguers who made it to the championship game.

The young guys from Greenville lost that championship game to the team from Toms River, New Jersey, but they were winners big time just the same because they did win the consolation game with the excellent Canadian team. Look at it this way, Mr. President—the Little League team from Greenville ranks third in the world.

I have a hunch that they know that they are Number One in the hearts of all of us who watched them on television, night after night, cheering them on.

I should mention, by the way, that these comments were prompted by a fine young member of the Helms Senate Family, Josh Royster, who kept track of those fantastic youngsters from Greenville who made all of us proud.

Josh was impressed with the manner in which coaches and parents and countless other folks sacrificed to support their team. They traveled across the country for the better part of six weeks, rooting for the Greenville Fourteen. That's what morale and role modeling and love and good citizenship are all about. And then when the 14 young guys arrived home, Josh says that 2,000 people turned out to greet them and cheer them on.

A long time ago, when I was a lot younger than the Little Leaguers of 1998, Dad told me something that I have never forgotten: "Son," he said, "the Lord doesn't require you to win. He just expects you to try."

Those 14 young guys did try and I suspect they won a lot more than they now realize. For one thing, there's a Senator up here who's hoping that Greenville's Little Leaguers will be in the championship game again next season. I am not alone in my feeling that those youngsters will be glad they did.

THE HONORABLE THOMAS J. HARRELSON'S JULY 1, 1998, ADDRESS TO NEW CITIZENS

Mr. HELMS. Mr. President, during the past weekend in going through a file folder, I ran across a letter somehow placed there inadvertently this past July just before my surgery to replace my worn-out 1921–Model knees with new 1998–Models.

The letter was from a longtime friend, Jim Lofton, well-known in Congress for his years as a highly respected assistant to the distinguished then-Congressman, Jim Broyhill, of North Carolina. (Jim subsequently served North Carolina's Governor Jim Martin who also had been a Congressman from North Carolina).

Jim Lofton, now president of the North Carolina Association of Financial Institutions, had written to share the text of an address by another distinguished North Carolinian, Thomas J. Harrelson, who on July 1 had delivered an inspiring address to an audience of several hundred people, including 41 new U.S. citizens whose naturalization occurred at the ceremony in Southport at which Mr. Harrelson spoke. Mr. Lofton decided, quite correctly, that I might want to share Tommy Harrelson's remarks at Southport by inserting the text into the CONGRESSIONAL RECORD.

Mr. President, with gratitude to Mr. Lofton and Mr. Harrelson, I ask unanimous consent that the text of Mr. Harrelson's address be printed in the RECORD.

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

ADDRESS BY THE HONORABLE THOMAS J. HARRELSON

It is a great honor for me to participate in this ceremony and share this moment with you, your family, and friends.

We are gathered here in this patriotic time in a setting very appropriate to the occasion. This site on which we are standing, Fort Johnston, was built between 1748 and 1754 and was burned to the ground in 1776 by the Patriots who were tired of royal rule. It was rebuilt around 1812 and figured in other efforts to secure our freedom and independence. After all, the Cape Fear river was the super highway of the pre-colonial and colonial era, bringing some of the early European settlers to our shores.

One can imagine the native Americans, who must have come here often for the bounty of the river and the ocean, seeing the strange vessels and the pale skinned passengers in foreign dress. How exciting and fearsome it must have been to them and to the early settlers to come to terms with learning to live side by side without the benefit of a common language or an understanding of each other's cultures.

Yet these early settlers were just the first of the immigrants who made the United States the powerful yet diverse country that it is. Just as this river and others like it roll relentlessly to the ocean, so a reverse stream of immigrants moved up these same rivers and streams to populate the early eastern seaboard settlements, and finally to take the expansion to our Pacific coast, and even to Alaska and Hawaii.

In that early time in our history, water travel was the quickest, and in some cases, the only mode of transportation; the expansion of knowledge was just beginning to speed up, and communications depended almost entirely on the same mode of transportation. Now, people have exceptional mobility, the body of knowledge is doubling at an ever-increasingly rapid pace, and the internet, satellites and television make communication both instantaneous and very personal. But one thing has been constant over the years: every immigrant group has brought new vitality and vigor to our society.

We who are already citizens of the United States gather during this time to attest our loyalty and patriotism. It is also a time to reflect upon the suffering and sacrifice we have faced to get this far. How brave the people were in 1776 to rise up in defense of liberty and confront a powerful empire. Five of the signers of the Declaration of Independence were captured by the British and tortured as traitors. Nine fought in the War for Independence and died from their wounds or hardships they suffered. Two lost their sons in the Continental Army. Another had sons captured and at least a dozen of the fifty six had their homes pillaged and burned.

I am sure we have with us men and women who have served in our armed forces in defense of our liberty, or family members who have lost loved ones in this cause. I am also sure that some of those of you who will soon be our fellow citizens have stories of personal sacrifice and hardship to arrive at this point.

We later fought a civil war in which it was determined that we would remain one nation and that all people, regardless of race, would be free and have the rights and responsibilities of citizenship. Earlier this year, a local historian discovered that two of our black citizens had fought on the side of the Union. How brave they must have been to take that step!

There was bravery and courage on both sides of that sad conflict. We were a divided society back then and remained divided for generations, separated by fear and mistrust. It speaks volumes about the positive changes in our attitudes that the entire community of Southport joined recently to celebrate these two unsung heroes.

If we fought a civil war in which we determined that all who are Americans would be free, we have also fought a series of wars both hot and cold, to defend our own liberty and expand freedom to other peoples. We live in a marvelous age, having seen the collapse of Soviet communism and the freeing of millions of people from its cruel oppression. This happened because we and our allies remained firm and strong in our beliefs and stalwart in the defense of liberty. We as Americans have an awesome responsibility to the world. We have made great scarifies to ensure fairness and equality at home to extend democratic ideals and freedoms to others throughout the world.

The world will never be truly safe until all peoples have a sense of fellowship and common interests. As the civil rights leader, and U.S. Congressman, John Lewis, recently said, "to achieve the beloved community, we must teach not only tolerance, but acceptance and love. We must recognize the wonderful opportunity our nation's diversity presents. Every culture in our society offers its own contributions of art, industry and experience."

This sentiment needs to be embraced at home and in our dealings abroad. To be an American is to have responsibility to the world and to our neighbor at home.

We who are here together, the citizens and the citizens to be, have much in common. We are either the descendants of immigrants or immigrants ourselves. We or our ancestors came here to be free from hunger, free from fear, free from oppression, or free from slavery or servitude. When our framers of the

Declaration of Independence put those words on paper, they became part of our culture and were also written in our hearts and souls.

Our system of government is important, but what really is more important is the fact that liberty lies in the hearts of men and women. As the great jurist, Learned Hand said in a 4th of July speech toward the end of World War II, "When it dies there, no constitution, no law, no court can save it; no constitution, no law, no court can even do much to help it. While it lies there, it needs no constitution, no law, no court to save it. And what is this liberty which must lie in the hearts of men and women? It is not the ruthless, the unbridled will; it is not freedom to do as one likes. That is the denial of liberty and leads straight to its overthrow. A society in which men recognize no check upon their freedom soon becomes a society where freedom is the possession of only a savage few—as we have learned to our sorrow."

Mr. Justice Hank went on to describe his own faith in liberty. "The spirit of liberty is the spirit which is not too sure that it is right; the spirit of liberty is the spirit which seeks to understand the minds of other men and women: the spirit of liberty is the spirit which weighs their interests alongside its own without bias; the spirit of liberty remembers that not even a sparrow falls to earth unheeded; the spirit of liberty is the spirit of him who, near two thousand years ago, taught mankind a lesson that it has never learned, but has never quite forgotten—that there may be a kingdom where the least shall be heard and considered side by side with the greatest."

Before I close, let me take the opportunity of passing on some advice to our new citizens. In the past, the children of immigrants were often ashamed of their heritage and deliberately turned away from both their ancestral culture and language. I will agree that it is important to embrace and understand the culture of your new country and to be fluent in English. However, with the growing importance of international relations and the globalization of the economy, your children should be encouraged to appreciate your culture and learn your native tongue, and to use them as a springboard to understand other cultures and learn still other tongues.

It used to be that we were fairly isolated in the United States. That is no longer the case. Some counsel to our current citizens is in order too. We are seeing an increase in immigration from all over the world. I predict that, despite the fears of some, these new immigrants, much like all who came before them, will contribute to an ever improving quality of life in our country. And as United States citizens, new and old, we should never be satisfied until freedom—political, religious, and economic—is enjoyed by all the people of the world.

In a few moments, we will join together, new citizens and old, to recite our pledge of allegiance. In so doing, I hope you will recall with me the words of another famous American, who challenged our country to greatness and helped bring about freedom for the peoples of Eastern Europe, former President Ronald Reagan:

"The poet called Miss Liberty's torch, 'the lamp beside the golden door.' Well, that was the entrance to America, and it is. And now you know why we're here tonight. The glistening hope of that lamp is still ours. Every promise, every opportunity is still golden in this land. And through that golden door our children can walk into tomorrow with the knowledge that no one can be denied the promise that is America. Her heart is full; her torch is still golden, her future bright. She has arms big enough and strong enough to support, for the strength in her arms is the strength of her people. She will carry on unafraid, unashamed, and unsurpassed."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting two withdrawals and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 3:07 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 3616. An act to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strength for fiscal year for the Armed Forces, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

MEASURE READ THE FIRST TIME

The following bill was read the first time:

An act to amend the Fair Labor Standards Act of 1938 to permit certain youth to perform certain work with wood products.

REPORTS OF COMMITTEES

The following reports of committee were submitted:

By Mr. STEVENS, from the Committee on Appropriations:

Special Report entitled "Further Revised Allocation to Subcommittees of Budget Totals for Fiscal Year 1999" (Rept. No. 105–365).

Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment:

H.R. 2863: A bill to amend the Migratory Bird Treaty Act to clarify restrictions under that Act on baiting, to facilitate acquisition of migratory bird habitat, and for other purposes (Rept. No. 105–366).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEFFORDS (for himself and Mr. LEAHY):

S. 2548. A bill to redesignate the Marsh-Billings National Historical Park in the State of Vermont as the "Marsh-Billings-Rockefeller National Historical Park"; to the Committee on Energy and Natural Resources.

By Mr. D'AMATO:

S. 2549. A bill to provide that no Federal income tax shall be imposed on amounts received by Holocaust victims; to the Committee on Finance.

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 2550. A bill for the relief of the State of Hawaii; to the Committee on Finance.

By Mr. D'AMATO:

S. 2551. A bill to amend title XVIII of the Social Security Act to permit the replacement of health insurance policies for certain disabled medicare beneficiaries notwithstanding that the replacement policies may duplicate medicare benefits; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LUGAR:

S. Res. 285. A resolution expressing the sense of the Senate that all necessary steps should be taken to ensure the elections to be held in Gabon in December of 1998 are free and fair; to the Committee on Foreign Relations.

By Mr. MACK:

S. Res. 286. A resolution expressing the Sense of the Senate that Mark McGwire and Sammy Sosa should be commended for their accomplishments; considered and agreed to.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 287. A resolution to authorize representation by Senate Legal Counsel; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. D'AMATO:

S. 2549. A bill to provide that no Federal income tax shall be imposed on amounts received by Holocaust victims; to the Committee on Finance.

HOLOCAUST ASSETS TAX EXCLUSION ACT OF 1998

• Mr. D'AMATO. Mr. President, today I introduce the "Holocaust Assets Tax Exclusion Act of 1998." This act will make all income received by Holocaust survivors or their heirs from any settlement or adjudication in their favor, non-taxable. This legislation is now very much needed because survivors of the Holocaust who had assets withheld from them by Swiss banks or others have finally received justice in the form of a settlement between the banks and the survivors' attorneys in August 1998. The settlement was for $1.25 billion for survivors worldwide. We must remember, one-third of all Holocaust survivors live in the United States. This is why this legislation is so needed.

In addition to these recipients, survivors who are needy, will be receiving one-time payments from the Swiss Humanitarian Fund established by the Swiss government in 1997. In both cases, payments from the Swiss banks and other sources like this should be excluded from taxation because they are receiving back what was rightfully theirs to begin with. The sum total of payments coming to the needy Holocaust survivors in the United States from this fund will be $31.4 million. It would be a travesty if the IRS were to decide that these funds would be taxable.

Mr. President, it is necessary to understand that the survivors who sued the banks and settled in August 1998 did so because this was the only avenue left open to them to seek justice. Deprived of their assets, or those of their families for over 50 years, survivors fought unsuccessfully until now to receive what rightfully belonged to them.

With the average age of Holocaust survivors at 80, there is little time for debate over these payments which will ease life for the survivors in their final years. To tax them for the long overdue receipt of assets would be wrong. This is why I am offering this legislation. The survivors of man's greatest inhumanity to man deserve justice. After escaping death at the hands of the Nazis, they were again victimized by the Swiss bankers. Now that they have received some measure of justice, let us not take their assets from them again.

Mr. President, I urge my colleagues to support me in this legislation and urge its speedy passage.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2549

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

SECTION 1. NO TAX ON AMOUNTS RECEIVED BY HOLOCAUST VICTIMS.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, gross income shall not include any amount received by an individual from any person as a result of a settlement or adjudication in the individual's favor arising out of any moral or legal injustice experienced by the individual as a Holocaust victim, including any amount received from the Swiss Humanitarian Fund established by the Government of Switzerland.

(b) EFFECTIVE DATE.—This section shall apply to amounts received in taxable years beginning before, on, or after the date of the enactment of this Act.●

By Mr. D'AMATO:

S. 2551. A bill to amend title XVIII of the Social Security Act to permit the replacement of health insurance policies for certain disabled medicare beneficiaries notwithstanding that the replacement policies may duplicate medicare benefits; to the Committee on Finance.

MEDICARE ANTI-DUPLICATION AMENDMENT

Mr. D'AMATO. Mr. President, I rise today to introduce S. 2551, the Medicare anti-duplication bill. This important reform legislation is a necessary step in improving the rights and choices that face New Yorkers. This amendment will in fact correct the language of title XVIII of the Social Security Act to correct an unintended consequence of the Federal Medicare anti-duplication law and permits disabled persons to take full advantage of the full range of choices in the health insurance market that are currently available for other New York State citizens. The very narrow legislative change I am proposing will allow several hundred chronically ill New York residents to choose from a variety of health care plans which offer identical health care coverage at lower prices.

In 1995, New York enacted a "Point of Service" law requiring all HMO's in the state to offer standardized health care benefits to any individual who purchases coverage directly from the plan. However, some individuals that the New York law was intended to help were unable to purchases this coverage.

The Federal Medicare anti-duplication statue prohibits insurers from selling coverage, other than Medicare supplement coverage, which duplicate benefits available under Medicare. In New York, individuals who were receiving Medicare benefits due to disabilities, were permitted to elect continued coverage of private insurance which were purchased prior to enrolling in Medicare. Prior to 1996 these individuals' choices were limited, and were essentially forced to continue their very expensive Commercial policies. After the "Point of Service" law was enacted, there were numerous policies available which provided identical benefits to the Empire policy, at more affordable prices.

Those disabled Medicare subscribers enrolled in the Empire policy, however, were prohibited from purchasing these other less expensive policies as a result of the Federal anti-duplication law because the time to elect to continue private coverage had expired. These Disabled individuals numbering between 400–500, were left with essentially one choice, continuing a very expensive commercial policy.

My anti-duplication amendment will ensure that the disabled New Yorker enrolled in medicare is available to afford a managed care product, and that these purchases will not be considered a "duplicate" of Medicare health benefits. My bill has been drafted specifically to help those several hundred chronically sick individuals in New York, who, prior to 1996, did not have the choice to select one of the many policies which were subsequently required by State Law.

ADDITIONAL COSPONSORS

S. 1286

At the request of Mr. JEFFORDS, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1286, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income certain amounts received as scholarships by an individual under the National Health Corps Scholarship Program.

S. 1529

At the request of Mr. KENNEDY, the names of the Senator from Nebraska (Mr. KERREY) and the Senator from West Virginia (Mr. ROCKEFELLER) were added as cosponsors of S. 1529, a bill to enhance Federal enforcement of hate crimes, and for other purposes.

S. 1720

At the request of Mr. LEAHY, the name of the Senator from Nebraska (Mr. KERREY) was added as a cosponsor of S. 1720, a bill to amend title 17, United States Code, to reform the copyright law with respect to satellite retransmissions of broadcast signals, and for other purposes.

S. 1868

At the request of Mr. NICKLES, the name of the Senator from Kentucky (Mr. MCCONNELL) was added as a cosponsor of S. 1868, a bill to express United States foreign policy with respect to, and to strengthen United States advocacy on behalf of, individuals persecuted for their faith worldwide; to authorize United States actions in response to religious persecution worldwide; to establish an Ambassador at Large on International Religious Freedom within the Department of State, a Commission on International Religious Persecution, and a Special Adviser on International Religious Freedom within the National Security Council; and for other purposes.

S. 2180

At the request of Mr. LOTT, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 2180, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 2196

At the request of Mr. GORTON, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 2196, a bill to amend the Public Health Service Act to provide for establishment at the National Heart, Lung, and Blood Institute of a program regarding lifesaving interventions for individuals who experience cardiac arrest, and for other purposes.

S. 2217

At the request of Mr. FRIST, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor

of S. 2217, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 2233

At the request of Mr. CONRAD, the name of the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 2233, a bill to amend section 29 of the Internal Revenue Code of 1986 to extend the placed in service date for biomass and coal facilities.

S. 2364

At the request of Mr. CHAFEE, the names of the Senator from Ohio (Mr. DEWINE) and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2418

At the request of Mr. JEFFORDS, the names of the Senator from California (Mrs. BOXER), and the Senator from Illinois (Ms. MOSELEY-BRAUN) were added as cosponsors of S. 2418, a bill to establish rural opportunity communities, and for other purposes.

S. 2507

At the request of Mr. MCCAIN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2507, a bill to stimulate increased domestic cruise ship opportunities for the American cruising public by temporarily reducing barriers for entry into the domestic cruise ship trade.

S. 2520

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 2520, a bill to exclude from Federal taxation any portion of any reward paid to David R. Kaczynski and Linda E. Patrik which is donated to the victims in the Unabomber case or their families or which is used to pay Mr. Kaczynski's and Ms. Patrik's attorneys' fees.

S. 2522

At the request of Mr. DEWINE, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 2522, a bill to support enhanced drug interdiction efforts in the major transit countries and support a comprehensive supply eradication and crop substitution program in source countries.

SENATE JOINT RESOLUTION 56

At the request of Mr. GRASSLEY, the names of the Senator from Delaware (Mr. BIDEN), the Senator from Washington (Mr. GORTON), and the Senator from Florida (Mr. MACK) were added as cosponsors of Senate Joint Resolution 56, a joint resolution expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

SENATE CONCURRENT RESOLUTION 121

At the request of Mr. SPECTER, the names of the Senator from North Dakota (Mr. CONRAD) and the Senator from North Dakota (Mr. DORGAN) were added as cosponsors of Senate Concurrent Resolution 121, a concurrent resolution expressing the sense of Congress that the President should take all necessary measures to respond to the increase in steel imports resulting from the financial crises in Asia, the independent States of the former Soviet Union, Russia, and other areas of the world, and for other purposes.

SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the names of the Senator from New Mexico (Mr. DOMENICI) and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day."

SENATE RESOLUTION 260

At the request of Mr. GRAHAM, the names of the Senator from California (Mrs. FEINSTEIN), the Senator from Utah (Mr. HATCH), the Senator from Idaho (Mr. CRAIG), the Senator from Colorado (Mr. CAMPBELL), the Senator from Montana (Mr. BURNS), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of Senate Resolution 260, a resolution expressing the sense of the Senate that October 11, 1998, should be designated as "National Children's Day."

SENATE RESOLUTION 285—EXPRESSING THE SENSE OF THE SENATE THAT ALL NECESSARY STEPS SHOULD BE TAKEN TO ENSURE THE ELECTIONS TO BE HELD IN GABON ARE FREE AND FAIR

Mr. LUGAR submitted the following resolution; which was referred to the Committee on Foreign Relations.

S. RES. 285

Whereas Gabon is a heavily forested and oil-rich country on central Africa's west coast;

Whereas Gabon gained independence from France in 1960;

Whereas Gabon is scheduled to hold national elections in December 1998 for the purpose of electing a President;

Whereas the Government of Gabon has been subject to single-party rule for a significant period of its recent history and only 1 person has held the office of the President since 1967;

Whereas the Freedom House Survey of World Freedom, 1997–1998, determined that "Gabon's citizens have never been able to exercise their constitutional right to change their government democratically";

Whereas the International Foundation for Election Systems (IFES) and the National Democratic Institute (NDI) served as observers during the organization of the 1993 Presidential and legislative elections in Garbon and found widespread electoral irregularities;

Whereas the Government of Gabon is a signatory to the "Paris Accords" of 1994, approved by national referendum in July 1995, which were to have provided for a State of law guaranteeing basic individual freedoms and the organization of free and fair elections under a new independent national election commission;

Whereas the people of Gabon have demonstrated their support for the democratic process through the formation of numerous political parties since 1990 and their strong participation in prior elections; and

Whereas it is in the interest of the United States to promote political and economic freedom in Africa and throughout the world: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes and commends those Gabonese who have demonstrated their love for free and fair elections;

(2) commends the Gabonese Government for inviting the International Foundation for Election Systems to perform a pre-election assessment study;

(3) calls on the Gabonese Government—

(A) to take measures to help ensure a credible election and to ensure that the election commission remains independent and impartial; and

(B) to invite the International Foundation for Election Systems, the National Democratic Institute, the International Republic Institute, and other appropriate international non-governmental organizations to aid the organization of, and supervise the December 1998 Presidential election in Gabon, in an effort to ensure that these elections in Gabon are free and fair;

(4) urges the Government of Gabon to take all necessary and lawful steps toward conducting free and fair elections;

(5) calls on the international community to join the United States in offering their assistance toward free and fair elections;

(6) urges the United States Government to provide support directly and through appropriate non-governmental organizations to aid the organization of free and fair elections in Gabon;

(7) calls on the United States Government to work with the international community in urging the Government of Gabon to create the conditions necessary to guarantee free and fair elections; and

(8) urges the United States Government and the international community to continue to encourage the Government of Gabon to ensure a lasting and committed transition to democracy.

• Mr. LUGAR. Mr. President, I submit a resolution calling for free and transparent presidential elections in the African country of Gabon. A similar measure was introduced in the House of Representatives, and I applaud the work of those Members of the House who are bringing attention to democratic development in this democracy.

This resolution expresses support for the promotion of transparent elections at a crucial time in Gabon's political development. Although ostensibly a democracy since 1961, Gabon has been ruled by the same individual—Omar Bongo—since 1967. In 1968, President Bongo declared Gabon a one-party state and has since then won four consecutive presidential elections.

A political easing in 1990 led to the strengthening of individual rights and

the establishment of multi-party elections. However, there have been reports that disorganization and a lack of transparency marred President Bongo's most recent election in December 1993. According to the Freedom House Survey of the World Freedom, Bongo was declared the winner before many voters were counted and after a campaign that included extensive use of state resources and state media. Further, widespread irregularities were reported by the International Foundation for Election Systems (IFES) and the National Democratic Institute (NDI), which served as observers during the Gabonese presidential and legislative elections in 1993.

The electoral victory by President Bongo led to several months of civil unrest and violent repression. Some observers in Gabon believe more civil unrest will occur if the presidential elections this December are considered illegitimate. A free and fair electoral system would further democracy and stability in Gabon and set an example for other African nations.

Mr. President, this resolution calls on the Gabonese government to take measures to help ensure credible presidential elections. The measure calls on the government to invite IFES, the NDI, the International Republican Institute (IRI), the Center for Democracy or other appropriate non-governmental organizations to aid or observe the December 1998 Gabonese presidential elections.

The resolution also urges the United States and the international community to offer assistance for fair elections in Gabon and to encourage movement toward a stable democracy.

Gabon is at a turning point. It enjoys a per capita income of $4,700, a high literacy rate (69 percent), and a billion dollar oil industry. The United States Senate would be aiding Gabon in the establishment of a stronger democracy that can help bring stability to a volatile region of Africa.

I urge my colleagues to consider the benefits of free and fair elections in Gabon and to support this resolution.●

SENATE RESOLUTION 286—EXPRESSING THE SENSE OF THE SENATE THAT MARK McGWIRE AND SAMMY SOSA SHOULD BE COMMENDED FOR THEIR ACCOMPLISHMENTS

Mr. MACK submitted the following resolution; which was considered and agreed to.

S. RES. 286

Whereas the recent conclusion of the regular baseball season marked the end of an unprecedented home run race between the St. Louis Cardinals' Mark McGwire and the Chicago Cubs' Sammy Sosa;

Whereas both broke Roger Maris' home run record that many thought would stand untouched as indeed it has since Maris passed the "Babe" by one home run when he hit his 61st some 37 years ago;

Whereas "Mighty Mac" rounded out his record setting season by sending two more over the fence in the team's final game to finish the year with 70 home runs while "Slammin' Sammy" finished close behind with 66;

Whereas McGwire and Sosa brought to the game much more than a new record for the books, even though they are both great competitors, they showed the nation how competitors can show mutual respect and appreciation toward each other and to the game;

Whereas Mark McGwire is surely an ideal role model for tomorrow's baseball stars as evidenced by his quiet dignity, love of the game and respect for his competitors which was clearly demonstrated the night he broke the home run record—from his triumphant jog around the bases, to hugging his son at home plate, to saluting Sammy Sosa, and then finally spending a few moments in the stands with the family of Roger Maris;

Whereas Sammy Sosa who stayed on McGwire's heels throughout the home run chase is also a role model who, as a native from the Dominican Republic, rose from near poverty to be one of the greatest home run hitters in the history of the game, and is a hero in his home country where he continues to share his success by funding special programs for its underprivileged children;

Whereas the nation witnessed this year a flashback to an earlier time when the fans felt a connection to the players and the players gave their all for the fans;

Whereas baseball is a game of magic moments, like a perfect game or a triple play—or watching the ball fly over the fence for a home run, and, this year, McGwire and Sosa brought the nation plenty of those magic moments; and

Whereas through class and character Mark McGwire and Sammy Sosa are modern day heroes who brought out the best in baseball and reminded us all why baseball is the great American past time: Now, therefore, be it

Resolved, Mark McGwire and Sammy Sosa are to be commended for their record achievement, for reinvigorating the game of baseball, for their decency, and for giving our children sports heroes worthy of that status.

Mr. MACK. Mr. President, this morning I have sent a resolution to the desk commending Mark McGwire and Sammy Sosa for a remarkable baseball season. I suspect that many of our colleagues in the Senate, and the entire Nation, for that matter, were focused on that last couple of weeks, the contest between those two individuals.

I think, at least from my perspective as I watched events unfold, there were times people would come up to me and ask, Who do you want to win? My reaction was—like, I suspect, many others'—it would have been great if it was a tie.

The way the two individuals interacted with each other and their attitude about the game were just, I think, a remarkable statement.

SENATE RESOLUTION 287—TO AUTHORIZE REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which considered and agreed to:

S. RES. 287

Whereas, Senator Daniel K. Inouye has been named as a defendant in the case of *O'Leary* v. *Fujikawa, et al.*, Case No. 98-16439, now pending in the United States Court of Appeals for the Ninth Circuit;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.C.S. §§288b(a) and 288c(a)(1), the Senate may direct its counsel to represent Members of the Senate in civil actions with respect to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is authorized to represent Senator Daniel K. Inouye in the case of *O'Leary* v. *Fujikawa, et al.*

AMENDMENTS SUBMITTED

INTERNET TAX FREEDOM ACT

SHELBY AMENDMENTS NOS. 3685–3694

(Ordered to lie on the table.)

Mr. SHELBY submitted 10 amendments intended to be proposed by him to the bill (S. 442) to establish a national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce via the Internet, and for other purposes; as follows:

AMENDMENT NO. 3685

On page 14, line 8, strike "2 years" and insert "21 months".

AMENDMENT NO. 3686

On page 14, line 8, strike "2 years" and insert "24 months".

AMENDMENT NO. 3687

On page 14, line 8, strike "2 years" and insert "27 months".

AMENDMENT NO. 3688

On page 14, line 8, strike "2 years" and insert "30 months".

AMENDMENT NO. 3689

On page 14, line 8, strike "2 years" and insert "33 months".

AMENDMENT NO. 3690

On page 10, line 22, strike "January 1, 2004," and insert "January 1, 2005,".

AMENDMENT NO. 3691

On page 10, line 22, strike "January 1, 2004," and insert "January 1, 2006,".

AMENDMENT NO. 3692

On page 10, line 22, strike "January 1, 2004," and insert "January 1, 2007,".

AMENDMENT NO. 3693

On page 10, line 22, strike "January 1, 2004," and insert "January 1, 2008,".

AMENDMENT NO. 3694

On page 10, line 22, strike "January 1, 2004," and insert "January 1, 2009,".

COATS AMENDMENT NO. 3695

(Ordered to lie on the table.)

Mr. COATS submitted an amendment intended to be proposed by him to the bill, S. 442, supra; as follows:

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

(c) EXCEPTION TO MORATORIUM.—

(1) IN GENERAL.—Subsection (a) shall also not apply in the case of any person or entity who in interstate or foreign commerce is knowingly engaged in the business of selling or transferring, by means of the World Wide Web, material that is harmful to minors unless such person or entity requires the use of a verified credit card, debit account, adult access code, or adult personal identification number, or such other procedures as the Federal Communications Commission may prescribe, in order to restrict access to such material by persons under 17 years of age.

(2) SCOPE OF EXCEPTION.—For purposes of paragraph (1), a person shall not be considered to engaged in the business of selling or transferring material by means of the World Wide Web to the extent that the person is—

(A) a telecommunications carrier engaged in the provision of a telecommunications service;

(B) a person engaged in the business of providing an Internet access service;

(C) a person engaged in the business of providing an Internet information location tool; or

(D) similarly engaged in the transmission, storage, retrieval, hosting, formatting, or translation (or any combination thereof) of a communication made by another person, without selection or alteration of the communication.

(3) DEFINITIONS.—In this subsection:

(A) BY MEANS OF THE WORLD WIDE WEB.—The term "by means of the World Wide Web" means by placement of material in a computer server-based file archive so that it is publicly accessible, over the Internet, using hypertext transfer protocol, file transfer protocol, or other similar protocols.

(B) ENGAGED IN THE BUSINESS.—The term "engaged in the business" means that the person who sells or transfers or offers to sell or transfer, by means of the World Wide Web, material that is harmful to minors devotes time, attention, or labor to such activities, as a regular course of trade or business, with the objective of earning a profit, although it is not necessary that the person make a profit or that the selling or transferring or offering to sell or transfer such material be the person's sole or principal business or source of income.

(C) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(D) INTERNET ACCESS SERVICE.—The term "Internet access service" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(E) INTERNET INFORMATION LOCATION TOOL.—The term "Internet information location tool" means a service that refers or links users to an online location on the World Wide Web. Such term includes directories, indices, references, pointers, and hypertext links.

(F) MATERIAL THAT IS HARMFUL TO MINORS.—The term "material that is harmful to minors" means any communication, picture, image, graphic image file, article, recording, writing, or other matter of any kind that—

(i) taken as a whole and with respect to minors, appeals to a prurient interest in nudity, sex, or excretion;

(ii) depicts, describes, or represents, in a patently offensive way with respect to what is suitable for minors, an actual or simulated sexual act or sexual contact, actual or simulated normal or perverted sexual acts, or a lewd exhibition of the genitals; and

(iii) taken as a whole, lacks serious literary, artistic, political, or scientific value for minors.

(G) SEXUAL ACT; SEXUAL CONTACT.—The terms "sexual act" and "sexual contact" have the meanings given such terms in section 2246 of title 18, United States Code.

(H) TELECOMMUNICATIONS CARRIER; TELECOMMUNICATIONS SERVICE.—The terms "telecommunications carrier" and "telecommunications service" have the meanings given such terms in section 3 of the Communications Act of 1934 (47 U.S.C. 153).

GRAMM AMENDMENTS NOS. 3696–3704

(Ordered to lie on the table.)

Mr. GRAMM submitted nine amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

AMENDMENT NO. 3696

Beginning on page 20, line 1, strike all and insert in lieu thereof the following:

Selected not later than 70 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an

agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an

operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3697

Beginning on page 19, strike line 24 and all that follows and insert in lieu thereof the following:

than 90 days after the date of the enactment of this Act. The Chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to

such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.— It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using

information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3698

Beginning on page 19, strike line 7 and all that follows and insert in lieu thereof the following:

(C) Ten representatives of the electronic industry and consumer groups comprised of—

(i) three representatives appointed by the Majority Leader of the Senate;

(ii) two representatives appointed by the Minority Leader of the Senate;

(iii) three representatives appointed by the Speaker of the House of Representatives; and

(iv) two representatives appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the

competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.— It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3699

Beginning on page 18, strike line 17 and all that follows and insert in lieu thereof the following:

(B) Ten representatives from State and local governments comprised of—

(i) three representatives appointed by the Majority Leader of the Senate;

(ii) two representatives appointed by the Minority Leader of the Senate;

(iii) three representatives appointed by the Speaker of the House of Representatives; and

(iv) two representatives appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of

aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.— It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under

section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission

does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3700

Beginning on page 18, strike line 10 and all that follows and insert in lieu thereof the following:

(A) Five representatives from the Federal Government comprised of the Secretary of Defense, the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.— It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which

it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under

this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3701

Beginning on page 18, strike line 7 and all that follows and insert in lieu thereof the following:

shall serve for twelve months. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than

in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.— It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the

Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the

Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3702

Beginning on page 18, strike line 1 and all that follows and insert in lieu thereof the following:

selected by the Speaker of the House of Representatives and the Majority Leader of the Senate; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(a) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under

this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3703

Beginning on page 17, strike line 23 and all that follows, and insert in lieu thereof the following:

(1) be composed of 24 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Ten representatives from State and local governments comprised of—

(i) three representatives appointed by the Majority Leader of the Senate;

(ii) two representatives appointed by the Minority Leader of the Senate;

(iii) three representatives appointed by the Speaker of the House of Representatives; and

(iv) two representatives appointed by the Minority Leader of the House of Representatives.

(C) Ten representatives of the electronic industry and consumer groups comprised of—

(i) three representatives appointed by the Majority Leader of the Senate;

(ii) two representatives appointed by the Minority Leader of the Senate;

(iii) three representatives appointed by the Speaker of the House of Representatives; and

(iv) two representatives appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in 0other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected

from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(a) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives

of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3704

Beginning on page 17, strike line 19 and all that follows and insert in lieu thereof the following:

is established a commission (in this title referred to as the "Commission"). The Commission shall—

(1) be composed of 16 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which

it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under

this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

DORGAN AMENDMENTS NOS. 3705–3709

(Ordered to lie on the table.)

Mr. DORGAN submitted five amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

AMENDMENT NO. 3705

At the appropriate place, insert the following—

"Notwithstanding any other provision of law, nothing in this Act shall preempt any tax that was generally imposed and actually enforced prior to the date of enactment of this Act."

AMENDMENT NO. 3706

Beginning on page 16, strike line 22 through line 15 on page 17.

AMENDMENT NO. 3707

Between lines 15 and 16 on page 17, insert the following—

(c) PRESERVATION OF STATE AND LOCAL TAXING AUTHORITY.—Except as provided in this section, nothing in this Act shall be construed to modify, impair, or supersede or authorize the modification, impairment or supercession of, any State or local law pertaining to taxation that is otherwise permissible by or under the Constitution of the United States or other Federal law and in effect on the date of enactment of this Act.

(d) Liabilities and Pending Cases.—Nothing in this Act shall affect liabilities for taxes accrued and enforced prior to the date of enactment of this Act nor does this Act affect ongoing litigation relating to such assessments.

AMENDMENT NO. 3708

After the word "entity" on page 29, line 25, insert the following: "for the purpose of generating revenues for governmental purposes, and is not a fee imposed for a specific privilege, service, or benefit conferred".

AMENDMENT NO. 3709

Between lines 6 and 7 on page 25, add the following:

(3) EFFECT ON THE COMMUNICATIONS ACT OF 1934.—Nothing in this section shall include an examination of any fees or charges imposed by the Federal Communications Commission related to—

(A) obligations under the Communications Act of 1934 (47 U.S.C.); or

(B) the implementation of the Telecommunications Act of 1996 or amendments made by such Act .

MCCAIN (AMENDMENTS NOS. 3710–3719

(Ordered to lie on the table.)

Mr. MCCAIN submitted 10 amendments to be proposed by him to the bill, S. 442, supra; as follows:

AMENDMENT NO. 3710

On page 28, line 6, strike "consumers."and insert "users.".

AMENDMENT NO. 3711

On page 26, beginning with line 3, strike through line 5 on page 27 and insert the following:

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means—

(A) any tax imposed by a State or political subdivision thereof on electronic commerce that—

(i) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving similar property, goods, services, or information accomplished through other means;

(ii) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period;

(iii) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving similar property, goods, services, or information accomlished through other means;

(iv) imposes the obligation to collect or pay the tax on any provider of products or services made available and obtained digitally where the location, business, or residence address of the recipient is not provided as part of the transaction or otherwise is unknown to the provider; or

(v) establishes a classification of Internet access service providers or online service providers for purposes of establishing a higher tax rate to be imposed on such providers of similar information services delivered through other means; or

(B) any tax imposed by a State or political subdivision thereof, if

(i) the ability to access a site on a remote seller's out-of-State computer server is considered a factor in determining a remote seller's tax collection obligation; or

(ii) a provider of Internet access service or online services is deemed to be the agent of a remote seller for determining tax collection obligations as a result of—

(I) the display of a remote seller's information or content on the out-of-State computer server of a provider of Internet access service or online services; or

(II) the processing of orders through the out-of-State computer server of a provider of Internet access service or online services.

AMENDMENT NO. 3712

On page 27, strike lines 14 through 23, and insert the following:

(4) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

AMENDMENT NO. 3713

On page 22, line 25, strike "interstate" and insert "electronic".

AMENDMENT NO. 3714

On page 17, line 2, strike "2" and insert "5".

AMENDMENT NO. 3715

On page 17, line 2, strike "2" and insert "6".

AMENDMENT NO. 3716

On page 17, line 2, strike "2" and insert "4".

AMENDMENT NO. 3717

At the end of the bill, add the following:

SEC. . SEVERABILITY.

If any provision of this Act, or any amendment made by this Act, or the application of that provision to any person or circumstance, is held by a court of competent jurisdiction to violate any provision of the Constitution of the United States, then the other provisions of that section, and the application of that provision to other persons and circumstances, shall not be affected.

AMENDMENT NO. 3718

On page 29, beginning with line 20, strike through line 19 on page 30 and insert the following:

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any charge imposed by any governmental entity for the purpose of generating revenues for governmental purposes, and is not a fee imposed for a specific privilege, service, or benefit conferred; or

(ii) the imposition on a seller of an obligation to collect and to remit to a governmental entity any sales or use tax imposed on a buyer by a governmental entity.

(B) EXCEPTION.—Such term does not include any franchise fee or similar fee imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 572, 573), or any other fee related to obligations or telecommunications carriers under the Communications Act of 1934 (47 U.S.C. 151 et seq.).

(9) TELECOMMUNICATIONS SERVICE.—The term "telecommunications service" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

(10) TAX ON INTERNET ACCESS.—The term "tax on Internet access" means a tax on Internet access, including the enforcement or application of any new or preexisting tax on the sale or use of Internet services.

AMENDMENT NO. 3719

On page 16, beginning with line 23, strike through line 15 on page 17, and insert the following:

(a) MORATORIUM.—No State or political subdivision thereof shall impose any of the following taxes during the period beginning on July 29, 1998, and ending 3 years after the date of the enactment of this Act:

(1) Taxes on Internet access, unless such tax was generally imposed and actually enforced prior to October 1, 1998; and

(2) Multiple or discriminatory taxes on electronic commerce.

(b) PRESERVATION OF STATE AND LOCAL TAXING AUTHORITY.—Except as provided in this section, nothing in this Act shall be construed to modify, impair, or supersede, or authorize the modification, impairment, or superseding of, any State or local law pertaining to taxation that is otherwise permissible by or under the Constitution of the United States or other Federal law and in effect on the date of enactment of this Act.

(c) LIABILITIES AND PENDING CASES.—Nothing in this Act affects liability for taxes accrued and enforced before the date of enactment of this Act, nor does this Act affect ongoing litigation relating to such taxes.

McCAIN AMENDMENT NO. 3720

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill, S. 442, supra; as follows:

On page 16, beginning with line 23, strike through line 15 on page 17, and insert the following:

(a) MORATORIUM.—No State or political subdivision thereof shall impose any of the following taxes during the period beginning on July 29, 1998, and ending 3 years after the date of the enactment of this Act:

(1) Taxes on Internet access, unless such tax was generally imposed, assessed or actually enforced prior to October 1, 1998; and

(2) Multiple or discriminatory taxes on electronic commerce.

(b) PRESERVATION OF STATE AND LOCAL TAXING AUTHORITY.—Except as provided in this section, nothing in this Act shall be construed to modify, impair, or supersede, or authorize the modification, impairment, or superseding of, any State or local law pertaining to taxation that is otherwise permissible by or under the Constitution of the United States or other Federal law and in effect on the date of enactment of this Act.

(c) LIABILITIES AND PENDING CASES.—Nothing in this Act affects liability for taxes accrued and enforced before the date of enactment of this Act, nor does this Act affect ongoing litigation relating to such taxes.

McCAIN (AND WYDEN) AMENDMENT NO. 3721

(Ordered to lie on the table.)

Mr. McCAIN (for himself and Mr. WYDEN) submitted an amendment to be proposed by them to the bill, S. 442, supra; as follows:

On page 17, beginning with line 18, strike through line 21 on page 19 and insert the following:

(a) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the Advisory Commission on Electronic Commerce (in this title referred to as the "Commission"). The Commission shall—

(1) be composed of 19 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) 3 representatives from the Federal Government, comprised of the Secretary of Commerce, the Secretary of the Treasury, and the United States Trade Representative (or their respective delegates).

(B) 8 representatives from State and local governments (one such representative shall be from a State or local government that does not impose a sales tax).

(C) 8 representatives of the electronic commerce industry, telecommunications carriers, local retail businesses, and consumer groups, comprised of—

(i) 5 individuals appointed by the Majority Leader of the Senate;

(ii) 3 individuals appointed by the Minority Leader of the Senate;

(iii) 5 individuals appointed by the Speaker of the House of Representatives; and

(iv) 3 individuals appointed by the Minority Leader of the House of representatives.

McCAIN AMENDMENTS NOS. 3722–3723

(Ordered to lie on the table.)

Mr. McCAIN submitted two amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

AMENDMENT NO. 3722

On page 23, beginning with line 14, strike through line 2 on page 25 and insert the following:

"(D) an examination of model State legislation that—

"(i) would provide uniform definitions of categories of property, goods, service, or information subject to or exempt from sales and use taxes; and

"(ii) would ensure that Internet access services, online services, and communications and transactions using the Internet, Internet access servcie, or online services would be treated in a tax and technologically neutral manner relative to other forms of remote sales; and".

AMENDMENT NO. 3723

On page 25, between lines 6 and 7, insert the following:

(3) EFFECT ON THE COMMUNICATIONS ACT OF 1934.—Nothing in this section shall include an examination of any fees or charges imposed by the Federal Communications Commission or States related to—

(A) obligations under the Communications Act of 1934 (47 U.S.C. 151 et seq.); or

(B) the implementation of the Telecommunications Act of 1996 (or of amendments made by that Act.)

(h) NATIONAL COMMISSION ON UNIFORM STATE LEGISLATION.—The Commission shall, to the extent possible, ensure that its work does not undermine the efforts of the National Commission on Uniform State Legislation.

GRAMM AMENDMENT NO. 3724

(Ordered to lie on the table.)

Mr. GRAMM submitted an amendment intended to be proposed by him to the bill, S. 442, supra; as follows:

Beginning on page 17, strike line 20 and all that follows and insert in lieu thereof the following:

Commission on Electronic Commerce (in this title referred to as the "Commission"). The Commission shall—

(1) be composed of 16 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such

information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(a) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in

connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date

that is 30 months after the date of enactment of this Act.

HUTCHINSON AMENDMENTS NOS. 3725–3726

(Ordered to lie on the table.)

Mr. HUTCHINSON submitted two amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

AMENDMENT NO. 3725

On page 25, strike line 6 and insert the following:

communications services; and

(F) an examination of the effects of taxation, including the absence of taxation, on all remote sales transactions, including transactions using the Internet, on local retail businesses and on State and local governments.

AMENDMENT NO. 3726

On page 25, strike line 6 and insert the following:

communications services; and

(F) an examination of the effects of taxation, including the absence of taxation, on all remote sales transactions, including transactions using the Internet, on local retail businesses and on State and local governments, which examination may include a review of the efforts of State and local governments to collect sales and use taxes owned on in-State purchases from out-of-State sellers.

ENZI AMENDMENTS NOS. 3727–3728

(Ordered to lie on the table.)

Mr. ENZI submitted two amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

AMENDMENT NO. 3727

On page 25, beginning on line 10, strike "a report reflecting the results" and insert the following: "for its consideration a report reflecting the results, including such legislative recommendations as required to address the finings".

AMENDMENT NO. 3728

On page 17, line 16, before sec. 102, insert the following:

(c) PRESERVATION OF STATE AND LOCAL TAXING AUTHORITY.—Except as provided in this section, nothing in this Act shall be construed to modify, impair, or supersede, or authorize the modification, impairment, or superseding of, any State or local law pertaining to taxation that is otherwise permissible by or under the Constitution of the United States or other Federal law and in effect on the date of enactment of this Act.

(d) LIABILITIES AND PENDING CASES.—Nothing in this Act affects liability for taxes accrued and enforced before the date of enactment of this Act, nor does this Act affect ongoing litigation relating to such taxes.

GRAHAM AMENDMENTS NOS. 3729–3734

(Ordered to lie on the table.)

Mr. GRAHAM submitted six amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

AMENDMENT NO. 3729

On page 17, between lines 15 and 16, insert:

(c) POINT OF ORDER.—It shall not be in order in the Senate or the House of Representatives to consider any bill, resolution, amendment, or conference report if such bill, resolution, amendment, or conference report would extend the moratorium under subsection (a). This point of order may only be waived or suspended by a vote of three-fifths of the Members, duly chosen and sworn.

AMENDMENT NO. 3730

On page 18, lines 12 and 13, strike "the Secretary of State,".

AMENDMENT NO. 3731

On page 30, between lines 19 and 20, insert:

(10) REMOTE COMMERCE.—The term "remote commerce" means the sale, lease, license, offer, or delivery of property, goods, services, or information by a seller in 1 State to a purchaser in another State.

AMENDMENT NO. 3732

On page 22, line 2, strike "interstate" and insert "intrastate, interstate".

AMENDMENT NO. 3733

On page 25, line 12, insert "Any recommendation agreed to by the Commission shall be tax and technologically neutral and apply to all forms of remote commerce." after "this title.".

AMENDMENT NO. 3734

Beginning on page 18, line 17, strike all through page 19, line 21, and insert:

(B) Eight representatives from State and local governments (1 of whom shall be from a State or local government that does not impose a sales tax) and 8 representatives of the electronic commerce industry, telecommunications carriers, local retail businesses, and consumer groups, comprised of—

(i) five representatives appointed by the Majority Leader of the Senate;

(ii) three representatives appointed by the Minority Leader of the Senate;

(iii) five representatives appointed by the Speaker of the House of Representatives; and

(iv) three representatives appointed by the Minority Leader of the House of Representatives.

BRYAN AMENDMENT NO. 3735

(Ordered to lie on the table.)

Mr. BRYAN submitted an amendment intended to be proposed by him to the bill, S. 442, supra; as follows:

In section 208(2) of title II of the bill, as added by amendment, insert "filed" after "application" the first place it appears.

WYDEN AMENDMENTS NOS. 3736–3737

(Ordered to lie on the table.)

Mr. WYDEN submitted two amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

AMENDMENT NO. 3736

On page 2, after line 25, insert the following:

(11) TAX THAT WAS GENERALLY IMPOSED AND ACTUALLY ENFORCED.—The term "tax that was generally imposed and actually enforced" means a tax—

(A) that was authorized by statute prior to October 1, 1998; and

(B) with respect to which the appropriate state administrative agency provided clear notice that the tax was being interpreted to apply to Internet access services and which provided the taxable entity with a reasonable opportunity to be aware that such tax would apply to them, such as a rule or a public proclamation by such State administrative agency or a public disclosure by such agency of the fact that the State in question had previously assessed such a tax or was applying its tax to charges for Internet access.

AMENDMENT NO. 3737

On page 3, after line 23, insert the following:

(2A) TAX THAT WAS GENERALLY IMPOSED AND ACTUALLY ENFORCED.—The term "tax that was generally imposed and actually enforced" means a tax—

(A) that was authorized by statute prior to October 1, 1998; and

(B) with respect to which the appropriate state administrative agency provided clear notice that the tax was being interpreted to apply to Internet access services and which provided the taxable entity with a reasonable opportunity to be aware that such tax would apply to them, such as a rule or a public proclamation by such State administrative agency or a public disclosure by such agency of the fact that the State in question had previously assessed such a tax or was applying its tax to charges for Internet access.

VETERANS EMPLOYMENT OPPORTUNITIES ACT OF 1998

SPECTER AMENDMENT NO. 3738

Mr. GRAMS (for Mr. SPECTER) proposed an amendment to the bill (S. 1021) to amend title 5, United States Code, to provide that consideration may not be denied to preference eligibles applying for certain positions in the competitive service, and for other purposes; as follows:

On page 31, between lines 3 and 4, insert the following:

SEC. 2. ACCESS FOR VETERANS.

Section 3304 of title 5, United States Code, is amended by adding at the end the following:

"(f)(1) Preference eligibles or veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service may not be denied the opportunity to compete for vacant positions for which the agency making the announcement will accept applications from individuals outside its own workforce under merit promotion procedures.

"(2) This subsection shall not be construed to confer an entitlement to veterans' preference that is not otherwise required by law.

"(3) The area of consideration for all merit promotion announcements which include consideration of individuals of the Federal workforce shall indicate that preference eligibles and veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service are eligible to apply. The announcements shall be publicized in accordance with section 3327.

"(4) The Office of Personnel and Management shall establish an appointing authority to appoint such preference eligibles and veterans.".

On page 31, line 4, strike out "**SEC. 2.**" and insert in lieu thereof "**SEC. 3.**".

On page 36, line 14, strike out "**SEC. 3.**" and insert in lieu thereof "**SEC. 4.**".

On page 43, line 4, strike out "**SEC. 4.**" and insert in lieu thereof "**SEC. 5.**".

On page 43, line 17, strike out "**SEC. 5.**" and insert in lieu thereof "**SEC. 6.**".

On page 46, line 18, strike out "**SEC. 6.**" and insert in lieu thereof "**SEC. 7.**".

On page 46, strike out line 23 and all that follows through page 47, line 20, and insert in lieu thereof the following:

(1) in subsection (a)—

(A) by striking out "$10,000" and inserting in lieu thereof "$25,000"; and

(B) by striking out "special disabled veterans and veterans of the Vietnam era" and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized";

(2) in subsection (b), by striking out "special disabled veteran or veteran of the Vietnam era" and inserting in lieu thereof "veteran covered by the first sentence of subsection (a)"; and

(3) in subsection (d)(1), by striking out "veterans of the Vietnam era or special disabled veterans" both places it appears and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, or other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized".

On page 48, strike out lines 15 through 17 and insert in lieu thereof the following:

"(b) The Secretary of Labor shall make available in a database a list of the contractors that have complied with the provisions of such section 4212(d).".

On page 49, line 1, strike out "**SEC. 7.**" and insert in lieu thereof "**SEC. 8.**".

On page 49, line 5, strike out "6(a)(3)" and insert in lieu thereof "section 7(a)(3) of this Act".

BORDER SMOG REDUCTION ACT OF 1998

CHAFEE AMENDMENT NO. 3739

Mr. GRAMS (for Mr. CHAFEE) proposed an amendment to the bill (H.R. 8) to amend the Clean Air Act to deny entry into the United States of certain foreign motor vehicles that do not comply with State laws governing motor vehicles emissions, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Border Smog Reduction Act of 1998".

SEC. 2. AMENDMENT OF CLEAN AIR ACT.

Section 183 of the Clean Air Act (42 U.S.C. 7511b) is amended by adding at the end the following:

"(h) VEHICLES ENTERING OZONE NONATTAINMENT AREAS.—

"(1) AUTHORITY REGARDING OZONE INSPECTION AND MAINTENANCE TESTING.—

"(A) IN GENERAL.—No noncommercial motor vehicle registered in a foreign country and operated by a United States citizen or by an alien who is a permanent resident of the United States, or who holds a visa for the purposes of employment or educational study in the United States, may enter a covered ozone nonattainment area from a foreign country bordering the United States and contiguous to the nonattainment area more than twice in a single calendar-month period, if State law has requirements for the inspection and maintenance of such vehicles under the applicable implementation plan in the nonattainment area.

"(B) APPLICABILITY.—Subparagraph (A) shall not apply if the operator presents documentation at the United States border entry point establishing that the vehicle has complied with such inspection and maintenance requirements as are in effect and are applicable to motor vehicles of the same type and model year.

"(2) SANCTIONS FOR VIOLATIONS.—The President may impose and collect from the operator of any motor vehicle who violates, or attempts to violate, paragraph (1) a civil penalty of not more than $200 for the second violation or attempted violation and $400 for the third and each subsequent violation or attempted violation.

"(3) STATE ELECTION.—The prohibition set forth in paragraph (1) shall not apply in any State that elects to be exempt from the prohibition. Such an election shall take effect upon the President's receipt of written notice from the Governor of the State notifying the President of such election.

"(4) ALTERNATIVE APPROACH.—The prohibition set forth in paragraph (1) shall not apply in a State, and the President may implement an alternative approach, if—

"(A) the Governor of the State submits to the President a written description of an alternative approach to facilitate the compliance, by some or all foreign-registered motor vehicles, with the motor vehicle inspection and maintenance requirements that are—

"(i) related to emissions of air pollutants;

"(ii) in effect under the applicable implementation plan in the covered ozone nonattainment area; and

"(iii) applicable to motor vehicles of the same types and model years as the foreign-registered motor vehicles; and

"(B) the President approves the alternative approach as facilitating compliance with the motor vehicle inspection and maintenance requirements referred to in subparagraph (A).

"(5) DEFINITION OF COVERED OZONE NONATTAINMENT AREA.—In this section, the term 'covered ozone nonattainment area' means a Serious Area, as classified under section 181 as of the date of enactment of this subsection.".

SEC. 3. GENERAL PROVISIONS.

(a) IN GENERAL.—The amendment made by section 2 takes effect 180 days after the date of enactment of this Act. Nothing in that amendment shall require action that is inconsistent with the obligations of the United States under any international agreement.

(b) INFORMATION.—As soon as practicable after the date of enactment of this Act, the appropriate agency of the United States shall distribute information to publicize the prohibition set forth in the amendment made by section 2.

SEC. 4. STUDY BY GENERAL ACCOUNTING OFFICE.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the impact of the amendment made by section 2.

(b) CONTENTS OF STUDY.—The study under subsection (a) shall compare—

(1) the potential impact of the amendment made by section 2 on air quality in ozone nonattainment areas affected by the amendment; with

(2) the impact on air quality in those areas caused by the increase in the number of vehicles engaged in commerce operating in the United States and registered in, or operated from, Mexico, as a result of the implementation of the North American Free Trade Agreement.

(c) REPORT.—Not later than July 1, 1999, the Comptroller General of the United States shall submit to the Committee on Commerce of the House of Representatives and the Committee on Environment and Public Works of the Senate a report describing the findings of the study under subsection (a).

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, October 5, 1998, at 2 p.m. to hold a hearing.

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

ADDITIONAL STATEMENTS

TRIBUTE TO COMMANDER LILIA L. RAMIREZ, U.S. NAVY

• Mr. D'AMATO. Mr. President, I welcome this opportunity to pay tribute to Commander Lilia L. Ramirez, U.S. Navy, who is retiring after eighteen years of distinguished service to this nation. She stands out as a pioneer, a leader and an outstanding role model for young people in uniform.

Lilia's United States Navy career is testament to a true American success story. She was born in Bogota, Colombia, and emigrated to the U.S. when she was just five years old. Her parents, Alvaro and Ana Ramirez, were fleeing violence in the Colombian countryside in the early 1960's and sought a new life of security and promise for their children in America. Al and Ana settled in Bayshore, New York, and starting with little more than a confident spirit, went on to raise five extraordinary citizens through hard work, a determination to succeed, and a deep commitment to family.

Lilia is the eldest of the five children. She spoke only Spanish when she arrived in New York as a five-year-old. But Lilia excelled throughout her public education career, graduating with distinction from Brentwood High School and accepting an appointment to the U.S. Naval Academy as a member of the class of 1981, only the second class to have admitted women at Annapolis.

As a brand new Ensign, Lilia set sail for the Naval Communications Area Master Station Western Pacific in Guam, the first of three overseas assignments. While in Guam, Lilia deployed to the Indian Ocean aboard the submarine tender USS PROTEUS. One of just a handful of women aboard PROTEUS, she crossed the Equator with the ship and was proudly and courageously initiated as a Trusty

Shellback in that time-honored sea faring ceremony.

Assignments in Europe followed, first in England as a Navy-Air Force Liaison Officer at RAF Mildenhall, where one evening on liberty she and two other Annapolis classmates saved the life of an elderly Briton they had come upon who had collapsed from a heart attack. Next she served at the U.S. European Command in Stuttgart, Germany, as the Officer-in-Charge of the Navy-Marine Corps Element in the headquarters' manpower and personnel directorate. While in Stuttgart, Lilia provided crucial after-action reporting and personnel support in the wake of a terrorist murder of our Naval Attache in Greece and the U.S. Marine Barracks bombing in Beirut.

After five years overseas, Lilia returned to the Washington, DC area to serve in several assignments, including the Navy Telecommunications Center at Crystal City, at the time the Navy's largest message center; the Navy's Bureau of Personnel, where she was personally involved in assigning a record number of women officers to pursue advanced technical degrees at the Naval Postgraduate School; and the Joint Staff's Command, Control and Communications Systems Directorate. On the Joint Staff, she coordinated the installation of command and control systems in the field offices of Customs, DEA and the North American Air Defense Command as part of our national anti-drug policy.

In 1990 Lilia was assigned as Officer-in-Charge of the Personnel Support Detachment at Naval Air Station Whidbey Island, in the state of Washington. In this tour she was responsible for the pay, travel and career advancement matters of 8,000 service members and their families. Lilia returned to the Washington, DC area again in 1992 where she served as base commander of Naval Communications Unit Cheltenham, a 230-acre facility in rural Maryland. At Cheltenham she was responsible for 300 personnel, 19 tenant commands, and environmentally protected wetlands at her base, where she also played host to the local Boys Scouts Troop.

In 1994 Lilia began a tour in the Secretary of the Navy's Office of Legislative Affairs. Lilia was responsible for representing command, control, communications and tactical intelligence programs to the defense and intelligence committees of both the House and Senate. In addition to numerous informative visits to Naval communications and intelligence facilities throughout the U.S., Europe and Japan, Lilia also escorted congressional delegations to the refugee camps at Guantanamo Bay, Cuba, and to witness national elections in Nicaragua. In 1997 she was part of a team from the U.S. Naval Academy sent to Peru to advise the Peruvian Navy on integrating women into their naval academy.

Lilia was also a student at the Inter-American Defense College, where she again blazed a trail as the first U.S. Navy woman to attend that institution. She was an impressive ambassador of the U.S. Navy to her Latin American counterparts, where she was able to combine her native Spanish fluency and breadth of experience in national security affairs to forge lasting relationships with key civilian and military leaders of Latin America. She left them with enduring, positive impressions of women as military professionals.

Lilia's personal decorations include the Defense Meritorious Service Medal, the Meritorious Service Medal, the Joint Service Commendation Medal, and the Navy Commendation Medal (three awards).

The Nation owes a debt of gratitude to Lilia Ramirez, whose example will inspire women and Hispanics to seek public service and whose work will continue to have a lasting impact on our armed forces for years to come. While we will miss her distinguished career in uniform, we will no doubt continue to enjoy her commitment to community and nation. I wish to recognize her entire family, including father Alvaro, mother Ana (whom we lost just this year to cancer), brothers Michael and Henry, and sisters Angela and Ana Tulita, all great American success stories in their own right. Best wishes to Lilia, husband Randall Lovdahl (Commander, U.S. Navy), and children Bianca and Beau as they mark this special milestone.•

STRUCTURED SETTLEMENT PROTECTION ACT

• Mr. BAUCUS. Mr. President, I am pleased to join today with Senator CHAFEE and a bipartisan group of our colleagues from the Finance Committee including Ms. CAROL MOSLEY-BRAUN in introducing the Structured Settlement Protection Act.

Companion legislation has been introduced in the House (H.R. 4314) by Representatives CLAY SHAW and PETE STARK. The House legislation is cosponsored by a broad bipartisan group of Members of the House Ways and Means Committee.

The Treasury Department supports this bipartisan legislation.

I speak today as the original Senate sponsor of the structured settlement tax rules that Congress enacted in 1982. I rise because of my very grave concern that the recent emergence of structured settlement factoring transactions—in which factoring companies buy up the structured settlement payments from injured victims in return for a deeply-discounted lump sum—completely undermines what Congress intended when we enacted these structured settlement tax rules.

In introducing the original 1982 legislation, I pointed to the concern over the premature dissipation of lump sum recoveries by seriously-injured victims and their families:

> In the past, these awards have typically been paid by defendants to successful plaintiffs in the form of a single payment settlement. This approach has proven unsatisfactory, however, in many cases because it assumes that injured parties will wisely manage large sums of money so as to provide for their lifetime needs. In fact, many of these successful litigants, particularly minors, have dissipated their awards in a few years and are then without means of support.—CONGRESSIONAL RECORD (daily ed.) 12/10/81, at S15005.

I introduced the original legislation to encourage structured settlements because they provide a better approach, as I said at the time: "Periodic payment settlements, on the other hand, provide plaintiffs with a steady income over a long period of time and insulate them from pressures to squander their awards." (Id.)

Thus, our focus in enacting these tax rules in sections 104(a)(2) and 130 of the Internal Revenue Code was to encourage and govern the use of structured settlements in order to provide long-term financial security to seriously-injured victims and their families and to insulate them from pressures to squander their awards.

Over the almost two decades since we enacted these tax rules, structured settlements have proven to be a very effective means of providing long-term financial protection to persons with serious, long-term physical injuries through an assured stream of payments designed to meet the victim's ongoing expenses for medical care, living, and family support. Structured settlements are voluntary agreements reached between the parties that are negotiated by counsel and tailored to meet the specific medical and living needs of the victim and his or her family, often with the aid of economic experts. This process may be overseen by the court, particularly in minor's cases. Often, the structured settlement payment stream is for the rest of the victim's life to ensure that future medical expenses and the family's basic living needs will be met and that the victim will not outlive his or her compensation.

I now find that all of this careful planning and long-term financial security for the victim and his or her family can be unraveled in an instant by a factoring company offering quick cash at a steep discount. What happens next month or next year when the lump sum from the factoring company is gone, and the stream of payments for future financial support is no longer coming in? These structured settlement factoring transactions place the injured victim in the very predicament that the structured settlement was intended to avoid.

Court records show that across the country factoring companies are buying up future structured settlement payments from persons who are quadriplegic, paraplegic, have traumatic brain injuries or other grave injuries. That is why the National Spinal Cord Injury Association and the American Association of Persons With Disabilities (AAPD) actively support the legislation we are introducing today. The National Spinal Cord Injury Association stated in a recent letter to Chairman ROTH of the Finance Committee that the Spinal Cord Injury Association is "deeply concerned about the emergence of companies that purchase payments intended for disabled persons at drastic discount. This strikes at the heart of the security Congress intended when it created structured settlements."

As a long-time supporter of structured settlements and an architect of the Congressional policy embodied in the structured settlement tax rules, I cannot stand by as this structured settlement factoring problem continues to mushroom across the country, leaving injured victims without financial means for the future and forcing the injured victims onto the social safety net—precisely the result that we were seeking to avoid when we enacted the structured settlement tax rules.

Accordingly, I am pleased to join with Senator CHAFEE in introducing the Structured Settlement Protection Act. The legislation would impose a substantial penalty tax on a factoring company that purchases structured settlement payments from an injured victim. There is ample precedent throughout the Internal Revenue Code, such as the tax-exempt organization area, for the use of penalties to discourage transactions that undermine existing provisions of the Code. I would stress that this is a penalty, not a tax increase—the factoring company only pays the penalty if it undertakes the factoring transaction that Congress is seeking to discourage because the transaction thwarts a clear Congressional policy. Under the Act, the imposition of the penalty would be subject to an exception for court-approved hardship cases to protect the limited instances of true hardship of the victim.

I urge my colleagues that the time to act is now, to stem as quickly as possible these harsh consequences that structured settlement factoring transactions visit upon seriously-injured victims and their families.•

TRIBUTE IN HONOR OF NATIONAL 4-H WEEK

• Mr. GRAMS. Mr. President, I rise today as a former 4-Her to pay tribute to the participants and volunteers of 4-H, in honor of National 4-H Week, which takes place October 4-10.

Although it is not known exactly when or where the 4-H program began, Minnesota was one of its originators. The 4-H program, initially known as the Boys and Girls Clubs, was founded sometime around the turn of the Twentieth Century by representatives of a wide range of community interests; specifically, farm families, agricultural scientists, school teachers, administrators and concerned citizens. The instrumental founder of 4-H in Minnesota was Theodore A. "Dad" Erickson, a Douglas County School Superintendent.

During its formative years, a three-leaf clover was used as the symbol of the Boys and Girls Clubs representing three "H's": head, heart and hands. In 1924, Mr. O.H. Benson used the four-leaf clover symbol in Iowa; in his design the fourth leaf represents health. Today, 4-H emphasizes projects that improve the four "H's": head, heart, hands, and health.

4-H evolved from an organization which first focussed on advancing agricultural technology for young men and home economics skills for young women, into a program which helped develop self-confidence and a sense of community responsibility for all youth participants. Today, 4-Hers not only continue to be involved in vegetable gardening, bread baking and sewing, which have been around since the program's inception, but have branched out into new areas to keep in tune with today's ever-changing world, such as computer, bicycle and electrical projects. Ultimately, 4-H continues to expand upon its primary goal: the development of young people.

Nationwide, there are 6,009,997 members between the ages of five and twenty-one and 624,967 volunteers who participate in the 4-H program. As for Minnesota, 4-H is the largest youth organization in the state and consists of over 250,000 members and 14,000 volunteers. In addition, there are more than 4,000 4-H clubs in the state of Minnesota.

There are many activities that 4-Hers and their clubs undertake, such as cleaning up trash in their communities, helping in literacy projects, and delivering food to hospice patients. 4-Hers participate in local county and state fairs, showing off months of hard work by presenting vegetables they have grown in their gardens, various shop projects they have built or refurnished, and recipes they have perfected. They also show various animals ranging from domestic pets to livestock they have trained and groomed for competition. 4-Hers have the opportunity to attend various camps, state 4-H youth gatherings, national 4-H Congress, national 4-H Conference, and International 4-H youth exchange.

Mr. President, 4-H would not work without the commitment from America's youth and the dedication of the volunteers who continue to make 4-H an ever-expanding success on a local, state, national and global level. Again, as a former 4-H member, I believe 4-H provides our youth of today the skills necessary to survive in our evolving world. I commend all of those involved for their hard work, service, and their pledge to honor to follow the 4-H motto: "To make the best better!"•

ONE GUN A MONTH FORUM

• Mr. LAUTENBERG. Mr. President, on September 2, I convened a forum on gun trafficking. Across America, it is simply too easy for criminals, particularly gangs, to purchase and distribute large numbers of guns. And more guns in the wrong hands means more murder and mayhem on our streets.

Because we must move more aggressively to stop this deadly crime, I introduced S. 466, the Anti-Gun Trafficking Act. The testimony I heard at the forum has made me even more determined to pass this sensible legislation and help stop gun traffickers.

In order to share the insights of the witnesses at the forum with my colleagues and the public, I am submitting the testimony presented for inclusion in the CONGRESSIONAL RECORD. Last week, I submitted the testimony of Mayor Edward Rendell. Today, I am submitting the testimony of James and Sarah Brady. Through their tireless efforts with The Center to Prevent Handgun Violence and Handgun Control, they have helped reduce gun violence across our country and it was an honor to have them at the forum.

I am also submitting the testimony from several young people who were kind enough to testify at the forum. John Schuler, Kenisha Green and Quanita Favorite live in communities where gun violence is an everyday occurrence, and they have experienced the pain and misery that results. We must do more to help them and the other children who live in the crime-ridden neighborhoods of our nation.

Mr. President, I ask that the testimony of James Brady and Sarah Brady, along with excerpts from the testimony of John Schuler, Kenisha Green, and Quanita Favorite, be printed in the RECORD.

The material follows:

JOHN SCHULER—21 YEARS OLD—RESIDENT OF BENNING TERRACE IN SE WASHINGTON DC

I live in a neighborhood that guns are always going off. You hear them late at night or early in the morning hours. It sometimes feels like a war zone. The bad part about it is that you never feel safe. You always have this fear that it could be you that gets shot today. That's no way for children to grow up.

Nobody is willing to do anything about it. Guns are sold all the time and its like—you can get one anytime you want one. The people who sell em' don't even live in the neighborhood. It's like a business you know. All the time, somebody needs a pistol to protect themselves or because they got to get somebody before they get taken out themselves.

I've seen friends get shot or killed sometimes for no reason at all. Or because they were in the wrong place at the wrong time. You can get what ever you need, gloc, special or what ever, you can get it if you got the cash.

KENISHA GREEN—20 YEARS OLD—RESIDENT OF PARK MORTON, WASHINGTON, DC

I've got so much to say and it just doesn't seem to be enough time to explain how I feel. I've seen guns sold in and around my neighborhood, to my friends and to my enemies. The fact of the matter is that nobody wins. Every time a gun is sold or stolen and ends up on the streets, you can just scratch off somebody's baby being dead. We are killing each other at alarming rates and its like nobody cares because they say—"they're poor, or they're just dope dealers, or they're just not worth it." It's not fair. Other kids get to go to college and we get to go to funerals. These people who sell guns are the real predators. They feed off of our pain and make it seem like we be the animals. Any kind of weapon you want, if you got the cash its available.

QUANITA FAVORITE—18 YEARS OLD—RESIDENT KENNEDY STREET NW WASHINGTON, DC

Just like they sell crack in neighborhood guns are sold all the time in my community. Just last week outside my apartment I could hear a man and woman arguing in the alley. He pulled out a pistol and started firing at her. It's like Dodge City . . . everybody seems to be carrying. Not long ago my uncle was shot and killed on Capital Hill. I still have nightmares. Why are guns so easy to get in our neighborhood? Why do people sell guns like candy and make the victims the guilty parties. We are suffering in our neighborhood and nobody really cares.

I work for the Advocates for Youth here in Washington. My job is helping other young people understand the violence and that they can do something about it. Almost every person who we come in contact with, throughout the Nation's Capital has been touched by gun violence. Either a close loved one or a friend at school. When people can purchase guns from other states and easily bring them to sell on the streets of Washington, we've got a real problem.

I don't want to die or raise children in an environment where walking down my street could be a life or death situation. people have got to understand that we need drastic measures to curb the illegal sales and purchases of weapons or we all will become victims.

TESTIMONY OF SARAH BRADY, CHAIR, HANDGUN CONTROL, INC., SEPTEMBER 2, 1998

Good morning. I'm Sarah Brady, chair of Handgun Control, Inc. and the Center to Prevent Handgun Violence.

For too many years, the ladies and gentlemen of the United States Congress have heard strenuous objections from the NRA and its allies to reasonable gun control measures. The Brady Bill, the assault weapon ban, and the currently pending Childrens' Gun Violence Prevention Act of 1998 . . . all were characterized by the gun lobby as an assault of the rights of gunowners that would do nothing to stop the trafficking and use of firearms by criminals.

The gun lobby was and is wrong about those measures, but I'm particularly curious to hear what they have to say about the proposal we are discussing today that would limit handgun purchases to one a month. You see, the whole point of this proposal is to make it extremely difficult for straw purchasers to buy multiple firearms and resell them to the criminal market. As every major law enforcement group in the nation will tell you, these multiple sales are the easiest and most efficient way for legal guns to transform themselves into the tools of robbery, rape and homicide.

But you don't have to take my word for it. In 1993, the same year this federal legislation was first introduced by Senator Lautenberg, Virginia reacted to its reputation as the number one gun trafficking state in the northeast by passing its own one-handgun-a-month law. As our research demonstrated three years later, Virginia's law successfully disrupted the gun trafficking pattern from that state to the rest of the northeast. For crime guns purchased after implementation to the new law that were recovered in the Northeast, Virginina's share fell by 54%. Even more dramatically, the percentage of guns traced back to Virginia gun dealers fell by 61% for guns recovered in New York, 67% for guns recovered in Massachusetts, and 38% for guns recovered in New Jersey. Quite simply, the one-gun-a-month law curtailed Virginia's role as the arms supplier for the eastern seaboard.

Maryland's one-gun-a-month law took effect in October, 1996. Last year I joined Governor Glendenning in applauding the law's effects—in 1997, not one Maryland handgun bought in a multiple sale was traced from a crime in the District of Columbia. And, the state not only showed an overall drop in crime in 1997, but as of last November, Baltimore police recovered 623 handguns, as opposed to 934 in the year before the law went into effect.

But as effective as one-gun-a-month laws are at the state level, a national law would do so much more to curb interstate gun trafficking. The same tracing data that demonstrates that Maryland and Virginia are no longer the main suppliers for gun traffickers demonstrates that Georgia, Florida and other states with weak gun laws have to some degree taken over the business. If even one state allows straw purchasers to walk out of gun stores with ten semiautomatic pistols in a bag, we will all suffer when those guns make their way to the streets and alleys of neighboring communities. Just last spring, Philadelphia law enforcement officials cited the multiple sales of weapons to concealed-carry licensees as one of the most important sources of that city's continually high rate of gun violence.

We need to stop pretending, after all this time, that the gun problem and the crime problem exist independently of each other. New research by the Center to Prevent Handgun Violence demonstrates that the more guns sold per transaction, the more likely that those guns will be recovered in another state in connection with a criminal investigation. The Center studied data involving 1,173 guns that were traced by ATF as part of a criminal investigation and which were later discovered to have been purchased as part of a multiple sale transaction.

The Center's study showed a clear link between multiple sales and interstate gun running. Guns that were purchased as part of a sale involving 3 or more guns were trice as likely as other guns to be recovered in another state.

The research also showed that a gun purchased as part of a multiple sale is far more likely to be a junk gun, or Saturday Night Special. A gun that is purchased as part of a sale involving more than three guns is three times more likely to be a Saturday Night Special. It doesn't take much imagination to see what is happening here: interstate gun traffickers are acquiring Saturday night specials at the bulk rate in one state and selling them in another.

These conclusions bear out what our common sense tells us. Gun dealers know that the guy with the hundred dollar bills buying 10 Lorcins at a time is not giving them out as party favors to his buddies. Law enforcement knows that the drug dealer's girlfriend buying five Tec-9 assault pistols is not using them to decorate her living room. Prosecutors know that the straw purchaser with the technically clean record who is fronting for violent criminals is as dangerous as a drug-dealer—but much harder to catch and put away. Jim and I know that the Brady Law's background checks and waiting periods cannot prevent a buyer with a clear record from supplying half the gangsters in his neighborhood with guns at a hefty profit. And the public knows that criminals will still take the easiest route to a gun—and right now, that route is the illegal gun trafficker who buys 20, 30 or 40 guns a month.

Five years ago, during the debate over Virginia's proposed law, NRA Executive Director Wayne LaPierre acknowledged that "not many law-abiding Virginians purchase more than one gun a month." Well, of course they don't, Wayne. Given the high cost of a quality firearm, most people don't want or need to buy more than one gun a month—it's like buying four or five televisions or refrigerators in a month. Twelve guns a year is more than enough to give any law-abiding sportsman the arsenal of his dreams—and to prevent those with other objectives from getting the firepower they need to rob, to rape and to murder.

We have waited long enough for a sensible solution to this nation's crime and gun problem to be implemented. Let's start preventing some of the crimes we are spending hundreds of millions of dollars to punish. Let's make this Congress pass a real and common-sense achievement for our nation's well-being and public safety, and pass this long-overdue anti-gun trafficking measure.

Thank you.

TESTIMONY OF JAMES BRADY, SEPTEMBER 2, 1998

As a life-long Republican, I have always been a champion of small business. But there is one small businessman that should be put out of business and that's the professional gun trafficker. Professional gun traffickers, like other businessmen, have to make a living, and you don't make a living by selling just one handgun per month. If you are a professional gun trafficker, you have to buy and sell in volume.

Let me give you a few examples:

In December 1997, three police officers were shot with one of the many guns supplied by Michael Cartier, who pleaded guilty to firearms trafficking in a federal court on August 5, 1998. Cartier admitted that he bought 11 guns in one day in Alabama, to be sold in Rochester, New York. He also admitted that he dealt firearms in Western New York without a license between June 20, 1997 and February 14, 1998, and that he purchased 28 other firearms before February 14.

In March 1996, Bronx police officer Kevin Gillespie was fatally shot while attempting to intercept a carjacking. An investigation of four handguns found at the scene uncovered a nationwide gun trafficking ring reaching from Houston, Texas to Columbus, Ohio, to Rocky Mount, North Carolina. The New York Times reported that 14 high-powered handguns sold by the smugglers were purchased from one Ohio gun store during a

three-month period. Many of those guns were recovered by police in drug dens and at other crime scenes.

In April of 1995, a notorious gang member attempted to murder a Los Angeles police detective. The handgun he used was traced to a gun-trafficking ring that had purchased at least 1,000 firearms in Phoenix and sold them to Los Angeles-area gangs.

By passing a law limiting handgun purchases to one handgun a month, you will be putting professional gun traffickers, like those I just mentioned, out of business. With all due respect to you, Senator Lautenberg, I think you should choose a different name for this legislation. I would suggest you call it, "The Gun Trafficker's Unemployment Act of 1998." Take it from me: this is one business we don't need.

Thank you for this opportunity to testify.•

REAUTHORIZATION OF THE OLDER AMERICAN'S ACT OF 1965

• Mr. ABRAHAM. Mr. President, I rise today in support of Senate Bill 2295. Senator JOHN MCCAIN introduced this bill to reauthorize the Older American's Act of 1965. This legislation will extend authorization for three years for America's senior citizen population.

Today's seniors face issues and problems that will eventually effect every American. I watched my parents confront life as seniors, and I too am concerned about my life after retirement. Taxes, health care, Social Security, Medicare, Medicaid, and quality of life issues are just a few of the areas in which our seniors face difficult challenges.

The number of people 65 years of age and older is expected to grow more than three times as fast as the total population through the next thirty years. I believe the Older Americans Act provides essential programs for this growing population. The Older Americans Act includes senior programs such as the senior nutrition program, senior employment services, and the foster grandparent program, among others. Area Agencies on Aging throughout Michigan and the nation conduct various social and health related programs for seniors through the Older American's Act. These programs, when run effectively and efficiently, are a great service to our elderly population.

The Older American's Act has been without reauthorization for too long. I supported this straight reauthorization to provide some stability to these important programs. I believe congress must take steps to ensure the health and well-being of the growing elderly population. For these reasons, I am proud to join my colleagues in cosponsoring this important legislation.•

THE DEATH OF MAYOR TOM BRADLEY

• Mrs. FEINSTEIN. Mr. President, I rise in memory of Mayor Tom Bradley, who is being laid to rest in Los Angeles today. I join with all Angelenos, and indeed all Californians, in mourning this kind, gentle, and wonderful man who led one of the world's great cities with such skill for so many years.

For nine years during my tenure as Mayor of San Francisco, I had the pleasure of working with Mayor Bradley on state and national issues and together we offered a loud drumbeat that the cities of our nation need attention. As cities go, so goes the nation, we often said. Through and through, I saw Tom Bradley as mayor who earned the respect of his peers while he demanded attention for his city.

First elected Mayor in 1973, Mayor Bradley paved the way for many other leaders on the local and national level. Although he made history as the first African-American mayor of a major city, Tom Bradley ran and won a campaign where he pledged to be a mayor who represented the entire city. He was true to his word, and for a record-setting five terms, he served all the millions of people who call Los Angeles home—from every racial, cultural, and religious group.

Born into a sharecropper's family, Tom Bradley was seven years old when he and his family headed to California to start a new life. When he arrived in Los Angeles in 1924, Tom Bradley remembered that "reaching California was like reaching the promised land."

A product of the Los Angeles public school system, his academic abilities enabled him to parlay his high school athletic prowess into a university education. Bradley received a scholarship to attend UCLA, where he soon distinguished himself as a track star.

Prompted by a desire to serve the city, Tom Bradley joined the Los Angeles Police Department in 1940. In May 1941, he married the former Ethel Arnold. They had two daughters, Lorraine and Phyllis.

As an early example of his enormous capacity for hard work that marked his years as mayor, Tom Bradley worked full-time as a police officer and went to law school at night. he graduated from Southwestern University in 1956 and passed the California Bar Exam.

After 21 years of service, he retired from the LAPD with the rank of Lieutenant in 1961 and began to practice law. Urged by community leaders, he decided in 1963 to run for a seat on the Los Angeles City Council. He became one of the first African-Americans ever to serve on the Council, and held his seat for 10 years before becoming the city's 37th Mayor in 1973. He ran for Governor of California twice, in 1982 and 1986, and nearly became the first African-American governor of the largest state in the Union. I think he would have made an outstanding governor.

Mayor Bradley once said, "My guiding philosophy as mayor has been and will continue to be, to paraphrase the Athenian Oath, to transmit this city * * * not as a lesser * * * but as a greater, better and more beautiful city than it was transmitted to me. This philosophy continues to be my inspiration."

Mayor Bradley did so much for the city he loved so well. He attracted businesses to the city and established policies that resulted in the dramatic resurgence of the downtown Los Angeles economic center. The impressive skyline that graces Los Angeles' downtown is the realization of his vision. He turned the city's Harbor and Airports into top-of-the-line businesses, expanding the number of people employed and the city's ability to compete in the world market. Today, when people fly into the Los Angeles airport from abroad, they land at the Tom Bradley International Terminal: a fitting tribute to the man who expanded the airport into the second-busiest in the country.

Mayor Bradley secured the 1984 Summer Olympic Games during a time when many predicted economic gloom. Instead, his signature approach of uniting the private and public sectors behind a common goal produced the most successful Olympic Games in modern history. The Games boosted economic activity in Southern California by $3.3 billion, created 68,000 jobs, and ended with a $215 million surplus. Just as important, the Games made all of us proud to be Americans. When we think of Carl Lewis winning his four gold medals, or Mary Lou Retton vaulting her way into the country's heart, we have Mayor Bradley to thank.

Mayor Bradley focused economic opportunities both on the inner city, with such community revitalization projects as the Baldwin Hills-Crenshaw and Vermont-Slauson shopping centers, and on the entire city, where he put forward affordable housing and fair planning policies.

Mayor Bradley also led a long and hard battle to bring rail transportation to the city of Los Angeles. There were many times it would have been easy to give up, to say the will simply was not there. Yet he was determined, came to the halls in Washington, D.C. often to appeal for funding, and never gave up. Today the Metro Blue Line carries passengers from Long Beach to downtown Los Angeles, and the Metro Red Line carries passengers from downtown to MacArthur Park. Construction is now underway to extend the Red Line to North Hollywood.

Finally, to reinforce his strong emphasis on education and to shield Los Angeles youth from drug peddlers and street gangs, Mayor Bradley initiated an ambitious plan, called L.A's BEST (Better Educated Students for Tomorrow), to provide computer training, tutorial assistance, and other enrichment activities to students in Los Angeles' low income neighborhoods. Under the program, parents are able to voluntarily keep their children at school

from 2:30 p.m. to 6:00 p.m. each school day to learn and play. Today L.A.'s Best serves over 5,000 children each day, and has shown dramatic results in boosting students' academic achievement and self-esteem.

Mayor Tom Bradley shaped Los Angeles. He guided the City through enormous growth and change. His 20 years were marked by too many triumphs to count, and even in the bad times, during the devastating civil unrest that took place after the Rodney King verdict, his strong leadership and gentle demeanor brought Angelenos together to work for the common good. For many Angelenos, Mayor Bradley was a father figure: physically imposing at six-foot-four, and intellectually imposing as the sharp-minded, politically astute big city mayor, but always so warm and gentle that you instantly felt at ease when you talked with him. He was a great leader, but more than that, he was a great person. There are simply not enough people like him in politics.

Mr. President, I know that Tom Bradley will be remembered as one of the city's greatest and most beloved mayors. His loss is a blow to the City of Los Angeles. I know that I join all Angelenos today in sending my thoughts and prayers to his wife and daughters.•

SKIERNIEWICE, POLAND

• Mr. LEAHY. Mr. President, five years ago, Mr. Irving Gross of Londonderry, Vermont returned to his father's birthplace, Skierniewice, Poland for the first time. During his trip he visited the city's Jewish cemetery. Like many other Jewish cemeteries in Poland, Skierniewice's had been destroyed by the Nazis and ravaged by time. The grounds were unkempt and monuments and headstones were broken, overturned or missing completely.

Today, through the efforts of Mr. Gross, Mr. Tadeusz Zwierzchowski, a former member of the Polish underground and a Skierniewice resident, and local Skierniewice authorities, the cemetery has been rehabilitated. It now stands as a memorial to the Polish Jews who perished under Nazi persecution and serves as a powerful reminder to the residents of Skierniewice of the vibrant Jewish culture that once enriched their city and their lives.

Mr. President, I would like to recognize all those who participated in this important effort to commemorate the role of the Jewish people in Polish culture and their plight during the Holocaust. In bearing witness to the past, the residents of Skierniewice have made a valuable contribution to their city's future.•

ACTON INSTITUTE FOR THE STUDY OF RELIGION AND LIBERTY

• Mr. ABRAHAM. Mr. President, I rise today to recognize a very important organization the state of Michigan. The Acton Institute for the Study of Religion and Liberty is a unique resource dedicated to prosperity and progress and based in the virtues of religious liberty, economic freedom, and personal moral responsibility. The Acton Institute works hand in hand with church leadership, educational institutions, and individuals in business and the ministry, both in the United States and abroad, to promote an understanding of market principles and to encourage the economic freedom that creates opportunity for all.

This organization has assisted both elected officials and scholars alike with its well written policy papers and newsletters. My colleagues and I truly appreciate their insight and dedication to the free market. The Acton Institute will be celebrating their eighth anniversary today, October 5, 1998 with their Annual Dinner Gala in Grand Rapids. The Institute's Board of Directors and the Eighth Anniversary Host Committee has a wonderful evening planned. It will undoubtedly be a great success.

I extend my best wishes and congratulations to Father Robert A. Sirico, and everyone involved in making the organization a tremendous success. I wish the Acton Institute continued prosperity.•

TRIBUTE FOR NATIONAL FIRE PREVENTION WEEK

• Mr. GRAMS. Mr. President, I rise today to pay tribute to more than 25,000 Minnesota fire fighters in their dedicated efforts to reduce the dangers of fire and the impact it has upon our society. Fire fighters play an integral role in the communities of Minnesota each day, but their dedication will be highlighted October 4–10, as we recognize National Fire Prevention Week.

Fire Prevention Week is the result of efforts by the Fire Marshals Association of North America, under the nonprofit organization, the National Fire Protection Association (NFPA). The remembrance of the Great Chicago Fire of October 9, 1871 sparked the NFPA into action to increase public awareness of fire safety. It was not until 49 years later that President Woodrow Wilson issued an official proclamation declaring October 9 as National Fire Prevention Day. In 1922, President Warren Harding signed a proclamation pronouncing the Sunday—Saturday period in which October 9 falls a national observance.

Today, the goal of National Fire Prevention Week is to bring an awareness to the public to take an active role in fire prevention. Minnesota's dollar loss to fire last year totaled more than $141 million. Experts tell us a commitment to prevent fires before they occur is the only way to stop the significant loss of life and property from fire. For more than 70 years the NFPA has developed a theme motivating the public to actively participate in public education and fire prevention efforts. The theme for 1998 is "Fire Drills: The Great Escape."

Minnesota is working in conjunction with the NFPA and fire departments throughout the United States and Canada to implement the first-ever North American fire drill—"The Great Escape" on October 7. The Great Escape theme hopes to encourage citizens throughout North America to become actively involved in fire safety, specifically home escape planning and practice. Home fire escape planning and practice ensures that everyone in the household will know how to use what is often a small window of opportunity effectively and get out alive.

The 794 fire departments in Minnesota have been preparing for Fire Prevention Week by educating the public with guidelines and a map grid to help them design an escape plan. This awareness "Toolbox" has been distributed to schools and can be found at your local fire department. Their hope is to motivate people to think about fire safety in a positive, proactive way, and to start practicing their home escape plans regularly, at least twice a year.

School programs to teach children fire safety have always been an integral part of fire prevention. Minnesota will debut a Juvenile Firesetter Intervention Program this month. The program will provide training to identify, educate, bring to justice, and offer avenues for referral and restitution to the juvenile firesetters in Minnesota's communities. This will be supported through regional task forces across the state. In addition to these activities, the Minnesota State Fire Marshal Division, in conjunction with Tandy Corporation (Radio Shack), has developed a "Free Smoke Detector Program." To aid in the detection of fires, 5,000 smoke detectors have been donated for installation in homes of at-risk individuals.

Mr. President, our fire departments have shown the highest level of dedication and service to protecting our homes and places of work from fire. I truly appreciate their unabated commitment to the safety of our communities and am honored today to pay tribute to the men and women of fire prevention.•

INTERNET TAX FREEDOM ACT

• Mr. FAIRCLOTH. Mr. President, I rise today in support of the Internet Tax Freedom Act. In recent years,

Internet use has exploded, creating unprecedented opportunities for individuals and businesses. We must not allow a complicated patchwork of taxes to impede future opportunities.

Growth of the Internet has presented individuals with quick access to unlimited information. With an estimated 100 million users connected by year's end, its popularity is unmistakable.

Logically, entrepreneurs are catering to this growth through online sales. We are now seeing the online sale of books, airline tickets, and computer software. New companies are being created and old companies are adapting to provide products and services via the Internet. Companies such as Amazon.com and Dell computers are leading the way. Of course, large numbers of small businesses are focusing on Internet sales as well. Electronic Commerce generated an estimated $8 billion last year and is projected to generate over $300 billion in 2002.

Mr. President, we must not underestimate the benefits of such growth. It leads to the creation of new businesses and jobs. And while companies that do this well will reap tremendous rewards, consumers will be the ultimate winners. They will benefit from the convenience and efficiency of electronic commerce. Furthermore, growth in Internet sales will lead to increased competition, bringing consumer choice and lower prices. I, therefore, believe it's vital that we protect this emerging industry.

By placing a two-year moratorium on Internet access tax and discriminatory taxes on electronic commerce, the Internet Tax Freedom Act is a strong step in the right direction. I understand that many businesses may not have the resources or may choose not to engage in Internet sales. This bill doesn't discriminate against these companies by creating a tax haven for their competitors. It applies only to those taxes which specifically target the Internet. It, in effect, prevents discrimination against companies engaged in Internet sales.

Mr. President, the Internet Tax Freedom Act is a bipartisan bill which will ensure the vitality of our nation's electronic commerce. Today, I offer my full support for this commonsense legislation.•

STUDENT LOAN FLEXIBILITY

• Mr. GREGG. Mr. President, if I could have the attention of the distinguished chairman of the Committee, Senator JEFFORDS, I would like to engage him in a brief discussion of a proposal that was raised during Senate consideration of the higher education reauthorization bill.

As the chairman will recall, the managers' amendment offered during Senate consideration included sense-of-the-Senate language regarding the need for greater flexibility in federal student loan programs. Specifically, there were some of us interested in increasing the annual limits on unsubsidized loans while maintaining the aggregate limits, so that students could take greater advantage of federal loans available at lower interest rates. Unfortunately, a substantive amendment to advance that proposal was scored by the Congressional Budget Office (CBO) as increasing mandatory spending, and adequate offsets could not be found.

My purpose in raising this matter again today is to elicit from the chairman an indication of his support for this loan flexibility proposal on a substantive policy basis, in the hope that, if we can ever find the additional resources necessary to cover its costs, we might enjoy the chairman's support in pressing for its enactment.

Mr. JEFFORDS. Mr. President, I agree with the Senator from New Hampshire that one of the main obstacles to the adoption of the loan flexibility proposal was the cost implications raised by CBO. In fact, budget considerations prevented us from making a number of beneficial changes in the Act which I know members would have liked to have provided. I am favorably disposed to the loan flexibility proposal on a substantive policy basis, and I am willing to continue to work with the Senator from New Hampshire and other interested parties to gain its enactment.

Mr. GREGG. Mr. President, I very much appreciate the chairman's comments and his support and look forward to our continued work together.•

300TH ANNIVERSARY OF THE CITY OF PENSACOLA, FL

• Mr. MACK. Mr. President, I rise today in honor of the 300th anniversary of the City of Pensacola, Florida. Although November 21, 1998 will mark the 300th anniversary of the continuous settlement of Pensacola, the origins of Pensacola are much older.

In 1559, Don Tristán de Luna y Arellano led the first authorized attempt to colonize what eventually became known as Pensacola. The first attempt at colonization failed, however, and the Spanish were forced to withdraw in 1561. The Spanish did not attempt to colonize the area again until 1698.

Since 1698, Pensacola has flown the Spanish flag, the French flag, the British flag, the Confederate flag, and the American flag over the City. Each flag left its mark upon the City and their historical presence is still evident today. Pensacola honors its heritage each year with the Fiesta of Five Flags celebration.

The presence of the United States Navy has also had an impact upon Pensacola. In the 1820s, a Navy Yard was established in Pensacola. The Navy Yard was closed in 1911, but in a few short years Pensacola was selected as the site of a "Naval flying school." Today, pilots still seek flight training at the Pensacola Naval Air Station which has been called the "Cradle of Naval Aviation."

Pensacola's deep and sheltered bay, sugar white beaches, friendly residents, and Southern hospitality continues to charm visitors today. Over the past three hundred years, the community has hosted such visitors as General Andrew Jackson and entertainer Bob Hope.

On November 21, 1998, Pensacola will celebrate its 300th anniversary at the site of the former Spanish settlement which today is part of the Pensacola Naval Air Station. This historic event will be commemorated with a celebration which will include a parade and fireworks.

As a United States Senator from the State of Florida, it gives me great pleasure to wish the City of Pensacola a happy 300th anniversary. I wish the City of Pensacola all the best for a fun-filled celebration.•

COSPONSORSHIP OF S. 2426, THE UNIFORMED SERVICES FILING FAIRNESS ACT OF 1998

• Mr. ABRAHAM. Mr. President, I rise today to voice my support for Senate Bill 2426, "The Uniformed Services Filing Fairness Act of 1998." I believe this legislation will work to give much assistance to our men and women abroad in uniform. As we continue to ask for increased responsibilities from our servicemembers, let us not punish these same stewards with unfair tax return deadlines. Due to the remote deployment of many in the uniformed service, these tax deadlines become nearly impossible to meet. In my view, this presents the Senate with an opportunity to provide a measure of relief to servicemembers already stretched to their limits by those repeated and remote deployments.

In my view, this needed legislation is both fair-minded and fiscally responsible. I urge my colleagues to join me in cosponsoring this bill.•

SUBMITTING CHANGES TO THE APPROPRIATIONS COMMITTEE ALLOCATION

• Mr. DOMENICI. Mr. President, section 314(b)(1) of the Congressional Budget Act, as amended, requires the Chairman of the Senate Budget Committee to adjust the appropriate budgetary aggregates and the allocation for the Appropriations Committee to reflect an amount provided and designated as an emergency requirement pursuant to 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act.

I hereby submit revisions to the 1999 Senate Appropriations Committee allocation, pursuant to section 302 of the Congressional Budget Act, in the following amounts:

	Budget authority	Outlays
Current Allocation:		
Defense discretionary	271,570,000,000	266,635,000,000
Nondefense discretionary	255,634,000,000	265,414,000,000
Violent Crime reduction fund	5,800,000,000	4,953,000,000
Highways		21,885,000,000
Mass transit		4,401,000,000
Mandatory	299,159,000,000	291,731,000,000
Total	832,163,000,000	855,019,000,000
Adjustments:		
Defense discretionary		
Nondefense discretionary	+4,258,000,000	+4,071,000,000
Violent Crime reduction fund		
Highways		
Mass transit		
Mandatory		
Total	+4,258,000,000	+4,071,000,000
Revised Allocation:		
Defense discretionary	271,570,000,000	266,635,000,000
Nondefense discretionary	259,892,000,000	269,485,000,000
Violent Crime reduction fund	5,800,000,000	4,953,000,000
Highways		21,885,000,000
Mass transit		4,401,000,000
Mandatory	299,159,000,000	291,731,000,000
Total	836,421,000,000	859,090,000,000

FEDERAL EMPLOYEES LIFE INSURANCE IMPROVEMENT ACT

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 590, H.R. 2675.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2675) to require that the Office of Personnel Management submit proposed legislation under which group universal life insurance and group variable universal life insurance would be available under chapter 87 of title 5, United States Code, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Employees Life Insurance Improvement Act".

SEC. 2. STUDY AND REPORT ON CERTAIN LIFE INSURANCE OPTIONS OFFERED TO FEDERAL EMPLOYEES.

(a) IN GENERAL.—Not later than July 31, 1998, the Office of Personnel Management shall conduct a study on life insurance options for Federal employees described under subsection (b) and submit a report to Congress.

(b) STUDY AND REPORT.—The study and report referred to under subsection (a) shall—

(1) survey and ascertain the interest of Federal employees in an offering under chapter 87 of title 5, United States Code, of insurance coverage options relating to—

(A) group universal life insurance;

(B) group variable universal life insurance; and

(C) additional voluntary accidental death and dismemberment insurance; and

(2) include any comments, analysis, and recommendations of the Office of Personnel Management relating to such options.

SEC. 3. REPEAL OF MAXIMUM LIMITATION ON EMPLOYEE INSURANCE.

Chapter 87 of title 5, United States Code, is amended—

(1) in section 8701(c), in the first sentence, by striking the comma immediately following "$10,000" and all that follows and inserting a period; and

(2) in section 8714b(b), in the first sentence, by striking "except" and all that follows and inserting a period.

SEC. 4. FOSTER CHILD COVERAGE.

Section 8701(d)(1)(B) of title 5, United States Code, is amended by inserting "or foster child" after "stepchild" both places it appears.

SEC. 5. INCONTESTABILITY OF ERRONEOUS COVERAGE.

Section 8706 of title 5, United States Code, as amended by section 5(2), is further amended by adding at the end the following new subsection:

"(g) The insurance of an employee under a policy purchased under section 8709 shall not be invalidated based on a finding that the employee erroneously became insured, or erroneously continued insurance upon retirement or entitlement to compensation under subchapter I of chapter 81 of this title, if such finding occurs after the erroneous insurance and applicable withholdings have been in force for 2 years during the employee's lifetime.".

SEC. 6. DIRECT PAYMENT OF INSURANCE CONTRIBUTIONS.

Chapter 87 of title 5, United States Code, is amended—

(1) in section 8707—

(A) in subsection (a), by striking "(a) During" and inserting "(a) Subject to subsection (c)(2), during";

(B) in subsection (b), by striking "(b)(1) Whenever" and inserting "(b)(1) Subject to subsection (c)(2), whenever"; and

(C) in subsection (c), by inserting "(1)" immediately after "(c)" and by adding at the end the following new paragraph:

"(2) An employee who is subject to withholdings under this section and whose pay, annuity, or compensation is insufficient to cover such withholdings may nevertheless continue insurance if the employee arranges to pay currently into the Employees' Life Insurance Fund, through the agency or retirement system that administers pay, annuity, or compensation, an amount equal to the withholdings that would otherwise be required under this section.";

(2) in section 8714a(d), by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), an employee who is subject to withholdings under this subsection and whose pay, annuity, or compensation is insufficient to cover such withholdings may nevertheless continue optional insurance if the employee arranges to pay currently into the Employees' Life Insurance Fund, through the agency or retirement system which administers pay, annuity, or compensation, an amount equal to the withholdings that would otherwise be required under this subsection.";

(3) in section 8714b(d), by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), an employee who is subject to withholdings under this subsection and whose pay, annuity, or compensation is insufficient to cover such withholdings may nevertheless continue additional optional insurance if the employee arranges to pay currently into the Employees' Life Insurance Fund, through the agency or retirement system which administers pay, annuity, or compensation, an amount equal to the withholdings that would otherwise be required under this subsection."; and

(4) in section 8714c(d), by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), an employee who is subject to withholdings under this subsection and whose pay, annuity, or compensation is insufficient to cover such withholdings may nevertheless continue optional life insurance on family members if the employee arranges to pay currently into the Employees' Life Insurance Fund, through the agency or retirement system that administers pay, annuity, or compensation, an amount equal to the withholdings that would otherwise be required under this subsection.".

SEC. 7. ADDITIONAL OPTIONAL LIFE INSURANCE CONTINUATION AND PORTABILITY.

(a) IN GENERAL.—Section 8714b of title 5, United States Code, is amended—

(1) in subsection (c)—

(A) by striking the last 2 sentences of paragraph (2); and

(B) by adding at the end the following:

"(3) The amount of additional optional insurance continued under paragraph (2) shall be continued, with or without reduction, in accordance with the employee's written election at the time eligibility to continue insurance during retirement or receipt of compensation arises, as follows:

"(A) The employee may elect to have withholdings cease in accordance with subsection (d), in which case—

"(i) the amount of additional optional insurance continued under paragraph (2) shall be reduced each month by 2 percent effective at the beginning of the second calendar month after the date the employee becomes 65 years of age and is retired or is in receipt of compensation; and

"(ii) the reduction under clause (i) shall continue for 50 months at which time the insurance shall stop.

"(B) The employee may, instead of the option under subparagraph (A), elect to have the full cost of additional optional insurance continue to be withheld from such employee's annuity or compensation on and after the date such withholdings would otherwise cease pursuant to an election under subparagraph (A), in which case the amount of additional optional insurance continued under paragraph (2) shall not be reduced, subject to paragraph (4).

"(C) An employee who does not make any election under the preceding provisions of this paragraph shall be treated as if such employee had made an election under subparagraph (A).

"(4) If an employee makes an election under paragraph (3)(B), that individual may subsequently cancel such election, in which case additional optional insurance shall be determined as if the individual had originally made an election under paragraph (3)(A).

"(5)(A) An employee whose additional optional insurance under this section would otherwise stop in accordance with paragraph (1) and who is not eligible to continue insurance under paragraph (2) may elect, under conditions prescribed by the Office of Personnel Management, to continue all or a portion of so much of the additional optional insurance as has been in force for not less than—

"(i) the 5 years of service immediately preceding the date of the event which would cause insurance to stop under paragraph (1); or

"(ii) the full period or periods of service during which the insurance was available to the employee, if fewer than 5 years,

at group rates established for purposes of this section, in lieu of conversion to an individual policy. The amount of insurance continued under this paragraph shall be reduced by 50 percent effective at the beginning of the second calendar month after the date the employee or

former employee attains age 70 and shall stop at the beginning of the second calendar month after attainment of age 80, subject to a provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance under conditions approved by the Office. Alternatively, insurance continued under this paragraph may be reduced or stopped at any time the employee or former employee elects.

"(B) When an employee or former employee elects to continue additional optional insurance under this paragraph following separation from service or 12 months without pay, the insured individual shall submit timely payment of the full cost thereof, plus any amount the Office determines necessary to cover associated administrative expenses, in such manner as the Office shall prescribe by regulation. Amounts required under this subparagraph shall be deposited, used, and invested as provided under section 8714 and shall be reported and accounted for together with amounts withheld under section 8714a(d).

"(C)(i) Subject to clause (ii), no election to continue additional optional insurance may be made under this paragraph 3 years after the effective date of this paragraph.

"(ii) On and after the date on which an election may not be made under clause (i), all additional optional insurance under this paragraph for former employees shall terminate, subject to a provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance under conditions approved by the Office."; and

(2) in the second sentence of subsection (d)(1) by inserting "if insurance is continued as provided under subsection (c)(3)(A)," after "except that,".

(b) REPORT.—Not later than 3 years after the date of enactment of this Act, the Office of Personnel Management shall submit a report to Congress on additional optional insurance provided under section 8714b(c)(5) of title 5, United States Code (as added by subsection (a) of this section). Such report shall include recommendations on whether continuation for such additional optional insurance should terminate as provided under such section, be extended, or be made permanent.

(c) TECHNICAL AMENDMENT.—The last sentence of section 8714b(d)(1) of title 5, United States Code, is amended by inserting "(and any amounts withheld as provided in subsection (c)(3)(B))" after "Amounts so withheld".

SEC. 8. IMPROVED OPTIONAL LIFE INSURANCE ON FAMILY MEMBERS.

(a) IN GENERAL.—Section 8714c(b) of title 5, United States Code, is amended to read as follows:

"(b)(1) The optional life insurance on family members provided under this section shall be made available to each eligible employee who has elected coverage under this section, under conditions the Office shall prescribe, in multiples, at the employee's election, of 1, 2, 3, 4, or 5 times—

"(A) $5,000 for a spouse; and

"(B) $2,500 for each child described under section 8701(d).

"(2) An employee may reduce or stop coverage elected pursuant to this section at any time.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 8714c of title 5, United States Code, is amended—

(1) in subsection (c)(2), by striking "section 8714b(c)(2) of this title" and inserting "section 8714b(c) (2) through (4)"; and

(2) in subsection (d)(1), by inserting before the last sentence the following: "Notwithstanding the preceding sentence, the full cost shall be continued after the calendar month in which the former employee becomes 65 years of age if, and for so long as, an election under this section corresponding to that described in section 8714b(c)(3)(B) remains in effect with respect to such former employee.".

SEC. 9. OPEN SEASON.

Beginning not later than 180 days after the date of enactment of this Act, the Office of Personnel Management shall conduct an open enrollment opportunity for purposes of chapter 87 of title 5, United States Code, over a period of not less than 8 weeks. During this period, an employee (as defined under section 8701(a) of such title)—

(1) may, if the employee previously declined or voluntarily terminated any coverage under chapter 87 of such title, elect to begin, resume, or increase group life insurance (and acquire applicable accidental death and dismemberment insurance) under all sections of such chapter without submitting evidence of insurability; and

(2) may, if currently insured for optional life insurance on family members, elect an amount above the minimum insurance on a spouse.

SEC. 10. MERIT SYSTEM JUDICIAL REVIEW.

(a) IN GENERAL.—Section 7703 of title 5, United States Code, is amended—

(1) in subsection (b)(1) by striking "within 30 days" and inserting "within 60 days"; and

(2) in subsection (d) in the first sentence, by inserting after "filing" the following: ", within 60 days after the date the Director received notice of the final order or decision of the Board,".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act, and apply to any suit, action, or other administrative or judicial proceeding pending on such date or commenced on or after such date.

SEC. 11. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of enactment of this Act.

(b) MAXIMUM LIMITATION ON EMPLOYEE INSURANCE.—Section 3 shall take effect on the first day of the first applicable pay period beginning on or after the date of enactment of this Act.

(c) ERRONEOUS COVERAGE.—Section 5 shall be effective in any case in which a finding of erroneous insurance coverage is made on or after the date of enactment of this Act.

(d) DIRECT PAYMENT OF INSURANCE CONTRIBUTIONS.—Section 6 shall take effect on the first day of the first applicable pay period beginning on or after the date of enactment of this Act.

(e) ADDITIONAL OPTIONAL LIFE INSURANCE.—

(1) IN GENERAL.—Section 7 shall take effect on the first day of the first pay period that begins on or after the 180th day following the date of enactment of this Act, or on any earlier date that the Office of Personnel Management may prescribe that is at least 60 days after the date of enactment of this Act.

(2) REGULATIONS.—The Office shall prescribe regulations under which an employee may elect to continue additional optional insurance that remains in force on such effective date without subsequent reduction and with the full cost withheld from annuity or compensation on and after such effective date if that employee—

(A) separated from service before such effective date due to retirement or entitlement to compensation under subchapter I of chapter 81 of title 5, United States Code; and

(B) continued additional optional insurance pursuant to section 8714b(c)(2) as in effect immediately before such effective date.

(f) IMPROVED OPTIONAL LIFE INSURANCE ON FAMILY MEMBERS.—The amendments made by section 8 shall take effect on the first day of the first pay period which begins on or after the 180th day following the date of enactment of this Act or on any earlier date that the Office of Personnel Management may prescribe.

(g) OPEN SEASON.—Any election made by an employee under section 9, and applicable withholdings, shall be effective on the first day of the first applicable pay period that—

(1) begins on or after the date occurring 365 days after the first day of the election period authorized under section 9; and

(2) follows a pay period in which the employee was in a pay and duty status.

Amend the title so as to read:

An Act to provide for the Office of Personnel Management to conduct a study and submit a report to Congress on the provision of certain options for universal life insurance coverage and additional death and dismemberment insurance under chapter 87 of title 5, United States Code, to improve the administration of such chapter, and for other purposes.

Mr. GRAMS. I ask unanimous consent that the committee substitute be agreed, the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, the amendment to the title and the title, as amended, be agreed to, and that any statements relating to the bill appear at the appropriate place in the RECORD.

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

The committee substitute amendment was agreed to.

The bill (H.R. 2675), as amended, was considered read the third time, and passed.

The title was amended so as to read:

An Act to provide for the Office of Personnel Management to conduct a study and submit a report to Congress on the provision of certain options for universal life insurance coverage and additional death and dismemberment insurance under chapter 87 of title 5, United States Code, to improve the administration of such chapter, and for other purposes.

VETERANS EMPLOYMENT OPPORTUNITIES ACT OF 1998

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 592, S. 1021.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1021) to amend title 5, United States Code, to provide that consideration may not be denied to preference eligibles applying for certain positions in the competitive service, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Veterans' Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans Employment Opportunities Act of 1998".

SEC. 2. IMPROVED REDRESS FOR PREFERENCE ELIGIBLES.

(a) IN GENERAL.—Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end the following:

"§ 3330a. Preference eligibles; administrative redress

"(a)(1) A preference eligible who alleges that an agency has violated such individual's rights under any statute or regulation relating to veterans' preference may file a complaint with the Secretary of Labor.

"(2)(A) A complaint under this subsection must be filed within 60 days after the date of the alleged violation.

"(B) Such complaint shall be in writing, be in such form as the Secretary may prescribe, specify the agency against which the complaint is filed, and contain a summary of the allegations that form the basis for the complaint.

"(3) The Secretary shall, upon request, provide technical assistance to a potential complainant with respect to a complaint under this subsection.

"(b)(1) The Secretary of Labor shall investigate each complaint under subsection (a).

"(2) In carrying out any investigation under this subsection, the Secretary's duly authorized representatives shall, at all reasonable times, have reasonable access to, for purposes of examination, and the right to copy and receive, any documents of any person or agency that the Secretary considers relevant to the investigation.

"(3) In carrying out any investigation under this subsection, the Secretary may require by subpoena the attendance and testimony of witnesses and the production of documents relating to any matter under investigation. In case of disobedience of the subpoena or contumacy and on request of the Secretary, the Attorney General may apply to any district court of the United States in whose jurisdiction such disobedience or contumacy occurs for an order enforcing the subpoena.

"(4) Upon application, the district courts of the United States shall have jurisdiction to issue writs commanding any person or agency to comply with the subpoena of the Secretary or to comply with any order of the Secretary made pursuant to a lawful investigation under this subsection and the district courts shall have jurisdiction to punish failure to obey a subpoena or other lawful order of the Secretary as a contempt of court.

"(c)(1)(A) If the Secretary of Labor determines as a result of an investigation under subsection (b) that the action alleged in a complaint under subsection (a) occurred, the Secretary shall attempt to resolve the complaint by making reasonable efforts to ensure that the agency specified in the complaint complies with applicable provisions of statute or regulation relating to veterans' preference.

"(B) The Secretary of Labor shall make determinations referred to in subparagraph (A) based on a preponderance of the evidence.

"(2) If the efforts of the Secretary under subsection (b) with respect to a complaint under subsection (a) do not result in the resolution of the complaint, the Secretary shall notify the person who submitted the complaint, in writing, of the results of the Secretary's investigation under subsection (b).

"(d)(1) If the Secretary of Labor is unable to resolve a complaint under subsection (a) within 60 days after the date on which it is filed, the complainant may elect to appeal the alleged violation to the Merit Systems Protection Board in accordance with such procedures as the Merit Systems Protection Board shall prescribe, except that in no event may any such appeal be brought—

"(A) before the 61st day after the date on which the complaint is filed; or

"(B) later than 15 days after the date on which the complainant receives written notification from the Secretary under subsection (c)(2).

"(2) An appeal under this subsection may not be brought unless—

"(A) the complainant first provides written notification to the Secretary of such complainant's intention to bring such appeal; and

"(B) appropriate evidence of compliance with subparagraph (A) is included (in such form and manner as the Merit Systems Protection Board may prescribe) with the notice of appeal under this subsection.

"(3) Upon receiving notification under paragraph (2)(A), the Secretary shall not continue to investigate or further attempt to resolve the complaint to which the notification relates.

"(e)(1) This section shall not be construed to prohibit a preference eligible from appealing directly to the Merit Systems Protection Board from any action which is appealable to the Board under any other law, rule, or regulation, in lieu of administrative redress under this section.

"(2) A preference eligible may not pursue redress for an alleged violation described in subsection (a) under this section at the same time the preference eligible pursues redress for such violation under any other law, rule, or regulation.

"§ 3330b. Preference eligibles; judicial redress

"(a) In lieu of continuing the administrative redress procedure provided under section 3330a(d), a preference eligible may elect, in accordance with this section, to terminate those administrative proceedings and file an action with the appropriate United States district court not later than 60 days after the date of the election.

"(b) An election under this section may not be made—

"(1) before the 121st day after the date on which the appeal is filed with the Merit Systems Protection Board under section 3330a(d); or

"(2) after the Merit Systems Protection Board has issued a judicially reviewable decision on the merits of the appeal.

"(c) An election under this section shall be made, in writing, in such form and manner as the Merit Systems Protection Board shall by regulation prescribe. The election shall be effective as of the date on which it is received, and the administrative proceeding to which it relates shall terminate immediately upon the receipt of such election.

"§ 3330c. Preference eligibles; remedy

"(a) If the Merit Systems Protection Board (in a proceeding under section 3330a) or a court (in a proceeding under section 3330b) determines that an agency has violated a right described in section 3330a, the Board or court (as the case may be) shall order the agency to comply with such provisions and award compensation for any loss of wages or benefits suffered by the individual by reason of the violation involved. If the Board or court determines that such violation was willful, it shall award an amount equal to backpay as liquidated damages.

"(b) A preference eligible who prevails in an action under section 3330a or 3330b shall be awarded reasonable attorney fees, expert witness fees, and other litigation expenses.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 33 of title 5, United States Code, is amended by adding after the item relating to section 3330 the following:

"3330a. Preference eligibles; administrative redress.

"3330b. Preference eligibles; judicial redress.

"3330c. Preference eligibles; remedy.".

SEC. 3. EXTENSION OF VETERANS' PREFERENCE.

(a) AMENDMENT TO TITLE 5, UNITED STATES CODE.—Paragraph (3) of section 2108 of title 5, United States Code, is amended by striking "the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service, or the General Accounting Office;" and inserting "or the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service;".

(b) AMENDMENTS TO TITLE 3, UNITED STATES CODE.—

(1) IN GENERAL.—Chapter 2 of title 3, United States Code, is amended by adding at the end the following:

"§ 115. Veterans' preference

"(a) Subject to subsection (b), appointments under sections 105, 106, and 107 shall be made in accordance with section 2108, and sections 3309 through 3312, of title 5.

"(b) Subsection (a) shall not apply to any appointment to a position the rate of basic pay for which is at least equal to the minimum rate established for positions in the Senior Executive Service under section 5382 of title 5 and the duties of which are comparable to those described in section 3132(a)(2) of such title or to any other position if, with respect to such position, the President makes certification—

"(1) that such position is—

"(A) a confidential or policy-making position; or

"(B) a position for which political affiliation or political philosophy is otherwise an important qualification; and

"(2) that any individual selected for such position is expected to vacate the position at or before the end of the President's term (or terms) of office.

Each individual appointed to a position described in the preceding sentence as to which the expectation described in paragraph (2) applies shall be notified as to such expectation, in writing, at the time of appointment to such position.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by adding at the end the following:

"115. Veterans' preference.".

(c) LEGISLATIVE BRANCH APPOINTMENTS.—

(1) DEFINITIONS.—For the purposes of this subsection, the terms "covered employee" and "Board" shall each have the meaning given such term by section 101 of the Congressional Accountability Act of 1995 (2 U.S.C. 1301).

(2) RIGHTS AND PROTECTIONS.—The rights and protections established under section 2108, sections 3309 through 3312, and subchapter I of chapter 35, of title 5, United States Code, shall apply to covered employees.

(3) REMEDIES.—

(A) IN GENERAL.—The remedy for a violation of paragraph (2) shall be such remedy as would be appropriate if awarded under applicable provisions of title 5, United States Code, in the case of a violation of the relevant corresponding provision (referred to in paragraph (2)) of such title.

(B) PROCEDURE.—The procedure for consideration of alleged violations of paragraph (2) shall be the same as apply under section 401 of the Congressional Accountability Act of 1995 (and the provisions of law referred to therein) in the case of an alleged violation of part A of title II of such Act.

(4) REGULATIONS TO IMPLEMENT SUBSECTION.—

(A) IN GENERAL.—The Board shall, pursuant to section 304 of the Congressional Accountability Act of 1995 (2 U.S.C. 1384), issue regulations to implement this subsection.

(B) AGENCY REGULATIONS.—The regulations issued under subparagraph (A) shall be the same as the most relevant substantive regulations (applicable with respect to the executive branch) promulgated to implement the statutory provisions referred to in paragraph (2) except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation

of the rights and protections under this subsection.

(C) COORDINATION.—The regulations issued under subparagraph (A) shall be consistent with section 225 of the Congressional Accountability Act of 1995 (2 U.S.C. 1361).

(5) APPLICABILITY.—Notwithstanding any other provision of this subsection, the term "covered employee" shall not, for purposes of this subsection, include an employee—

(A) whose appointment is made by the President with the advice and consent of the Senate;

(B) whose appointment is made by a Member of Congress or by a committee or subcommittee of either House of Congress; or

(C) who is appointed to a position, the duties of which are equivalent to those of a Senior Executive Service position (within the meaning of section 3132(a)(2) of title 5, United States Code).

(6) EFFECTIVE DATE.—Paragraphs (2) and (3) shall be effective as of the effective date of the regulations under paragraph (4).

(d) JUDICIAL BRANCH APPOINTMENTS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Judicial Conference of the United States shall prescribe procedures to provide for—

(A) veterans' preference in the consideration of applicants for employment, and in the conduct of any reductions in force, within the judicial branch; and

(B) redress for alleged violations of any rights provided for under subparagraph (A).

(2) PROCEDURES.—Under the procedures, a preference eligible (as defined by section 2108 of title 5, United States Code) shall be afforded preferences in a manner and to the extent consistent with preferences afforded to preference eligibles in the executive branch.

(3) EXCLUSIONS.—Nothing in the procedures shall apply with respect to an applicant or employee—

(A) whose appointment is made by the President with the advice and consent of the Senate;

(B) whose appointment is as a judicial officer;

(C) whose appointment is required by statute to be made by or with the approval of a court or judicial officer; or

(D) whose appointment is to a position, the duties of which are equivalent to those of a Senior Executive Service position (within the meaning of section 3132(a)(2) of title 5, United States Code).

(4) DEFINITIONS.—For purposes of this subsection, the term "judicial officer" means a justice, judge, or magistrate judge listed in subparagraph (A), (B), (F), or (G) of section 376(a)(1) of title 28, United States Code.

(5) SUBMISSION TO CONGRESS; EFFECTIVE DATE.—

(A) SUBMISSION TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the Judicial Conference of the United States shall submit a copy of the procedures prescribed under this subsection to the Committee on Government Reform and Oversight and the Committee on the Judiciary of the House of Representatives and the Committee on Governmental Affairs and the Committee on the Judiciary of the Senate.

(B) EFFECTIVE DATE.—The procedures prescribed under this subsection shall take effect 13 months after the date of enactment of this Act.

SEC. 4. VETERANS' PREFERENCE REQUIRED FOR REDUCTIONS IN FORCE IN THE FEDERAL AVIATION ADMINISTRATION.

Section 347(b) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (109 Stat. 460) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following:

"(8) sections 3501–3504, as such sections relate to veterans' preference.".

SEC. 5. FAILURE TO COMPLY WITH VETERANS' PREFERENCE REQUIREMENTS TO BE TREATED AS A PROHIBITED PERSONNEL PRACTICE FOR CERTAIN PURPOSES.

(a) IN GENERAL.—Subsection (b) of section 2302 of title 5, United States Code, is amended—

(1) by striking "or" at the end of paragraph (10);

(2) by redesignating paragraph (11) as paragraph (12); and

(3) by inserting after paragraph (10) the following:

"(11)(A) knowingly take, recommend, or approve any personnel action if the taking of such action would violate a veterans' preference requirement; or

"(B) knowingly fail to take, recommend, or approve any personnel action if the failure to take such action would violate a veterans' preference requirement; or".

(b) DEFINITION; LIMITATION.—Section 2302 of title 5, United States Code, is amended by adding at the end the following:

"(e)(1) For the purpose of this section, the term 'veterans' preference requirement' means any of the following provisions of law:

"(A) Sections 2108, 3305(b), 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3316, 3317(b), 3318, 3320, 3351, 3352, 3363, 3501, 3502(b), 3504, and 4303(e) and (with respect to a preference eligible referred to in section 7511(a)(1)(B)) subchapter II of chapter 75 and section 7701.

"(B) Sections 943(c)(2) and 1784(c) of title 10.

"(C) Section 1308(b) of the Alaska National Interest Lands Conservation Act.

"(D) Section 301(c) of the Foreign Service Act of 1980.

"(E) Sections 106(f), 7281(e), and 7802(5) of title 38.

"(F) Section 1005(a) of title 39.

"(G) Any other provision of law that the Director of the Office of Personnel Management designates in regulations as being a veterans' preference requirement for the purposes of this subsection.

"(H) Any regulation prescribed under subsection (b) or (c) of section 1302 and any other regulation that implements a provision of law referred to in any of the preceding subparagraphs.

"(2) Notwithstanding any other provision of this title, no authority to order corrective action shall be available in connection with a prohibited personnel practice described in subsection (b)(11). Nothing in this paragraph shall be considered to affect any authority under section 1215 (relating to disciplinary action).".

(c) REPEALS.—

(1) SECTION 1599C OF TITLE 10, UNITED STATES CODE.—

(A) REPEAL.—Section 1599c of title 10, United States Code, is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 81 of such title is amended by striking out the item relating to section 1599c.

(2) SECTION 2302(a)(1) OF TITLE 5, UNITED STATES CODE.—Subsection (a)(1) of section 2302 of title 5, United States Code, is amended to read as follows:

"(a)(1) For the purpose of this title, 'prohibited personnel practice' means any action described in subsection (b).".

(d) SAVINGS PROVISION.—This section shall be treated as if it had never been enacted for purposes of any personnel action (within the meaning of section 2302 of title 5, United States Code) preceding the date of enactment of this Act.

SEC. 6. EXPANSION AND IMPROVEMENT OF VETERANS' EMPLOYMENT EMPHASIS UNDER FEDERAL CONTRACTS.

(a) COVERED VETERANS.—Section 4212 of title 38, United States Code, is amended—

(1) in subsection (a), by striking out "special disabled veterans and veterans of the Vietnam era" and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, and covered veterans of the Persian Gulf War";

(2) in subsection (b), by striking out "special disabled veteran or veteran of the Vietnam era" and inserting in lieu thereof "special disabled veteran, veteran of the Vietnam era, or covered veteran of the Persian Gulf War";

(3) in subsection (d)(1), by striking out "veterans of the Vietnam era or special disabled veterans" both places it appears and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, or covered veterans of the Persian Gulf War"; and

(4) by adding at the end the following:

"(e) For purposes of this section, the term 'covered veteran of the Persian Gulf War' means any veteran who served in the active military, naval, or air service in the Southwest Asia theater of operations during the period beginning on August 2, 1990, and ending on January 2, 1992.".

(b) PROHIBITION ON CONTRACTING WITH ENTITIES NOT MEETING REPORTING REQUIREMENTS.—(1) Subchapter III of chapter 13 of title 31, United States Code, is amended by adding at the end the following:

"§ 1354. Limitation on use of appropriated funds for contracts with entities not meeting veterans' employment reporting requirements

"(a)(1) Subject to paragraph (2), no agency may obligate or expend funds appropriated for the agency for a fiscal year to enter into a contract described in section 4212(a) of title 38 with a contractor from which a report was required under section 4212(d) of that title with respect to the preceding fiscal year if such contractor did not submit such report.

"(2) Paragraph (1) shall cease to apply with respect to a contractor otherwise covered by that paragraph on the date on which the contractor submits the report required by such section 4212(d) for the fiscal year concerned.

"(b) The Secretary of Labor shall take appropriate actions to notify agencies in a timely manner of the contractors covered by subsection (a).".

(2) The table of sections at the beginning of chapter 13 of such title is amended by adding at the end the following:

"1354. Limitation on use of appropriated funds for contracts with entities not meeting veterans' employment reporting requirements.".

SEC. 7. REQUIREMENT FOR ADDITIONAL INFORMATION IN ANNUAL REPORTS FROM FEDERAL CONTRACTORS ON VETERANS EMPLOYMENT.

Section 4212(d)(1) of title 38, United States Code, as amended by 6(a)(3), is further amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(C) the maximum number and the minimum number of employees of such contractor during the period covered by the report.".

AMENDMENT NO. 3738

(Purpose: To improve the bill.)

Mr. GRAMS. Mr. President, Senator SPECTER has an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. GRAMS] for Mr. SPECTER, proposes an amendment numbered 3738.

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

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

The amendment is as follows:

On page 31, between lines 3 and 4, insert the following:

SEC. 2. ACCESS FOR VETERANS.

Section 3304 of title 5, United States Code, is amended by adding at the end the following:

"(f)(1) Preference eligibles or veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service may not be denied the opportunity to compete for vacant positions for which the agency making the announcement will accept applications from individuals outside its own workforce under merit promotion procedures.

"(2) This subsection shall not be construed to confer an entitlement to veterans' preference that is not otherwise required by law.

"(3) The area of consideration for all merit promotion announcements which include consideration of individuals of the Federal workforce shall indicate that preference eligibles and veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service are eligible to apply. The announcements shall be publicized in accordance with section 3327.

"(4) The Office of Personnel and Management shall establish an appointing authority to appoint such preference eligibles and veterans.".

On page 31, line 4, strike out "**SEC. 2.**" and insert in lieu thereof "**SEC. 3.**".

On page 36, line 14, strike out "**SEC. 3.**" and insert in lieu thereof "**SEC. 4.**".

On page 43, line 4, strike out "**SEC. 4.**" and insert in lieu thereof "**SEC. 5.**".

On page 43, line 17, strike out "**SEC. 5.**" and insert in lieu thereof "**SEC. 6.**".

On page 46, line 18, strike out "**SEC. 6.**" and insert in lieu thereof "**SEC. 7.**".

On page 46, strike out line 23 and all that follows through page 47, line 20, and insert in lieu thereof the following:

(1) in subsection (a)—

(A) by striking out "$10,000" and inserting in lieu thereof "$25,000"; and

(B) by striking out "special disabled veterans and veterans of the Vietnam era" and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized";

(2) in subsection (b), by striking out "special disabled veteran or veteran of the Vietnam era" and inserting in lieu thereof "veteran covered by the first sentence of subsection (a)"; and

(3) in subsection (d)(1), by striking out "veterans of the Vietnam era or special disabled veterans" both places it appears and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, or other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized".

On page 48, strike out lines 15 through 17 and insert in lieu thereof the following:

"(b) The Secretary of Labor shall make available in a database a list of the contractors that have complied with the provisions of such section 4212(d).".

On page 49, line 1, strike out "**SEC. 7.**" and insert in lieu thereof "**SEC. 8.**".

On page 49, line 5, strike out "6(a)(3)" and insert in lieu thereof "section 7(a)(3) of this Act".

Mr. GRAMS. Mr. President, I ask unanimous consent that the amendment be agreed to.

The amendment (No. 3738) was agreed to.

Mr. GRAMS. I ask unanimous consent that the committee amendment, as amended, be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at the appropriate place in the RECORD.

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

The committee amendment, as amended, was agreed to.

The bill (S. 1021), as amended, was considered read the third time and passed, as follows:

S. 1021

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans Employment Opportunities Act of 1998".

SEC. 2. ACCESS FOR VETERANS.

Section 3304 of title 5, United States Code, is amended by adding at the end the following:

"(f)(1) Preference eligibles or veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service may not be denied the opportunity to compete for vacant positions for which the agency making the announcement will accept applications from individuals outside its own workforce under merit promotion procedures.

"(2) This subsection shall not be construed to confer an entitlement to veterans' preference that is not otherwise required by law.

"(3) The area of consideration for all merit promotion announcements which include consideration of individuals of the Federal workforce shall indicate that preference eligibles and veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service are eligible to apply. The announcements shall be publicized in accordance with section 3327.

"(4) The Office of Personnel and Management shall establish an appointing authority to appoint such preference eligibles and veterans.".

SEC. 3. IMPROVED REDRESS FOR PREFERENCE ELIGIBLES.

(a) IN GENERAL.—Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end the following:

"§ 3330a. Preference eligibles; administrative redress

"(a)(1) A preference eligible who alleges that an agency has violated such individual's rights under any statute or regulation relating to veterans' preference may file a complaint with the Secretary of Labor.

"(2)(A) A complaint under this subsection must be filed within 60 days after the date of the alleged violation.

"(B) Such complaint shall be in writing, be in such form as the Secretary may prescribe, specify the agency against which the complaint is filed, and contain a summary of the allegations that form the basis for the complaint.

"(3) The Secretary shall, upon request, provide technical assistance to a potential complainant with respect to a complaint under this subsection.

"(b)(1) The Secretary of Labor shall investigate each complaint under subsection (a).

"(2) In carrying out any investigation under this subsection, the Secretary's duly authorized representatives shall, at all reasonable times, have reasonable access to, for purposes of examination, and the right to copy and receive, any documents of any person or agency that the Secretary considers relevant to the investigation.

"(3) In carrying out any investigation under this subsection, the Secretary may require by subpoena the attendance and testimony of witnesses and the production of documents relating to any matter under investigation. In case of disobedience of the subpoena or contumacy and on request of the Secretary, the Attorney General may apply to any district court of the United States in whose jurisdiction such disobedience or contumacy occurs for an order enforcing the subpoena.

"(4) Upon application, the district courts of the United States shall have jurisdiction to issue writs commanding any person or agency to comply with the subpoena of the Secretary or to comply with any order of the Secretary made pursuant to a lawful investigation under this subsection and the district courts shall have jurisdiction to punish failure to obey a subpoena or other lawful order of the Secretary as a contempt of court.

"(c)(1)(A) If the Secretary of Labor determines as a result of an investigation under subsection (b) that the action alleged in a complaint under subsection (a) occurred, the Secretary shall attempt to resolve the complaint by making reasonable efforts to ensure that the agency specified in the complaint complies with applicable provisions of statute or regulation relating to veterans' preference.

"(B) The Secretary of Labor shall make determinations referred to in subparagraph (A) based on a preponderance of the evidence.

"(2) If the efforts of the Secretary under subsection (b) with respect to a complaint under subsection (a) do not result in the resolution of the complaint, the Secretary shall notify the person who submitted the complaint, in writing, of the results of the Secretary's investigation under subsection (b).

"(d)(1) If the Secretary of Labor is unable to resolve a complaint under subsection (a) within 60 days after the date on which it is filed, the complainant may elect to appeal the alleged violation to the Merit Systems Protection Board in accordance with such procedures as the Merit Systems Protection Board shall prescribe, except that in no event may any such appeal be brought—

"(A) before the 61st day after the date on which the complaint is filed; or

"(B) later than 15 days after the date on which the complainant receives written notification from the Secretary under subsection (c)(2).

"(2) An appeal under this subsection may not be brought unless—

"(A) the complainant first provides written notification to the Secretary of such complainant's intention to bring such appeal; and

"(B) appropriate evidence of compliance with subparagraph (A) is included (in such form and manner as the Merit Systems Protection Board may prescribe) with the notice of appeal under this subsection.

"(3) Upon receiving notification under paragraph (2)(A), the Secretary shall not

continue to investigate or further attempt to resolve the complaint to which the notification relates.

"(e)(1) This section shall not be construed to prohibit a preference eligible from appealing directly to the Merit Systems Protection Board from any action which is appealable to the Board under any other law, rule, or regulation, in lieu of administrative redress under this section.

"(2) A preference eligible may not pursue redress for an alleged violation described in subsection (a) under this section at the same time the preference eligible pursues redress for such violation under any other law, rule, or regulation.

"§ 3330b. Preference eligibles; judicial redress

"(a) In lieu of continuing the administrative redress procedure provided under section 3330a(d), a preference eligible may elect, in accordance with this section, to terminate those administrative proceedings and file an action with the appropriate United States district court not later than 60 days after the date of the election.

"(b) An election under this section may not be made—

"(1) before the 121st day after the date on which the appeal is filed with the Merit Systems Protection Board under section 3330a(d); or

"(2) after the Merit Systems Protection Board has issued a judicially reviewable decision on the merits of the appeal.

"(c) An election under this section shall be made, in writing, in such form and manner as the Merit Systems Protection Board shall by regulation prescribe. The election shall be effective as of the date on which it is received, and the administrative proceeding to which it relates shall terminate immediately upon the receipt of such election.

"§ 3330c. Preference eligibles; remedy

"(a) If the Merit Systems Protection Board (in a proceeding under section 3330a) or a court (in a proceeding under section 3330b) determines that an agency has violated a right described in section 3330a, the Board or court (as the case may be) shall order the agency to comply with such provisions and award compensation for any loss of wages or benefits suffered by the individual by reason of the violation involved. If the Board or court determines that such violation was willful, it shall award an amount equal to backpay as liquidated damages.

"(b) A preference eligible who prevails in an action under section 3330a or 3330b shall be awarded reasonable attorney fees, expert witness fees, and other litigation expenses.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 33 of title 5, United States Code, is amended by adding after the item relating to section 3330 the following:

"3330a. Preference eligibles; administrative redress.
"3330b. Preference eligibles; judicial redress.
"3330c. Preference eligibles; remedy.".

SEC. 4. EXTENSION OF VETERANS' PREFERENCE.

(a) AMENDMENT TO TITLE 5, UNITED STATES CODE.—Paragraph (3) of section 2108 of title 5, United States Code, is amended by striking "the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service, or the General Accounting Office;" and inserting "or the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service;".

(b) AMENDMENTS TO TITLE 3, UNITED STATES CODE.—

(1) IN GENERAL.—Chapter 2 of title 3, United States Code, is amended by adding at the end the following:

"§ 115. Veterans' preference

"(a) Subject to subsection (b), appointments under sections 105, 106, and 107 shall be made in accordance with section 2108, and sections 3309 through 3312, of title 5.

"(b) Subsection (a) shall not apply to any appointment to a position the rate of basic pay for which is at least equal to the minimum rate established for positions in the Senior Executive Service under section 5382 of title 5 and the duties of which are comparable to those described in section 3132(a)(2) of such title or to any other position if, with respect to such position, the President makes certification—

"(1) that such position is—

"(A) a confidential or policy-making position; or

"(B) a position for which political affiliation or political philosophy is otherwise an important qualification; and

"(2) that any individual selected for such position is expected to vacate the position at or before the end of the President's term (or terms) of office.

Each individual appointed to a position described in the preceding sentence as to which the expectation described in paragraph (2) applies shall be notified as to such expectation, in writing, at the time of appointment to such position.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by adding at the end the following:

"115. Veterans' preference.".

(c) LEGISLATIVE BRANCH APPOINTMENTS.—

(1) DEFINITIONS.—For the purposes of this subsection, the terms "covered employee" and "Board" shall each have the meaning given such term by section 101 of the Congressional Accountability Act of 1995 (2 U.S.C. 1301).

(2) RIGHTS AND PROTECTIONS.—The rights and protections established under section 2108, sections 3309 through 3312, and subchapter I of chapter 35, of title 5, United States Code, shall apply to covered employees.

(3) REMEDIES.—

(A) IN GENERAL.—The remedy for a violation of paragraph (2) shall be such remedy as would be appropriate if awarded under applicable provisions of title 5, United States Code, in the case of a violation of the relevant corresponding provision (referred to in paragraph (2)) of such title.

(B) PROCEDURE.—The procedure for consideration of alleged violations of paragraph (2) shall be the same as apply under section 401 of the Congressional Accountability Act of 1995 (and the provisions of law referred to therein) in the case of an alleged violation of part A of title II of such Act.

(4) REGULATIONS TO IMPLEMENT SUBSECTION.—

(A) IN GENERAL.—The Board shall, pursuant to section 304 of the Congressional Accountability Act of 1995 (2 U.S.C. 1384), issue regulations to implement this subsection.

(B) AGENCY REGULATIONS.—The regulations issued under subparagraph (A) shall be the same as the most relevant substantive regulations (applicable with respect to the executive branch) promulgated to implement the statutory provisions referred to in paragraph (2) except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this subsection.

(C) COORDINATION.—The regulations issued under subparagraph (A) shall be consistent with section 225 of the Congressional Accountability Act of 1995 (2 U.S.C. 1361).

(5) APPLICABILITY.—Notwithstanding any other provision of this subsection, the term "covered employee" shall not, for purposes of this subsection, include an employee—

(A) whose appointment is made by the President with the advice and consent of the Senate;

(B) whose appointment is made by a Member of Congress or by a committee or subcommittee of either House of Congress; or

(C) who is appointed to a position, the duties of which are equivalent to those of a Senior Executive Service position (within the meaning of section 3132(a)(2) of title 5, United States Code).

(6) EFFECTIVE DATE.—Paragraphs (2) and (3) shall be effective as of the effective date of the regulations under paragraph (4).

(d) JUDICIAL BRANCH APPOINTMENTS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Judicial Conference of the United States shall prescribe procedures to provide for—

(A) veterans' preference in the consideration of applicants for employment, and in the conduct of any reductions in force, within the judicial branch; and

(B) redress for alleged violations of any rights provided for under subparagraph (A).

(2) PROCEDURES.—Under the procedures, a preference eligible (as defined by section 2108 of title 5, United States Code) shall be afforded preferences in a manner and to the extent consistent with preferences afforded to preference eligibles in the executive branch.

(3) EXCLUSIONS.—Nothing in the procedures shall apply with respect to an applicant or employee—

(A) whose appointment is made by the President with the advice and consent of the Senate;

(B) whose appointment is as a judicial officer;

(C) whose appointment is required by statute to be made by or with the approval of a court or judicial officer; or

(D) whose appointment is to a position, the duties of which are equivalent to those of a Senior Executive Service position (within the meaning of section 3132(a)(2) of title 5, United States Code).

(4) DEFINITIONS.—For purposes of this subsection, the term "judicial officer" means a justice, judge, or magistrate judge listed in subparagraph (A), (B), (F), or (G) of section 376(a)(1) of title 28, United States Code.

(5) SUBMISSION TO CONGRESS; EFFECTIVE DATE.—

(A) SUBMISSION TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the Judicial Conference of the United States shall submit a copy of the procedures prescribed under this subsection to the Committee on Government Reform and Oversight and the Committee on the Judiciary of the House of Representatives and the Committee on Governmental Affairs and the Committee on the Judiciary of the Senate.

(B) EFFECTIVE DATE.—The procedures prescribed under this subsection shall take effect 13 months after the date of enactment of this Act.

SEC. 5. VETERANS' PREFERENCE REQUIRED FOR REDUCTIONS IN FORCE IN THE FEDERAL AVIATION ADMINISTRATION.

Section 347(b) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (109 Stat. 460) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following:

"(8) sections 3501–3504, as such sections relate to veterans' preference.".

SEC. 6. FAILURE TO COMPLY WITH VETERANS' PREFERENCE REQUIREMENTS TO BE TREATED AS A PROHIBITED PERSONNEL PRACTICE FOR CERTAIN PURPOSES.

(a) IN GENERAL.—Subsection (b) of section 2302 of title 5, United States Code, is amended—

(1) by striking "or" at the end of paragraph (10);

(2) by redesignating paragraph (11) as paragraph (12); and

(3) by inserting after paragraph (10) the following:

"(11)(A) knowingly take, recommend, or approve any personnel action if the taking of such action would violate a veterans' preference requirement; or

"(B) knowingly fail to take, recommend, or approve any personnel action if the failure to take such action would violate a veterans' preference requirement; or".

(b) DEFINITION; LIMITATION.—Section 2302 of title 5, United States Code, is amended by adding at the end the following:

"(e)(1) For the purpose of this section, the term 'veterans' preference requirement' means any of the following provisions of law:

"(A) Sections 2108, 3305(b), 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3316, 3317(b), 3318, 3320, 3351, 3352, 3363, 3501, 3502(b), 3504, and 4303(e) and (with respect to a preference eligible referred to in section 7511(a)(1)(B)) subchapter II of chapter 75 and section 7701.

"(B) Sections 943(c)(2) and 1784(c) of title 10.

"(C) Section 1308(b) of the Alaska National Interest Lands Conservation Act.

"(D) Section 301(c) of the Foreign Service Act of 1980.

"(E) Sections 106(f), 7281(e), and 7802(5) of title 38.

"(F) Section 1005(a) of title 39.

"(G) Any other provision of law that the Director of the Office of Personnel Management designates in regulations as being a veterans' preference requirement for the purposes of this subsection.

"(H) Any regulation prescribed under subsection (b) or (c) of section 1302 and any other regulation that implements a provision of law referred to in any of the preceding subparagraphs.

"(2) Notwithstanding any other provision of this title, no authority to order corrective action shall be available in connection with a prohibited personnel practice described in subsection (b)(11). Nothing in this paragraph shall be considered to affect any authority under section 1215 (relating to disciplinary action).".

(c) REPEALS.—

(1) SECTION 1599c OF TITLE 10, UNITED STATES CODE.—

(A) REPEAL.—Section 1599c of title 10, United States Code, is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 81 of such title is amended by striking out the item relating to section 1599c.

(2) SECTION 2302(a)(1) OF TITLE 5, UNITED STATES CODE.—Subsection (a)(1) of section 2302 of title 5, United States Code, is amended to read as follows:

"(a)(1) For the purpose of this title, 'prohibited personnel practice' means any action described in subsection (b).".

(d) SAVINGS PROVISION.—This section shall be treated as if it had never been enacted for purposes of any personnel action (within the meaning of section 2302 of title 5, United States Code) preceding the date of enactment of this Act.

SEC. 7. EXPANSION AND IMPROVEMENT OF VETERANS' EMPLOYMENT EMPHASIS UNDER FEDERAL CONTRACTS.

(a) COVERED VETERANS.—Section 4212 of title 38, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out "$10,000" and inserting in lieu thereof "$25,000"; and

(B) by striking out "special disabled veterans and veterans of the Vietnam era" and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized";

(2) in subsection (b), by striking out "special disabled veteran or veteran of the Vietnam era" and inserting in lieu thereof "veteran covered by the first sentence of subsection (a)"; and

(3) in subsection (d)(1), by striking out "veterans of the Vietnam era or special disabled veterans" both places it appears and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, or other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized".

(b) PROHIBITION ON CONTRACTING WITH ENTITIES NOT MEETING REPORTING REQUIREMENTS.—(1) Subchapter III of chapter 13 of title 31, United States Code, is amended by adding at the end the following:

"§ 1354. Limitation on use of appropriated funds for contracts with entities not meeting veterans' employment reporting requirements

"(a)(1) Subject to paragraph (2), no agency may obligate or expend funds appropriated for the agency for a fiscal year to enter into a contract described in section 4212(a) of title 38 with a contractor from which a report was required under section 4212(d) of that title with respect to the preceding fiscal year if such contractor did not submit such report.

"(2) Paragraph (1) shall cease to apply with respect to a contractor otherwise covered by that paragraph on the date on which the contractor submits the report required by such section 4212(d) for the fiscal year concerned.

"(b) The Secretary of Labor shall make available in a database a list of the contractors that have complied with the provisions of such section 4212(d).".

(2) The table of sections at the beginning of chapter 13 of such title is amended by adding at the end the following:

"1354. Limitation on use of appropriated funds for contracts with entities not meeting veterans' employment reporting requirements.".

SEC. 8. REQUIREMENT FOR ADDITIONAL INFORMATION IN ANNUAL REPORTS FROM FEDERAL CONTRACTORS ON VETERANS EMPLOYMENT.

Section 4212(d)(1) of title 38, United States Code, as amended by section 7(a)(3) of this Act, is further amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(C) the maximum number and the minimum number of employees of such contractor during the period covered by the report.".

CONVEYANCE OF TUNNISON LAB HAGERMAN FIELD STATION IN GOODING COUNTY, IDAHO

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 663, S. 2505.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2505) to direct the Secretary of the Interior to convey title to the Tunnison Lab Hagerman Field Station in Gooding County, Idaho, to the University of Idaho.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works, with an amendment; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 2505

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

SECTION 1. CONVEYANCE OF TUNNISON LAB HAGERMAN FIELD STATION, HAGERMAN, IDAHO, TO THE UNIVERSITY OF IDAHO.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior shall convey to the University of Idaho, without reimbursement, all right, title, and interest of the United States in and to the property described in subsection (b) for use by the University of Idaho for fish research.

(b) DESCRIPTION OF PROPERTY.—

[(1) IN GENERAL.—The property referred to in subsection (a) consists of approximately 4 acres of land housing the Tunnison Lab Hagerman Field Station in Gooding County, Idaho, and all improvements and related personal property, excluding water rights vested in the United States.

[(2) SURVEY.—The exact acreage and legal description of the property described under paragraph (1), and a description of necessary access and utility easements and rights-of-way, shall be determined by a survey that is satisfactory to the Secretary.**]**

(1) IN GENERAL.—The property referred to in subsection (a) consists of approximately 4 acres of land, the Tunnison Lab Hagerman Field Station in Gooding County, Idaho, located thereon, and all improvements and related personal property, excluding water rights vested in the United States and necessary access and utility easements and rights-of-way.

(2) SURVEY.—The exact acreage and legal description of the property described under paragraph (1) shall be determined by a survey that is satisfactory to the Secretary.

(c) REVERSIONARY INTEREST IN THE UNITED STATES.—

(1) REQUIREMENT.—If any property conveyed to the University of Idaho under this section is used for any purpose other than the use authorized under subsection (a), all right, title, and interest in and to all property conveyed under this section shall revert to the United States.

(2) CONDITION OF PROPERTY ON REVERSION.—In the case of a reversion of property under

paragraph (1), the University of Idaho shall ensure that all property reverting to the United States under this subsection is in substantially the same condition as, or in better condition than, on the date of conveyance under subsection (a).

(d) COMPLIANCE WITH OTHER LAWS.—In connection with property conveyed under this section, the University of Idaho shall—

(1) comply with the National Historic Preservation Act (16 U.S.C. 470 et seq.) for all ground disturbing activities, with special emphases on compliance with sections 106, 110, and 112 (16 U.S.C. 470f, 470h-2, 470h-4); and

(2) protect prehistoric and historic resources in accordance with the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470aa et seq.).

(e) LIABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), as a condition of the conveyance of property under this section, the University of Idaho shall hold the United States harmless, and shall indemnify the United States, for all claims, costs, damages, and judgments arising out of any act or omission relating to the property conveyed under this section.

(2) EXCEPTIONS.—Paragraph (1) shall not apply to a claim, cost, damage, or judgment arising from an act of negligence committed by the United States, or by an employee, agent, or contractor of the United States, prior to the date of the conveyance under this section, for which the United States is found liable under chapter 171 of title 28, United States Code.

Mr. GRAMS. I ask unanimous consent that the committee amendment be agreed to, the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

The committee amendment was agreed to.

The bill (S. 2505), as amended, was considered read the third time and passed.

BORDER SMOG REDUCTION ACT OF 1998

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 664, H.R. 8.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 8) to amend the Clean Air Act to deny entry into the United States of certain foreign motor vehicles that do not comply with State laws governing motor vehicle emissions, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3739

(Purpose: To make a manager's amendment.)

Mr. GRAMS. Mr. President, Senator CHAFEE has a manager's amendment at the desk and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. GRAMS] for Mr. CHAFEE, proposes an amendment numbered 3739.

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

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

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Border Smog Reduction Act of 1998".

SEC. 2. AMENDMENT OF CLEAN AIR ACT.

Section 183 of the Clean Air Act (42 U.S.C. 7511b) is amended by adding at the end the following:

"(h) VEHICLES ENTERING OZONE NONATTAINMENT AREAS.—

"(1) AUTHORITY REGARDING OZONE INSPECTION AND MAINTENANCE TESTING.—

"(A) IN GENERAL.—No noncommercial motor vehicle registered in a foreign country and operated by a United States citizen or by an alien who is a permanent resident of the United States, or who holds a visa for the purposes of employment or educational study in the United States, may enter a covered ozone nonattainment area from a foreign country bordering the United States and contiguous to the nonattainment area more than twice in a single calendar-month period, if State law has requirements for the inspection and maintenance of such vehicles under the applicable implementation plan in the nonattainment area.

"(B) APPLICABILITY.—Subparagraph (A) shall not apply if the operator presents documentation at the United States border entry point establishing that the vehicle has complied with such inspection and maintenance requirements as are in effect and are applicable to motor vehicles of the same type and model year.

"(2) SANCTIONS FOR VIOLATIONS.—The President may impose and collect from the operator of any motor vehicle who violates, or attempts to violate, paragraph (1) a civil penalty of not more than $200 for the second violation or attempted violation and $400 for the third and each subsequent violation or attempted violation.

"(3) STATE ELECTION.—The prohibition set forth in paragraph (1) shall not apply in any State that elects to be exempt from the prohibition. Such an election shall take effect upon the President's receipt of written notice from the Governor of the State notifying the President of such election.

"(4) ALTERNATIVE APPROACH.—The prohibition set forth in paragraph (1) shall not apply in a State, and the President may implement an alternative approach, if—

"(A) the Governor of the State submits to the President a written description of an alternative approach to facilitate the compliance, by some or all foreign-registered motor vehicles, with the motor vehicle inspection and maintenance requirements that are—

"(i) related to emissions of air pollutants;

"(ii) in effect under the applicable implementation plan in the covered ozone nonattainment area; and

"(iii) applicable to motor vehicles of the same types and model years as the foreign-registered motor vehicles; and

"(B) the President approves the alternative approach as facilitating compliance with the motor vehicle inspection and maintenance requirements referred to in subparagraph (A).

"(5) DEFINITION OF COVERED OZONE NONATTAINMENT AREA.—In this section, the term 'covered ozone nonattainment area' means a Serious Area, as classified under section 181 as of the date of enactment of this subsection.".

SEC. 3. GENERAL PROVISIONS.

(a) IN GENERAL.—The amendment made by section 2 takes effect 180 days after the date of enactment of this Act. Nothing in that amendment shall require action that is inconsistent with the obligations of the United States under any international agreement.

(b) INFORMATION.—As soon as practicable after the date of enactment of this Act, the appropriate agency of the United States shall distribute information to publicize the prohibition set forth in the amendment made by section 2.

SEC. 4. STUDY BY GENERAL ACCOUNTING OFFICE.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the impact of the amendment made by section 2.

(b) CONTENTS OF STUDY.—The study under subsection (a) shall compare—

(1) the potential impact of the amendment made by section 2 on air quality in ozone nonattainment areas affected by the amendment; with

(2) the impact on air quality in those areas caused by the increase in the number of vehicles engaged in commerce operating in the United States and registered in, or operated from, Mexico, as a result of the implementation of the North American Free Trade Agreement.

(c) REPORT.—Not later than July 1, 1999, the Comptroller General of the United States shall submit to the Committee on Commerce of the House of Representatives and the Committee on Environment and Public Works of the Senate a report describing the findings of the study under subsection (a).

Mr. CHAFEE. Mr. President, I have sent to the desk a manager's amendment to H.R. 8, a bill that was reported out of the Environment and Public Works Committee on a voice vote. Mr. President, H.R. 8 was developed to address part of the air pollution in southern California that has proven difficult to control. The pollution source in question is emissions from cars and trucks crossing into the San Diego area from Mexico. Those of us who work on the problems of air pollution are well aware of the strict auto emissions standards California has put in place in an effort to meet national air quality standards. Many of the cars crossing the border from Mexico greatly exceed the standards that California cars are expected to meet.

California has an extremely difficult task in trying to improve its air quality. The State is working to reduce emissions from nearly every conceivable source. The excess emissions from cross-border traffic is estimated to be 13 percent of the excess pollution from cars and trucks in the San Diego area.

So, H.R. 8 was written to allow cars to be checked as they come across the

border to ensure that those cars coming into the U.S. on a regular basis comply with State emission standards. California State law already requires this, but without a border check, the law has been impossible to enforce.

This matter has been widely recognized as one that H.R. 8 can be helpful in addressing, and as I have said, the bill was approved by a voice vote in the committee.

Today, I am submitting a manager's amendment to remedy some concerns raised by a few Senators about how the bill might apply to other states. The amendment will ensure that this bill is neutral with respect to all parts of the U.S. border with Mexico or Canada except the California-Mexico border, where the real problem is. Another change made by the amendment will focus the bill more narrowly on regular commuters as opposed to the occasional visitor on a shopping trip.

Mr. President, it is my understanding that this amendment has already been reviewed and approved by the minority. These changes also have been cleared by both the majority and minority on the House Commerce Committee, as well as by Congressman BILBRAY, the bill's sponsor.

I would urge my colleagues to adopt this amendment and pass H.R. 8.

Mr. GRAMS. Mr. President, I ask unanimous consent that the amendment be agreed to.

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

The amendment (No. 3739) was agreed to.

Mr. GRAMS. I ask unanimous consent that the bill, as amended, be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

The bill (H.R. 8), as amended, was considered read the third time and passed.

RELIEF OF RICHARD M. BARLOW

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 585, Senate Resolution 256.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 256) to refer S. 2274 entitled "A bill for the relief of Richard M. Barlow of Santa Fe, New Mexico" to the chief judge of the United States Courts of Federal Claims for a report thereon.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRAMS. Mr. President, I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear in the RECORD.

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

The resolution (S. Res. 256) was agreed to.

The resolution reads as follows:

S. RES. 256

Resolved, That (a) S. 2274 entitled "A bill for the relief of Richard M. Barlow of Santa Fe, New Mexico" now pending in the Senate, together with all the accompanying papers, is referred to the chief judge of the United States Court of Federal Claims.

(b) The chief judge shall—

(1) proceed according to the provisions of sections 1492 and 2509 of title 28, United States Code; and

(2) report back to the Senate, at the earliest practicable date, providing—

(A) such findings of fact and conclusions that are sufficient to inform the Congress of the nature, extent, and character of the claim for compensation referred to in such bill as a legal or equitable claim against the United States or a gratuity; and

(B) the amount, if any, legally or equitably due from the United States to Mr. Richard M. Barlow of Santa Fe, New Mexico.

COMMENDING MARK MCGWIRE AND SAMMY SOSA

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 286, submitted earlier by Senator MACK.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 286) expressing the sense of the Senate that Mark McGwire and Sammy Sosa should be commended for their accomplishments.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRAMS. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear in the RECORD.

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

The resolution (S. Res. 286) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 286

Whereas the recent conclusion of the regular baseball season marked the end of an unprecedented home run race between the St. Louis Cardinals' Mark McGwire and the Chicago Cubs' Sammy Sosa;

Whereas both broke Roger Maris' home run record that many thought would stand untouched as indeed it has since Maris passed the "Babe" by one home run when he hit his 61st some 37 years ago;

Whereas "Mighty Mac" rounded out his record setting season by sending two more over the fence in the team's final game to finish the year with 70 homes runs while "Slammin' Sammy" finished close behind with 66;

Whereas McGwire and Sosa brought to the game much more than a new record for the books, even though they are both great competitors, they showed the nation how competitors can show mutual respect and appreciation toward each other and to the game;

Whereas Mark McGwire is surely an ideal role model for tomorrow's baseball stars as evidenced by his quiet dignity, love of the game and respect for his competitors which was clearly demonstrated the night he broke the home run record—from his triumphant jog around the bases, to hugging his son at home plate, to saluting Sammy Sosa, and then finally spending a few moments in the stands with the family of Roger Maris;

Whereas Sammy Sosa who stayed on McGwire's heels throughout the home run chase is also a role model who, as a native from the Dominican Republic, rose from near poverty to be one of the greatest home run hitters in the history of the game, and is a hero in his home country where he continues to share his success by funding special programs for its underprivileged children;

Whereas the nation witnessed this year a flashback to an earlier time when the fans felt a connection to the players and the players gave their all for the fans;

Whereas baseball is a game for magic moments, like a perfect game or a triple play—or watching the ball fly over the fence for a home run, and, this year, McGwire and Sosa brought the nation plenty of those magic moments; and

Whereas through class and character Mark McGwire and Sammy Sosa are modern day heroes who brought out the best in baseball and reminded us all why baseball is the great American past time: Now, therefore, be it

Resolved, Mark McGwire and Sammy Sosa are to be commended for their record achievement, for reinvigorating the game of baseball, for their decency, and for giving our children sports heroes worthy of that status.

AUTHORIZING REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. GRAMS. Mr. President, I now ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 287, submitted earlier by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 287) to authorize representation by Senate legal counsel.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, this resolution concerns a civil action commenced in United States District Court for the District of Hawaii in July 1998. The action sought to appeal a 1993 court order

in another case. The complaint named Senator INOUYE as one of two defendants, apparently because of the plaintiff's dissatisfaction with Senator INOUYE's casework assistance regarding certain state law violations that Hawaii harbors officials charged against the plaintiff. Shortly after the complaint was filed, and before either Senator INOUYE or the other defendant had been served with the complaint, the district court dismissed the action sua sponte. The plaintiff has now appealed the dismissal to the Ninth Circuit.

This resolution would authorize the Senate Legal Counsel to represent Senator INOUYE in this matter to move the Ninth Circuit to affirm the judgment of the district court.

Mr. GRAMS. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear in the RECORD.

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

The resolution (S. Res. 287) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 287

Whereas, Senator Daniel K. Inouye has been named as a defendant in the case of *O'Leary* v. *Fujikawa, et al.*, Case No. 98–16439, now pending in the United States Court of Appeals for the Ninth Circuit;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1), the Senate may direct its counsel to represent Members of the Senate in civil actions with respect to their official responsibilities: Now, therefore, be it *Resolved*, That the Senate Legal Counsel is authorized to represent Senator Daniel K. Inouye in the case of *O'Leary* v. *Fujikawa, et al.*

ASSISTIVE TECHNOLOGY ACT OF 1998

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 577, S. 2432.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2432) to support programs of grants to States to address the assistive technology needs of individuals with disabilities, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Assistive Technology Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions and rule.

TITLE I—STATE GRANT PROGRAMS

Sec. 101. Continuity grants for States that received funding for a limited period for technology-related assistance.
Sec. 102. State challenge grants.
Sec. 103. Supplementary millennium grants to States for State and local capacity building.
Sec. 104. State grants for protection and advocacy related to assistive technology.
Sec. 105. Administrative provisions.
Sec. 106. Technical assistance program.
Sec. 107. Authorization of appropriations.

TITLE II—NATIONAL ACTIVITIES

Subtitle A—Rehabilitation Act of 1973

Sec. 201. Coordination of Federal research efforts.
Sec. 202. National Council on Disability.
Sec. 203. Architectural and Transportation Barriers Compliance Board.

Subtitle B—Other National Activities

Sec. 211. Small business incentives.
Sec. 212. Technology transfer and universal design.
Sec. 213. Universal design in products and the built environment.
Sec. 214. Outreach.
Sec. 215. Training pertaining to rehabilitation engineers and technicians.
Sec. 216. Assistive technology taxonomy.
Sec. 217. President's Committee on Employment of People With Disabilities.
Sec. 218. Authorization of appropriations.

TITLE III—ALTERNATIVE FINANCING MECHANISMS

Sec. 301. General authority.
Sec. 302. Amount of grants.
Sec. 303. Applications and procedures.
Sec. 304. Contracts with community-based organizations.
Sec. 305. Grant administration requirements.
Sec. 306. Information and technical assistance.
Sec. 307. Annual report.
Sec. 308. Authorization of appropriations.

TITLE IV—REPEAL AND CONFORMING AMENDMENTS

Sec. 401. Repeal.
Sec. 402. Conforming amendments.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) Disability is a natural part of the human experience and in no way diminishes the right of individuals to—

(A) live independently;

(B) enjoy self-determination and make choices;

(C) benefit from an education;

(D) pursue meaningful careers; and

(E) enjoy full inclusion and integration in the economic, political, social, cultural, and educational mainstream of society in the United States.

(2) Technology has become 1 of the primary engines for economic activity, education, and innovation in the Nation, and throughout the world. The commitment of the United States to the development and utilization of technology is 1 of the main factors underlying the strength and vibrancy of the economy of the United States.

(3) As technology has come to play an increasingly important role in the lives of all persons in the United States, in the conduct of business, in the functioning of government, in the fostering of communication, in the conduct of commerce, and in the provision of education, its impact upon the lives of the more than 50,000,000 individuals with disabilities in the United States has been comparable to its impact upon the remainder of the citizens of the United States. Any development in mainstream technology would have profound implications for individuals with disabilities in the United States.

(4) Substantial progress has been made in the development of assistive technology devices, including adaptations to existing devices that facilitate activities of daily living, that significantly benefit individuals with disabilities of all ages. Such devices and adaptations increase the involvement of such individuals in, and reduce expenditures associated with, programs and activities such as early intervention, education, rehabilitation and training, employment, residential living, independent living, and recreation programs and activities, and other aspects of daily living.

(5) All States have comprehensive statewide programs of technology-related assistance. Federal support for such programs should continue, strengthening the capacity of each State to assist individuals with disabilities of all ages with their assistive technology needs.

(6) Notwithstanding the efforts of such State programs, there is still a lack of—

(A) resources to pay for assistive technology devices and assistive technology services;

(B) trained personnel to assist individuals with disabilities to use such devices and services;

(C) information among targeted individuals about the availability and potential benefit of technology for individuals with disabilities;

(D) outreach to underrepresented populations and rural populations;

(E) systems that ensure timely acquisition and delivery of assistive technology devices and assistive technology services;

(F) coordination among State human services programs, and between such programs and private entities, particularly with respect to transitions between such programs and entities; and

(G) capacity in such programs to provide the necessary technology-related assistance.

(7) In the current technological environment, the line of demarcation between assistive technology and mainstream technology is becoming ever more difficult to draw.

(8) Many individuals with disabilities cannot access existing telecommunications and information technologies and are at risk of not being able to access developing technologies. The failure of Federal and State governments, hardware manufacturers, software designers, information systems managers, and telecommunications service providers to account for the specific needs of individuals with disabilities in the design, manufacture, and procurement of telecommunications and information technologies results in the exclusion of such individuals from the use of telecommunications and information technologies and results in unnecessary costs associated with the retrofitting of devices and product systems.

(9) There are insufficient incentives for Federal contractors and other manufacturers of technology to address the application of technology advances to meet the needs of individuals with disabilities of all ages for assistive technology devices and assistive technology services.

(10) The use of universal design principles reduces the need for many specific kinds of assistive technology devices and assistive technology services by building in accommodations for individuals with disabilities before rather than after production. The use of universal design principles also increases the likelihood that products (including services) will be compatible with existing assistive technologies. These principles

are increasingly important to enhance access to information technology, telecommunications, transportation, physical structures, and consumer products. There are insufficient incentives for commercial manufacturers to incorporate universal design principles into the design and manufacturing of technology products, including devices of daily living, that could expand their immediate use by individuals with disabilities of all ages.

(11) There are insufficient incentives for commercial pursuit of the application of technology devices to meet the needs of individuals with disabilities, because of the perception that such individuals constitute a limited market.

(12) At the Federal level, the Federal Laboratories, the National Aeronautics and Space Administration, and other similar entities do not recognize the value of, or commit resources on an ongoing basis to, technology transfer initiatives that would benefit, and especially increase the independence of, individuals with disabilities.

(13) At the Federal level, there is a lack of coordination among agencies that provide or pay for the provision of assistive technology devices and assistive technology services. In addition, the Federal Government does not provide adequate assistance and information with respect to the quality and use of assistive technology devices and assistive technology services to targeted individuals.

(14) There are changes in the delivery of assistive technology devices and assistive technology services, including—

(A) the impact of the increased prevalence of managed care entities as payors for assistive technology devices and assistive technology services;

(B) an increased focus on universal design;

(C) the increased importance of assistive technology in employment, as more individuals with disabilities move from public assistance to work through training and on-the-job accommodations;

(D) the role and impact that new technologies have on how individuals with disabilities will learn about, access, and participate in programs or services that will affect their lives; and

(E) the increased role that telecommunications play in education, employment, health care, and social activities.

(b) PURPOSES.—The purposes of this Act are—

(1) to provide financial assistance to States to undertake activities that assist each State in maintaining and strengthening a permanent comprehensive statewide program of technology-related assistance, for individuals with disabilities of all ages, that is designed to—

(A) increase the availability of, funding for, access to, and provision of, assistive technology devices and assistive technology services;

(B) increase the active involvement of individuals with disabilities and their family members, guardians, advocates, and authorized representatives, in the maintenance, improvement, and evaluation of such a program;

(C) increase the involvement of individuals with disabilities and, if appropriate, their family members, guardians, advocates, and authorized representatives, in decisions related to the provision of assistive technology devices and assistive technology services;

(D) increase the provision of outreach to underrepresented populations and rural populations, to enable the 2 populations to enjoy the benefits of activities carried out under this Act to the same extent as other populations;

(E) increase and promote coordination among State agencies, between State and local agencies, among local agencies, and between State and local agencies and private entities (such as managed care providers), that are involved or are eligible to be involved in carrying out activities under this Act;

(F)(i) increase the awareness of laws, regulations, policies, practices, procedures, and organizational structures, that facilitate the availability or provision of assistive technology devices and assistive technology services; and

(ii) facilitate the change of laws, regulations, policies, practices, procedures, and organizational structures, to obtain increased availability or provision of assistive technology devices and assistive technology services;

(G) increase the probability that individuals with disabilities of all ages will, to the extent appropriate, be able to secure and maintain possession of assistive technology devices as such individuals make the transition between services offered by human service agencies or between settings of daily living (for example, between home and work);

(H) enhance the skills and competencies of individuals involved in providing assistive technology devices and assistive technology services;

(I) increase awareness and knowledge of the benefits of assistive technology devices and assistive technology services among targeted individuals;

(J) increase the awareness of the needs of individuals with disabilities of all ages for assistive technology devices and for assistive technology services; and

(K) increase the capacity of public agencies and private entities to provide and pay for assistive technology devices and assistive technology services on a statewide basis for individuals with disabilities of all ages;

(2) to identify Federal policies that facilitate payment for assistive technology devices and assistive technology services, to identify those Federal policies that impede such payment, and to eliminate inappropriate barriers to such payment; and

(3) to enhance the ability of the Federal Government to—

(A) provide States with financial assistance that supports—

(i) information and public awareness programs relating to the provision of assistive technology devices and assistive technology services;

(ii) improved interagency and public-private coordination, especially through new and improved policies, that result in increased availability of assistive technology devices and assistive technology services; and

(iii) technical assistance and training in the provision or use of assistive technology devices and assistive technology services; and

(B) fund national, regional, State, and local targeted initiatives that promote understanding of and access to assistive technology devices and assistive technology services for targeted individuals.

SEC. 3. DEFINITIONS AND RULE.

(a) DEFINITIONS.—In this Act:

(1) ADVOCACY SERVICES.—The term "advocacy services", except as used as part of the term "protection and advocacy services", means services provided to assist individuals with disabilities and their family members, guardians, advocates, and authorized representatives in accessing assistive technology devices and assistive technology services.

(2) ASSISTIVE TECHNOLOGY.—The term "assistive technology" means technology designed to be utilized in an assistive technology device or assistive technology service.

(3) ASSISTIVE TECHNOLOGY DEVICE.—The term "assistive technology device" means any item, piece of equipment, or product system, whether acquired commercially, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities.

(4) ASSISTIVE TECHNOLOGY SERVICE.—The term "assistive technology service" means any service that directly assists an individual with a disability in the selection, acquisition, or use of an assistive technology device. Such term includes—

(A) the evaluation of the assistive technology needs of an individual with a disability, including a functional evaluation of the impact of the provision of appropriate assistive technology and appropriate services to the individual in the customary environment of the individual;

(B) services consisting of purchasing, leasing, or otherwise providing for the acquisition of assistive technology devices by individuals with disabilities;

(C) services consisting of selecting, designing, fitting, customizing, adapting, applying, maintaining, repairing, or replacing assistive technology devices;

(D) coordination and use of necessary therapies, interventions, or services with assistive technology devices, such as therapies, interventions, or services associated with education and rehabilitation plans and programs;

(E) training or technical assistance for an individual with disabilities, or, where appropriate, the family members, guardians, advocates, or authorized representatives of such an individual; and

(F) training or technical assistance for professionals (including individuals providing education and rehabilitation services), employers, or other individuals who provide services to, employ, or are otherwise substantially involved in the major life functions of individuals with disabilities.

(5) CAPACITY BUILDING AND ADVOCACY ACTIVITIES.—The term "capacity building and advocacy activities" means efforts that—

(A) result in laws, regulations, policies, practices, procedures, or organizational structures that promote consumer-responsive programs or entities; and

(B) facilitate and increase access to, provision of, and funding for, assistive technology devices and assistive technology services,

in order to empower individuals with disabilities to achieve greater independence, productivity, and integration and inclusion within the community and the workforce.

(6) COMPREHENSIVE STATEWIDE PROGRAM OF TECHNOLOGY-RELATED ASSISTANCE.—The term "comprehensive statewide program of technology-related assistance" means a consumer-responsive program of technology-related assistance for individuals with disabilities, implemented by a State, and equally available to all individuals with disabilities residing in the State, regardless of their type of disability, age, income level, or location of residence in the State, or the type of assistive technology device or assistive technology service required.

(7) CONSUMER-RESPONSIVE.—The term "consumer-responsive"—

(A) with regard to policies, means that the policies are consistent with the principles of—

(i) respect for individual dignity, personal responsibility, self-determination, and pursuit of meaningful careers, based on informed choice, of individuals with disabilities;

(ii) respect for the privacy, rights, and equal access (including the use of accessible formats) of such individuals;

(iii) inclusion, integration, and full participation of such individuals in society;

(iv) support for the involvement in decisions of a family member, a guardian, an advocate, or an authorized representative, if an individual with a disability requests, desires, or needs such involvement; and

(v) support for individual and systems advocacy and community involvement; and

(B) with respect to an entity, program, or activity, means that the entity, program, or activity—

(i) is easily accessible to, and usable by, individuals with disabilities and, when appropriate,

their family members, guardians, advocates, or authorized representatives;

(ii) responds to the needs of individuals with disabilities in a timely and appropriate manner; and

(iii) facilitates the full and meaningful participation of individuals with disabilities (including individuals from underrepresented populations and rural populations) and their family members, guardians, advocates, and authorized representatives, in—

(I) decisions relating to the provision of assistive technology devices and assistive technology services to such individuals; and

(II) decisions related to the maintenance, improvement, and evaluation of the comprehensive statewide program of technology-related assistance, including decisions that affect advocacy, capacity building, and capacity building and advocacy activities.

(8) DISABILITY.—The term "disability" means a condition of an individual that is considered to be a disability or handicap for the purposes of any Federal law other than this Act or for the purposes of the law of the State in which the individual resides.

(9) INDIVIDUAL WITH A DISABILITY; INDIVIDUALS WITH DISABILITIES.—

(A) INDIVIDUAL WITH A DISABILITY.—The term "individual with a disability" means any individual of any age, race, or ethnicity—

(i) who has a disability; and

(ii) who is or would be enabled by an assistive technology device or an assistive technology service to minimize deterioration in functioning, to maintain a level of functioning, or to achieve a greater level of functioning in any major life activity.

(B) INDIVIDUALS WITH DISABILITIES.—The term "individuals with disabilities" means more than 1 individual with a disability.

(10) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), and includes a community college receiving funding under the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801 et seq.).

(11) PROTECTION AND ADVOCACY SERVICES.—The term "protection and advocacy services" means services that—

(A) are described in part C of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.), the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10801 et seq.), or section 509 of the Rehabilitation Act of 1973; and

(B) assist individuals with disabilities with respect to assistive technology devices and assistive technology services.

(12) SECRETARY.—The term "Secretary" means the Secretary of Education.

(13) STATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B) and section 302, the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(B) OUTLYING AREAS.—In sections 101(c), 102(c), 103(d), and 104(b):

(i) OUTLYING AREA.—The term "outlying area" means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(ii) STATE.—The term "State" does not include the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(14) TARGETED INDIVIDUALS.—The term "targeted individuals" means—

(A) individuals with disabilities of all ages and their family members, guardians, advocates, and authorized representatives;

(B) individuals who work for public or private entities (including insurers or managed care providers), that have contact with individuals with disabilities;

(C) educators and related services personnel;

(D) technology experts (including engineers);

(E) health and allied health professionals;

(F) employers; and

(G) other appropriate individuals and entities.

(15) TECHNOLOGY-RELATED ASSISTANCE.—The term "technology-related assistance" means assistance provided through capacity building and advocacy activities that accomplish the purposes described in any of subparagraphs (A) through (K) of section 2(b)(1).

(16) UNDERREPRESENTED POPULATION.—The term "underrepresented population" means a population that is typically underrepresented in service provision, and includes populations such as persons who have low-incidence disabilities, persons who are minorities, poor persons, persons with limited-English proficiency, older individuals, or persons from rural areas.

(17) UNIVERSAL DESIGN.—The term "universal design" means a concept or philosophy for designing and delivering products and services that are usable by people with the widest possible range of functional capabilities, which include products and services that are directly usable (without requiring assistive technologies) and products and services that are made usable with assistive technologies.

(b) REFERENCES.—References in this Act to a provision of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 shall be considered to be references to such provision as in effect on the day before the date of enactment of this Act.

TITLE I—STATE GRANT PROGRAMS

SEC. 101. CONTINUITY GRANTS FOR STATES THAT RECEIVED FUNDING FOR A LIMITED PERIOD FOR TECHNOLOGY-RELATED ASSISTANCE.

(a) GRANTS TO STATES.—

(1) IN GENERAL.—The Secretary shall award grants, in accordance with this section, to eligible States to support capacity building and advocacy activities, designed to assist the States in maintaining permanent comprehensive statewide programs of technology-related assistance that accomplish the purposes described in section 2(b)(1).

(2) ELIGIBLE STATES.—To be eligible to receive a grant under this section a State shall be a State that received grants for less than 10 years under title I of the Technology-Related Assistance for Individuals With Disabilities Act of 1988.

(b) USE OF FUNDS.—

(1) IN GENERAL.—Any State that receives a grant under this section shall use the funds made available through the grant to carry out the activities described in paragraph (2) and may use the funds to carry out the activities described in paragraph (3).

(2) MANDATORY ACTIVITIES.—

(A) PUBLIC AWARENESS PROGRAM.—

(i) IN GENERAL.—The State shall support a public awareness program designed to provide information to targeted individuals relating to the availability and benefits of assistive technology devices and assistive technology services.

(ii) LINK.—Such a public awareness program shall have an electronic link to the National Public Internet Site authorized under section 106(c)(1).

(iii) CONTENTS.—The public awareness program may include—

(I) the development and dissemination of information relating to—

(aa) the nature of assistive technology devices and assistive technology services;

(bb) the appropriateness of, cost of, availability of, evaluation of, and access to, assistive technology devices and assistive technology services; and

(cc) the benefits of assistive technology devices and assistive technology services with respect to enhancing the capacity of individuals with disabilities of all ages to perform activities of daily living;

(II) the development of procedures for providing direct communication between providers of assistive technology and targeted individuals; and

(III) the development and dissemination, to targeted individuals, of information about State efforts related to assistive technology.

(B) INTERAGENCY COORDINATION.—

(i) IN GENERAL.—The State shall develop and promote the adoption of policies that improve access to assistive technology devices and assistive technology services for individuals with disabilities of all ages in the State and that result in improved coordination among public and private entities that are responsible or have the authority to be responsible, for policies, procedures, or funding for, or the provision of assistive technology devices and assistive technology services to, such individuals.

(ii) APPOINTMENT TO CERTAIN INFORMATION TECHNOLOGY PANELS.—The State shall appoint the director of the lead agency described in subsection (d) or the designee of the director, to any committee, council, or similar organization created by the State to assist the State in the development of the information technology policy of the State.

(iii) COORDINATION ACTIVITIES.—The development and promotion described in clause (i) may include support for—

(I) policies that result in improved coordination, including coordination between public and private entities—

(aa) in the application of Federal and State policies;

(bb) in the use of resources and services relating to the provision of assistive technology devices and assistive technology services, including the use of interagency agreements; and

(cc) in the improvement of access to assistive technology devices and assistive technology services for individuals with disabilities of all ages in the State;

(II) convening interagency work groups, involving public and private entities, to identify, create, or expand funding options, and coordinate access to funding, for assistive technology devices and assistive technology services for individuals with disabilities of all ages; or

(III) documenting and disseminating information about interagency activities that promote coordination, including coordination between public and private entities, with respect to assistive technology devices and assistive technology services.

(C) TECHNICAL ASSISTANCE AND TRAINING.—The State shall carry out directly, or provide support to public or private entities to carry out, technical assistance and training activities for targeted individuals, including—

(i) the development and implementation of laws, regulations, policies, practices, procedures, or organizational structures that promote access to assistive technology devices and assistive technology services for individuals with disabilities in education, health care, employment, and community living contexts, and in other contexts such as leisure activities and the use of telecommunications;

(ii)(I) the development of training materials and the conduct of training in the use of assistive technology devices and assistive technology services; and

(II) the provision of technical assistance, including technical assistance concerning how—

(aa) to consider the needs of an individual with a disability for assistive technology devices

and assistive technology services in developing any individualized plan or program authorized under Federal or State law;

(bb) the rights of targeted individuals to assistive technology devices and assistive technology services are addressed under laws other than this Act, to promote fuller independence, productivity, and inclusion in and integration into society of such individuals; or

(cc) to increase consumer participation in the identification, planning, use, delivery, and evaluation of assistive technology devices and assistive technology services; and

(iii)(I) the enhancement of the assistive technology skills and competencies of—

(aa) individuals who work for public or private entities (including insurers and managed care providers), who have contact with individuals with disabilities;

(bb) educators and related services personnel;

(cc) technology experts (including engineers);

(dd) health and allied health professionals;

(ee) employers; and

(ff) other appropriate personnel; and

(II) taking action to facilitate the development of standards, or, when appropriate, the application of such standards, to ensure the availability of qualified personnel.

(D) OUTREACH.—The State shall provide support to statewide and community-based organizations that provide assistive technology devices and assistive technology services to individuals with disabilities or that assist individuals with disabilities in using assistive technology devices and assistive technology services, including a focus on organizations assisting individuals from underrepresented populations and rural populations. Such support may include outreach to consumer organizations and groups in the State to coordinate efforts (including self-help, support group activities, and peer mentoring) to assist individuals with disabilities of all ages and their family members, guardians, advocates, or authorized representatives, to obtain funding for, access to, and information on evaluation of assistive technology devices and assistive technology services.

(3) DISCRETIONARY ACTIVITIES.—

(A) ALTERNATIVE STATE-FINANCED SYSTEMS.—The State may support activities to increase access to, and funding for, assistive technology devices and assistive technology services, including—

(i) the development of systems that provide assistive technology devices and assistive technology services to individuals with disabilities of all ages, and that pay for such devices and services, such as—

(I) the development of systems for the purchase, lease, other acquisition, or payment for the provision, of assistive technology devices and assistive technology services; or

(II) the establishment of alternative State or privately financed systems of subsidies for the provision of assistive technology devices and assistive technology services, such as—

(aa) a low-interest loan fund;

(bb) an interest buy-down program;

(cc) a revolving loan fund;

(dd) a loan guarantee or insurance program;

(ee) a program operated by a partnership among private entities for the purchase, lease, or other acquisition of assistive technology devices or assistive technology services; or

(ff) another mechanism that meets the requirements of title III and is approved by the Secretary;

(ii) the short-term loan of assistive technology devices to individuals, employers, public agencies, or public accommodations seeking strategies to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); or

(iii) the maintenance of information about, and recycling centers for, the redistribution of assistive technology devices and equipment, which may include redistribution through device and equipment loans, rentals, or gifts.

(B) DEMONSTRATIONS.—The State, in collaboration with other entities in established, recognized community settings (such as nonprofit organizations, libraries, schools, community-based employer organizations, churches, and entities operating senior citizen centers, shopping malls, and health clinics), may demonstrate assistive technology devices in settings where targeted individuals can see and try out assistive technology devices, and learn more about the devices from personnel who are familiar with such devices and their applications or can be referred to other entities who have information on the devices.

(C) OPTIONS FOR SECURING DEVICES AND SERVICES.—The State, through public agencies or nonprofit organizations, may support assistance to individuals with disabilities and their family members, guardians, advocates, and authorized representatives about options for securing assistive technology devices and assistive technology services that would meet individual needs for such assistive technology devices and assistive technology services. Such assistance shall not include direct payment for an assistive technology device.

(D) TECHNOLOGY-RELATED INFORMATION.—

(i) IN GENERAL.—The State may operate and expand a system for public access to information concerning an activity carried out under another paragraph of this subsection, including information about assistive technology devices and assistive technology services, funding sources and costs of such devices and services, and individuals, organizations, and agencies capable of carrying out such an activity for individuals with disabilities. The system shall be part of, and complement the information that is available through a link to, the National Public Internet Site described in section 106(c)(1).

(ii) ACCESS.—Access to the system may be provided through community-based locations, including public libraries, centers for independent living (as defined in section 702 of the Rehabilitation Act of 1973), locations of community rehabilitation programs (as defined in section 7 of such Act), schools, senior citizen centers, State vocational rehabilitation offices, other State workforce offices, and other locations frequented or used by the public.

(iii) INFORMATION COLLECTION AND PREPARATION.—In operating or expanding a system described in subparagraph (A), the State may—

(I) develop, compile, and categorize print, large print, braille, audio, and video materials, computer disks, compact discs (including compact discs formatted with read-only memory), information in alternative formats that can be used in telephone-based information systems, and materials using such other media as technological innovation may make appropriate;

(II) identify and classify funding sources for obtaining assistive technology devices and assistive technology services, and the conditions of and criteria for access to such sources, including any funding mechanisms or strategies developed by the State;

(III) identify support groups and systems designed to help individuals with disabilities make effective use of an activity carried out under another paragraph of this subsection, including groups that provide evaluations of assistive technology devices and assistive technology services; and

(IV) maintain a record of the extent to which citizens of the State use or make inquiries of the system established in clause (i), and of the nature of such inquiries.

(E) INTERSTATE ACTIVITIES.—

(i) IN GENERAL.—The State may enter into cooperative agreements with other States to expand the capacity of the States involved to assist individuals with disabilities of all ages to learn about, acquire, use, maintain, adapt, and upgrade assistive technology devices and assistive technology services that such individuals need at home, at school, at work, or in other environments that are part of daily living.

(ii) ELECTRONIC COMMUNICATION.—The State may operate or participate in an electronic information exchange through which the State may communicate with other States to gain technical assistance in a timely fashion and to avoid the duplication of efforts already undertaken in other States.

(F) PARTNERSHIPS AND COOPERATIVE INITIATIVES.—The State may support partnerships and cooperative initiatives between the public sector and the private sector to promote greater participation by business and industry in—

(i) the development, demonstration, and dissemination of assistive technology devices; and

(ii) the ongoing provision of information about new products to assist individuals with disabilities.

(G) EXPENSES.—The State may pay for expenses, including travel expenses, and services, including services of qualified interpreters, readers, and personal care assistants, that may be necessary to ensure access to the comprehensive statewide program of technology-related assistance by individuals with disabilities who are determined by the State to be in financial need and not eligible for such payments or services through another public agency or private entity.

(H) ADVOCACY SERVICES.—The State may provide advocacy services.

(c) AMOUNT OF FINANCIAL ASSISTANCE.—

(1) GRANTS TO OUTLYING AREAS.—From the funds appropriated under section 107(a) and reserved under clause (i) of subparagraph (A), (B), or (C) of section 107(b)(1) for any fiscal year for grants under this section, the Secretary shall make a grant in an amount of not more than $105,000 to each eligible outlying area.

(2) GRANTS TO STATES.—From the funds described in paragraph (1) that are not used to make grants under paragraph (1), the Secretary shall make grants to States in accordance with the requirements described in paragraph (3).

(3) CALCULATION OF STATE GRANTS.—

(A) CALCULATIONS FOR GRANTS IN THE SECOND OR THIRD YEAR OF A SECOND EXTENSION GRANT.—For any fiscal year, the Secretary shall calculate the amount of a grant under paragraph (2) for each eligible State that would be in the second or third year of a second extension grant made under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, if that Act had been reauthorized for that fiscal year, in accordance with section 103(c)(2) of such Act.

(B) CALCULATIONS FOR GRANTS IN THE FOURTH OR FIFTH YEAR OF A SECOND EXTENSION GRANT.—

(i) FOURTH YEAR.—An eligible State that would have been in the fourth year of a second extension grant made under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 during a fiscal year, if that Act had been reauthorized for that fiscal year, shall receive under paragraph (2) a grant in an amount equal to 75 percent of the funding that the State received in the prior fiscal year under section 103 of that Act or under this section, as appropriate.

(ii) FIFTH YEAR.—An eligible State that would have been in the fifth year of a second extension grant made under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 during a fiscal year, if that Act had been reauthorized for that fiscal year, shall receive under paragraph (2) a grant in an amount equal to 66⅔ percent of the funding

that the State received in the prior fiscal year under section 103 of that Act or under this section, as appropriate.

(C) ADDITIONAL STATES.—

(i) IN GENERAL.—For purposes of this paragraph, the Secretary shall treat a State described in clause (ii)—

(I) for fiscal years 1999 through 2001, as if the State were a State described in subparagraph (A); and

(II) for fiscal year 2002 or 2003, as if the State were a State described in clause (i) or (ii), respectively, of subparagraph (B).

(ii) STATE.—A State referred to in clause (i) shall be a State that—

(I) in fiscal year 1998, was in the second year of an initial extension grant made under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988; and

(II) meets such terms and conditions as the Secretary shall determine to be appropriate.

(d) LEAD AGENCY.—

(1) IDENTIFICATION.—

(A) IN GENERAL.—To be eligible to receive a grant under this section, a State shall designate a lead agency to carry out appropriate State functions under this section. The lead agency shall be the current agency (as of the date of submission of the application supplement described in subsection (e)) administering the grant awarded to the State for fiscal year 1998 under title I of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, except as provided in subparagraph (B).

(B) CHANGE IN AGENCY.—The Governor may change the lead agency if the Governor shows good cause to the Secretary why the designated lead agency should be changed, in the application supplement described in subsection (e), and obtains approval of the supplement.

(2) DUTIES OF THE LEAD AGENCY.—The duties of the lead agency shall include—

(A) submitting the application supplement described in subsection (e) on behalf of the State;

(B) administering and supervising the use of amounts made available under the grant received by the State under this section;

(C)(i) coordinating efforts related to, and supervising the preparation of, the application supplement described in subsection (e);

(ii) continuing the coordination of the maintenance and evaluation of the comprehensive statewide program of technology-related assistance among public agencies and between public agencies and private entities, including coordinating efforts related to entering into interagency agreements; and

(iii) continuing the coordination of efforts, especially efforts carried out with entities that provide protection and advocacy services described in section 104, related to the active, timely, and meaningful participation by individuals with disabilities and their family members, guardians, advocates, or authorized representatives, and other appropriate individuals, with respect to activities carried out under the grant; and

(D) the delegation, in whole or in part, of any responsibilities described in subparagraph (A), (B), or (C) to 1 or more appropriate offices, agencies, entities, or individuals.

(e) APPLICATION SUPPLEMENT.—

(1) SUBMISSION.—Any State that desires to receive a grant under this section shall submit to the Secretary an application supplement to the application the State submitted under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, at such time, in such manner, and for such period as the Secretary may specify, that contains the following information:

(A) GOALS AND ACTIVITIES.—A description of—

(i) the goals the State has set, for addressing the assistive technology needs of individuals with disabilities in the State, including any related to—

(I) health care;

(II) education;

(III) employment, including goals involving the State vocational rehabilitation program carried out under title I of the Rehabilitation Act of 1973;

(IV) telecommunication and information technology; or

(V) community living, including participation in recreation; and

(ii) the activities the State will undertake to achieve such goals, in accordance with the requirements of subsection (b).

(B) MEASURES OF GOAL ACHIEVEMENT.—A description of how the State will measure whether the goals set by the State have been achieved.

(C) INVOLVEMENT OF INDIVIDUALS WITH DISABILITIES OF ALL AGES AND THEIR FAMILIES.—A description of how individuals with disabilities of all ages and their families—

(i) were involved in selecting—

(I) the goals;

(II) the activities to be undertaken in achieving the goals; and

(III) the measures to be used in judging if the goals have been achieved; and

(ii) will be involved in measuring whether the goals have been achieved.

(D) REDESIGNATION OF THE LEAD AGENCY.—If the Governor elects to change the lead agency, the following information:

(i) With regard to the original lead agency, evidence of—

(I) lack of progress in employment of qualified staff;

(II) lack of consumer-responsive activities;

(III) lack of resource allocation for systems change and advocacy activities;

(IV) lack of progress in meeting the assurances in the application submitted by the State under section 102(e) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988; or

(V) inadequate fiscal management.

(ii) With regard to the new lead agency, a description of—

(I) the capacity of the new lead agency to administer and conduct activities described in subsection (b) and this paragraph; and

(II) the procedures that the State will implement to avoid the deficiencies, described in clause (i), of the original lead agency.

(iii) Information identifying which agency prepared the application supplement.

(2) INTERIM STATUS OF STATE OBLIGATIONS.—Except as provided in subsection (f)(2), when the Secretary notifies a State that the State shall submit the application supplement to the application the State submitted under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, the Secretary shall specify in the notification the time period for which the application supplement shall apply, consistent with paragraph (4).

(3) CONTINUING OBLIGATIONS.—Each State that receives a grant under this section shall continue to abide by the assurances the State made in the application the State submitted under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 and continue to comply with reporting requirements under that Act.

(4) DURATION OF APPLICATION SUPPLEMENT.—

(A) DETERMINATION.—The Secretary shall determine and specify to the State the time period for which the application supplement shall apply, in accordance with subparagraph (B).

(B) LIMIT.—Such time period for any State shall not extend beyond the year that would have been the fifth year of a second extension grant made for that State under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, if the Act had been reauthorized through that year.

(f) OPTIONS RELATED TO FUNDING FOR FISCAL YEARS 1999 THROUGH 2004.—

(1) EXTENSIONS.—

(A) IN GENERAL.—In the case of a State that was in the fifth year of a second extension grant made under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 in fiscal year 1998, the Secretary may, in the discretion of the Secretary, award a 1-year extension of the grant received for fiscal year 1999 to such a State if the State submits an application supplement under subsection (e) and meets other related requirements for a State seeking a grant under this section.

(B) AMOUNT.—A State that receives a 1-year extension of a grant under subparagraph (A), shall receive through the grant, for fiscal year 1999, an amount equivalent to the amount the State received for fiscal year 1998 under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, from funds appropriated under section 107(a) and reserved under clause (i) of subparagraph (A), (B), or (C) of section 107(b)(1) for grants under this section.

(2) CHALLENGE GRANTS.—For fiscal year 2000, any State eligible to receive funds under this section may elect to meet the requirements of and receive funds under section 102 instead of meeting the requirements of and receiving funds under this section. No State may receive funds under this section and section 102 for a fiscal year.

SEC. 102. STATE CHALLENGE GRANTS.

(a) GRANTS TO STATES.—The Secretary shall award grants to States to assist the States in maintaining and improving comprehensive statewide programs of technology-related assistance for individuals with disabilities in accordance with the provisions of this section. The Secretary shall provide assistance through such a grant to a State for 5 years.

(b) USE OF FUNDS.—

(1) IN GENERAL.—A State that receives a grant under this section shall use the funds made available through the grant to accomplish the purposes described in section 2(b)(1) by carrying out activities described in this subsection, based on an assessment of the needs for assistive technology devices and assistive technology services of individuals with disabilities in the State, as reported by such individuals, and through other means. The State shall, in appropriate cases, promote, consider, take into account, and incorporate the principles of universal design.

(2) MANDATORY ACTIVITIES.—

(A) INTERAGENCY COORDINATION.—The State shall develop and promote the adoption of policies that improve access to assistive technology devices and assistive technology services for individuals with disabilities of all ages in the State and that result in improved coordination among public and private entities that affect the provision of assistive technology devices and assistive technology services for such individuals. The State shall appoint the director of the State Assistive Technology Office designated under subsection (d)(1)(A) or the designee of the director, to any committee, council, or similar organization created by the State to assist the State in the development of the information technology policy of the State.

(B) ASSISTIVE TECHNOLOGY INFORMATION SYSTEM.—The State shall provide for the continuation and enhancement of a statewide information and referral system for individuals with disabilities and providers of services for individuals with disabilities. The system shall include an accessible Internet site with linkages to other appropriate sites, such as the National Public Internet Site described in section 106(c)(1). The system shall provide for public access to information about assistive technology devices and

assistive technology services, including information on the evaluation of such devices and services and entities that provide such evaluations, and funding sources for and costs of obtaining such devices and services.

(C) PUBLIC AWARENESS PROGRAM.—The State shall support, in collaboration with targeted individuals, targeted public awareness campaigns designed to provide information to targeted individuals about the availability, through public and private sources, and benefits, of assistive technology devices and assistive technology services.

(D) CAPACITY BUILDING AND ADVOCACY ACTIVITIES; TECHNICAL ASSISTANCE AND TRAINING.—

(i) IN GENERAL.—The State shall support capacity building and advocacy activities that include—

(I) the development and implementation of laws, regulations, policies, practices, procedures, or organizational structures that promote access to assistive technology devices and assistive technology services for individuals with disabilities in education, health care, employment, and community living contexts, and in other contexts such as leisure activities and the use of telecommunications; and

(II) the training and preparation of personnel to design, build, provide instruction on the use of, repair, and recycle assistive technology devices and to provide assistive technology services.

(ii) TARGETED TECHNICAL ASSISTANCE AND TRAINING.—The State shall also support public or private entities to carry out targeted technical assistance and training activities.

(E) OUTREACH.—The State shall provide support to statewide and community-based organizations that provide assistive technology devices and assistive technology services to individuals with disabilities or that assist individuals with disabilities in using assistive technology devices and assistive technology services, including a focus on organizations assisting individuals from underrepresented populations and rural populations. Such support may include outreach to consumer organizations and groups in the State to coordinate efforts (including self-help, support group activities, and peer mentoring) to assist individuals with disabilities of all ages and their family members, guardians, advocates, or authorized representatives, to obtain funding for, access to, and information on evaluation of assistive technology devices and assistive technology services.

(3) DISCRETIONARY ACTIVITIES.—A State that receives a grant under this section may use the funds made available through the grant to carry out additional activities that were authorized under the Technology-Related Assistance for Individuals With Disabilities Act of 1988, or other activities identified by the Secretary or the State, to which the Secretary gives approval.

(c) AMOUNT OF FINANCIAL ASSISTANCE.—

(1) GRANTS TO OUTLYING AREAS.—From the funds appropriated under section 107(a) and reserved under clause (i) of subparagraph (A), (B), or (C) of section 107(b)(1) for any fiscal year for grants under this section, the Secretary shall make a grant in an amount of not more than $105,000 to each eligible outlying area.

(2) GRANTS TO STATES.—From the funds described in paragraph (1) that are not used to make grants under paragraph (1), the Secretary shall make grants to States from allotments made in accordance with the requirements described in paragraph (3).

(3) ALLOTMENTS.—From the funds described in paragraph (1) that are not used to make grants under paragraph (1)—

(A) the Secretary shall allot $500,000 to each State; and

(B) from the remainder of the funds—

(i) the Secretary shall allot to each State an amount that bears the same ratio to 80 percent of the remainder as the population of the State bears to the population of all States; and

(ii) the Secretary shall allot to each State with a population density that is not more than 10 percent greater than the population density of the United States (according to the most recently available census data) an equal share from 20 percent of the remainder.

(d) STATE TECHNOLOGY PLAN.—Any State that desires to receive a grant under this section shall submit to the Secretary a plan, at such time, in such manner, and for such period as the Secretary may specify, that contains the following information and assurances:

(1) DESIGNATION OF PUBLIC AGENCY AND STATE ASSISTIVE TECHNOLOGY OFFICE.—

(A) IN GENERAL.—Information identifying, and a description of, the public agency designated by the Governor to control and administer the funds made available through the grant awarded to the State under this section, and information identifying the entity designated by the Governor to be the State Assistive Technology Office (which shall carry out State activities under this section), if such entity is different than the designated public agency. In designating the entity to be the State Assistive Technology Office, the Governor may designate—

(i) a commission, council, or other official body appointed by the Governor;

(ii) a public-private partnership or consortium;

(iii) a public agency, including the immediate office of the Governor of the State, a State oversight office, a State agency, a public institution of higher education, a university-affiliated program, or another public entity;

(iv) a council established under Federal or State law; or

(v) another appropriate office, agency, entity, or individual.

(B) EXPERTISE, EXPERIENCE, AND ABILITY OF STATE ASSISTIVE TECHNOLOGY OFFICE.—A description demonstrating that the entity designated as the State Assistive Technology Office has the expertise, experience, and ability to—

(i) provide leadership in developing State policy related to assistive technology, including policy relating to the procurement of accessible electronic and information technology by State agencies and the incorporation of principles of universal design in the State infrastructure;

(ii) respond to assistive technology needs of individuals with disabilities with the full range of disabilities and of all ages;

(iii) promote availability throughout the State of assistive technology devices and assistive technology services;

(iv) promote and implement system improvement and policy advocacy activities pertaining to assistive technology devices and assistive technology services;

(v) work proactively and collaboratively with State agencies and private entities involved in funding and delivering assistive technology devices and assistive technology services;

(vi) provide technical assistance for capacity building and advocacy activities and training relating to assistive technology devices and assistive technology services, and enhancement of access to funding for assistive technology, across all State agencies;

(vii) promote and develop public-private partnerships related to assistive technology devices and assistive technology services;

(viii) exercise leadership in identifying and responding to the technology needs of individuals with disabilities and their family members, guardians, advocates, and authorized representatives; and

(ix) promote consumer confidence, responsiveness, and advocacy related to assistive technology devices and assistive technology services.

(2) INVOLVEMENT OF ENTITIES AND TARGETED INDIVIDUALS IN THE DEVELOPMENT OF THE PLAN AND IMPLEMENTATION OF THE ACTIVITIES.—

(A) ENTITIES.—A description of how various public and private entities were involved in the development of the plan and will be involved in the planned implementation of the activities to be carried out under the grant, including a description of the nature and extent of each type of involvement.

(B) TARGETED INDIVIDUALS.—A description of how targeted individuals, especially individuals with disabilities who use assistive technology, were involved in the development of the plan and will be involved in the planned implementation of the activities, including a description of the nature and extent of each type of involvement.

(3) ADVISORY GROUP.—A description of an advisory group of targeted individuals, a majority of whom are individuals with disabilities and parents of such individuals, who will assist the State Assistive Technology Office in identifying the unmet assistive technology needs of individuals with disabilities and assist the Office in deciding how the assistive technology needs of such individuals will be addressed by the State.

(4) NEEDS ASSESSMENT.—A description and the results of a needs assessment from which the goals described in paragraph (7) were derived.

(5) STATE RESOURCES.—A description of State resources and other resources that are available to commit to the maintenance of the comprehensive statewide program of technology-related assistance.

(6) ELECTRONIC AND INFORMATION TECHNOLOGY.—An assurance that the State, and any recipient of funds made available to the State under this section, not later than fiscal year 2001, will have procurement policies and procedures in effect that are consistent with the objectives, complaint procedures, and standards of section 508 of the Rehabilitation Act of 1973.

(7) GOALS AND ACTIVITIES.—

(A) IN GENERAL.—A description of—

(i) the goals the State has set, for addressing the assistive technology needs of individuals with disabilities in the State, including any goals related to—

(I) health care;

(II) education;

(III) employment, including goals involving the State vocational rehabilitation program carried out under title I of the Rehabilitation Act of 1973;

(IV) telecommunication and information technology; or

(V) community living, including participation in recreation; and

(ii) the activities the State will undertake to achieve such goals, in accordance with the requirements of subsection (b).

(B) MEASURES OF GOAL ACHIEVEMENT.—A description of how the State will measure whether the goals set by the State have been achieved.

(C) INVOLVEMENT OF INDIVIDUALS WITH DISABILITIES OF ALL AGES AND THEIR FAMILIES.—A description of how individuals with disabilities of all ages and their families—

(i) were involved in selecting—

(I) the goals;

(II) the activities to be undertaken in achieving the goals; and

(III) the measures to be used in judging if the goals have been achieved; and

(ii) will be involved in measuring whether the goals have been achieved.

(8) ANNUAL ASSESSMENT.—An assurance that the State will conduct an annual assessment of the comprehensive statewide program of technology-related assistance, in order to determine—

(A) the extent to which the goals described in paragraph (7) have been achieved; and

(B) the areas of need that require attention in the next year.

(9) DATA COLLECTION.—A description of the data collection system used for compiling information on the program, which shall be consistent with any standardized data collection requirements specified by the Secretary.

(10) USE OF GRANT FUNDS.—An assurance that funds received through the grant will be expended in accordance with the provisions of this section and of the State technology plan.

(11) SUPPLEMENT OTHER FUNDS.—An assurance that funds received through the grant—

(A) will be used to supplement, and not supplant, funds available from other sources for technology-related assistance, including the provision of assistive technology devices and assistive technology services; and

(B) will not be used to pay a financial obligation for technology-related assistance (including the provision of assistive technology devices or assistive technology services) that would have been paid with amounts available from other sources if funds made available through the grant had not been available.

(12) CONTROL OF FUNDS AND PROPERTY.—An assurance that—

(A) the designated public agency shall control and administer funds made available through the grant;

(B) the designated public agency shall hold title to and administer property purchased with such funds; and

(C) an individual with a disability may control and use such property.

(13) REPORTS.—An assurance that the State will—

(A) prepare reports to the Secretary at such time, in such manner, and containing such information as the Secretary may require to carry out the functions of the Secretary under this section or section 105; and

(B) keep such records and allow access to such records as the Secretary may require to ensure the correctness and verification of information provided to the Secretary under this paragraph.

(14) COMMINGLING OF FUNDS.—

(A) IN GENERAL.—An assurance that funds received through the grant will not be commingled with State or other funds.

(B) CONSTRUCTION.—Subparagraph (A) shall not be construed to prevent, subject to such requirements as the Secretary may establish concerning documentation satisfactory to the Secretary, pooling of funds received through the grant with other public or private funds to achieve a goal specified in the grant application involved, as approved by the Secretary.

(15) FISCAL CONTROL AND ACCOUNTING PROCEDURES.—An assurance that the State will adopt such fiscal control and accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds received through the grant.

(16) AVAILABILITY OF INFORMATION.—An assurance that the State will make available to individuals with disabilities and their family members, guardians, advocates, or authorized representatives information concerning technology-related assistance in a form that will allow such persons to effectively use such information.

(17) AUTHORITY TO USE FUNDS.—An assurance that the State Assistive Technology Office will have the authority to use funds made available through a grant awarded under this section.

(18) TRAINING ACTIVITIES.—An assurance that the State will develop and implement strategies for including personnel training regarding assistive technology within other federally funded and State funded training initiatives to enhance the assistive technology skills and competencies of personnel.

(19) LIMIT ON INDIRECT COSTS.—An assurance that the percentage of the funds made available under the grant that is used for indirect costs shall not exceed 10 percent.

(20) COORDINATION WITH STATE COUNCILS.—An assurance that the State Assistive Technology Office will coordinate the activities funded through the grant made under this section with the activities carried out by other councils within the State, including—

(A) any council or commission specified in the State plan provision provided by the State in accordance with section 101(a)(21) of the Rehabilitation Act of 1973;

(B) the Statewide Independent Living Council established under section 705 of the Rehabilitation Act of 1973;

(C) the advisory panel established under section 612(a)(21) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(21));

(D) the State Interagency Coordinating Council established under section 641 of the Individuals with Disabilities Education Act (20 U.S.C. 1441);

(E) the State Developmental Disabilities Council established under section 124 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6024);

(F) the State mental health planning council established under section 1914 of the Public Health Service Act (42 U.S.C. 300x-4); and

(G) any council established under section 204, 206(g)(2)(A), or 712(a)(3)(H) of the Older Americans Act of 1965 (42 U.S.C. 3015, 3017(g)(2)(A), or 3058g(a)(3)(H)).

(21) OTHER INFORMATION AND ASSURANCES.—Such other information and assurances as the Secretary may reasonably require.

(e) PROGRESS REPORTS.—Each State that receives a grant under this section shall annually prepare and submit to the Secretary a report that documents progress in meeting the goals described in subsection (d)(7) and maintaining a comprehensive statewide program of technology-related assistance, including—

(1) the results of the annual assessment described in subsection (d)(8);

(2) to the extent not addressed through the measurement and assessment conducted under paragraph (7) or (8) of subsection (d), a description of the capacity building and advocacy activities carried out by the State, including a description of any written policies and procedures that the State has developed and implemented regarding access to, provision of, and funding for, assistive technology devices and assistive technology services, particularly policies and procedures regarding access to, provision of, and funding for, such devices and services under education (including special education), vocational rehabilitation, and medical assistance programs;

(3) if not addressed under paragraph (1) or (2), a description of the degree of involvement of various State agencies and private entities, especially agencies and entities involved in providing health insurance and education, in the development, implementation, and evaluation of the program, including a description of any interagency agreements that the State has developed and implemented regarding access to, provision of, and funding for, assistive technology devices and assistive technology services, such as agreements that identify available resources for assistive technology devices and assistive technology services and the responsibility of each such agency or entity for paying for such devices and services; and

(4) any other information the Secretary may reasonably require.

SEC. 103. SUPPLEMENTARY MILLENNIUM GRANTS TO STATES FOR STATE AND LOCAL CAPACITY BUILDING.

(a) GRANTS TO STATES.—

(1) IN GENERAL.—The Secretary shall award supplementary grants, on a competitive basis—

(A) to States, to carry out 1 or more of the targeted activities described in subsection (b) to expand the capacity of the States to address the unmet assistive technology needs of individuals with disabilities; or

(B) to States, to provide funds to local entities on a competitive basis, through subgrants or any other mechanism, to enable each such local entity to carry out 1 of the targeted activities described in subsection (c) to expand the capacity of the local entities to address the unmet needs of individuals with disabilities for assistive technology and assistive technology services, especially the unmet needs of underrepresented populations.

(2) PERIOD.—The Secretary shall award the grants for periods of not more than 5 years.

(3) ELIGIBLE STATES.—To be eligible to receive a grant under this section, a State shall have received a grant under section 102.

(b) STATEWIDE CAPACITY BUILDING ACTIVITIES.—The State may use funds made available through a grant described in subsection (a)(1)(A) to carry out 1 or more of the following activities:

(1) Obtaining, under State law or through other equivalent means, the compliance of all public agencies in the State with section 508 of the Rehabilitation Act of 1973, which shall include establishing a mechanism for informing individuals with disabilities of their rights with regard to such section 508, addressing their complaints, and establishing a lead agency to monitor and enforce compliance with such section 508.

(2) Developing and implementing, documenting, and reviewing a plan for enhancing the participation of all individuals with disabilities in the State, in education, employment, transportation, and communication, and enhancing general access of the individuals, in ways that complement and exceed the requirements for public and private entities under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), through—

(A) incorporating concepts of universal design in physical structures, products, and services; or

(B) providing fiscal-related incentives to public and private telecommunication ventures.

(3) Developing and implementing activities for incorporating the principles of universal design in the construction and renovation of facilities, information technology and telecommunications, and other products and services such as transportation.

(4) Planning and adopting State personnel standards or professional certification procedures that apply to individuals who, or entities that, provide assistive technology services.

(5) Conducting evaluations of assistive technology devices and assistive technology services, including computer software, for the purpose of evaluating and documenting the effectiveness, benefits, and compatibility of the devices or services with other technologies, for individuals with disabilities.

(6) Engaging in another activity, pursuant to a priority mechanism announced by the Secretary, that will have a statewide impact and address the unmet assistive technology needs of individuals with disabilities.

(c) LOCAL CAPACITY BUILDING ACTIVITIES.—The State may use funds made available through a grant described in subsection (a)(1)(B) to provide funds to local entities that submit acceptable plans, to enable each such local entity to carry out 1 of the following activities:

(1) Developing and implementing micro-loan and alternative financing programs.

(2) Planning and carrying out equipment demonstrations in community settings frequented by the public.

(3) Developing and implementing an equipment loan program involving long-term and short-term loans.

(4) Developing and implementing an equipment recycling program.

(5) Developing and implementing outreach activities and training, especially empowerment training, for individuals with disabilities, teachers and parents of individuals with disabilities, and underserved populations.

(6) Carrying out other initiatives, including model innovative initiatives, that meet an unmet local need related to assistive technology.

(d) AMOUNTS OF SUPPLEMENTARY GRANTS.—

(1) PAYMENTS TO STATES.—The Secretary shall make payments to States and to outlying areas that successfully compete for supplementary grants awarded under this section, in accordance with the requirements of this section.

(2) OBLIGATION AND EXPENDITURE.—A State that receives a grant under this section may obligate and expend the funds made available through the grant during the period of the grant.

(3) MATCHING REQUIREMENT.—A State that receives a grant under this section in an amount that exceeds $250,000 shall make available non-Federal contributions in an amount not less than $1 for every $2 of the amount that exceeds $250,000.

(e) APPLICATIONS.—Any State that desires to receive a grant under this section shall submit to the Secretary an application, at such time, and in such manner, as the Secretary may require, that contains the following information and assurances:

(1) PARTNERS.—

(A) STATE ASSISTIVE TECHNOLOGY OFFICE.—An assurance that the State Assistive Technology Office designated under section 102(d)(1)(A) participated in the development of the application and will participate in the implementation of the activities to be carried out under the grant, even if the State Assistive Technology Office is not the grant applicant under this section.

(B) PARTNERS.—A description of the partners of the State involved in carrying out statewide activities under the grant, including—

(i) the identity of each partner;

(ii) the role of each partner in the development of the application;

(iii) the capacity of each partner to contribute to the grant activities; and

(iv) the contribution of each partner to the grant activities.

(2) TARGETED INDIVIDUALS.—A description of how targeted individuals, especially individuals with disabilities who use assistive technology, were involved in the development of the application and will be involved in the implementation of the activities to be carried out under the grant.

(3) DATA.—Data that affected the selection of the activities to be carried out under the grant.

(4) RESOURCES.—A description of State resources and other resources that have been committed to carry out the activities.

(5) GOALS AND ACTIVITIES.—

(A) IN GENERAL.—A description of—

(i) the goals the State has set for the supplementary grant; and

(ii) the activities the State will undertake to achieve such goals, in accordance with the requirements of subsections (b) and (c).

(B) MEASURES OF GOAL ACHIEVEMENT.—A description of how the State will measure whether the goals set by the State have been achieved.

(C) INVOLVEMENT OF INDIVIDUALS WITH DISABILITIES OF ALL AGES AND THEIR FAMILIES.—A description of how individuals with disabilities of all ages and their families—

(i) were involved in selecting—

(I) the goals;

(II) the activities to be undertaken in achieving the goals; and

(III) the measures to be used in judging if the goals have been achieved; and

(ii) will be involved in measuring whether the goals have been achieved.

(6) ANNUAL ASSESSMENT.—An assurance that the State will conduct an annual assessment of the activities carried out under the grant, in order to determine—

(A) the extent to which the goals described in paragraph (5) have been achieved; and

(B) the areas of need that require attention in the next year.

(7) USE OF FUNDS.—An assurance that funds received through the grant will be expended in accordance with the provisions of this section and of the application.

(8) SUPPLEMENT OTHER FUNDS.—An assurance that funds received through the grant will be used to supplement, and not supplant, funds available from other sources for any activity carried out under the grant.

(9) REPORTS.—An assurance that the State will, or will ensure that a recipient of assistance through the grant will—

(A) prepare reports to the Secretary at such time, in such manner, and containing such information as the Secretary may require to carry out the functions of the Secretary under this section or section 105; and

(B) keep such records and allow access to such records as the Secretary may require to ensure the correctness and verification of information provided to the Secretary under this paragraph.

(10) COMMINGLING OF FUNDS.—

(A) IN GENERAL.—An assurance that funds received through the grant will not be commingled with State or other funds.

(B) CONSTRUCTION.—Subparagraph (A) shall not be construed to prevent, subject to such requirements as the Secretary may establish concerning documentation satisfactory to the Secretary, pooling of funds received through the grant with other public or private funds to achieve a goal specified in the grant application involved, as approved by the Secretary.

(11) FISCAL CONTROL AND ACCOUNTING PROCEDURES.—An assurance that the State will adopt, and will ensure that a recipient of assistance through the grant will adopt, such fiscal control and accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds received through the grant.

(12) AUTHORITY TO USE FUNDS.—An assurance that, the partners described in paragraph (1)(B) will have the authority to use funds made available through a grant awarded under this section.

(13) LIMIT ON INDIRECT COSTS.—An assurance that the percentage of the funds made available under the grant that is used for indirect costs shall not exceed 10 percent.

(14) OTHER INFORMATION AND ASSURANCES.—Such other information and assurances as the Secretary may reasonably require.

(f) SUBMISSION.—

(1) JOINT SUBMISSION.—When a State submits the State technology plan for the State under section 102(d), the State may jointly submit an application described in subsection (e) for funding activities under this section.

(2) SEPARATE INFORMATION.—In making such a joint submission the State shall distinguish between activities to be carried out under a grant awarded under section 102 and activities to be carried out under a grant awarded under this section, and include a budget that separately reflects proposed expenditures for the 2 types of grant activities for each fiscal year involved.

(g) PROGRESS REPORTS.—Each State that receives a grant under this section, and any other entity that receives assistance through a grant awarded under this section, shall annually prepare and submit to the Secretary a report that documents the progress of the State or entity in meeting the goals described in subsection (e)(5), and any other information the Secretary may reasonably require.

SEC. 104. STATE GRANTS FOR PROTECTION AND ADVOCACY RELATED TO ASSISTIVE TECHNOLOGY.

(a) GRANTS TO STATES.—

(1) IN GENERAL.—On the appropriation of funds under section 107, the Secretary shall make a grant to an entity in each State to support protection and advocacy services through the systems established to provide protection and advocacy services under the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) for the purposes of assisting in the acquisition, utilization, or maintenance of assistive technology or assistive technology services for individuals with disabilities.

(2) CERTAIN STATES.—Notwithstanding paragraph (1), for a State that, on the day before the date of enactment of this Act, was described in section 102(f)(1) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, the Secretary shall make the grant to the lead agency designated under section 101(d) or the State Assistive Technology Office designated under section 102(d)(1)(A) in that State, whichever is appropriate. The lead agency or office shall determine how the funds made available under this section shall be divided among the entities that were providing protection and advocacy services in that State on that day, and distribute the funds to the entities. In distributing the funds, the lead agency or office shall not establish any further eligibility or procedural requirements for an entity in that State that supports protection and advocacy services through the systems established to provide protection and advocacy services under the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.). Such an entity shall comply with the same requirements (including reporting and enforcement requirements) as any other entity that receives funding under paragraph (1).

(3) PERIODS.—The Secretary shall provide assistance through such a grant to a State for 6 years.

(b) AMOUNT OF FINANCIAL ASSISTANCE.—

(1) GRANTS TO OUTLYING AREAS.—From the funds appropriated under section 107(a) and reserved under clause (ii) of subparagraph (A), (B), or (C) of section 107(b)(1) for any fiscal year, the Secretary shall make a grant in an amount of not more than $30,000 to each eligible system within an outlying area.

(2) GRANTS TO STATES.—For any fiscal year, after reserving funds to make grants under paragraph (1), the Secretary shall make allotments from the remainder of the funds described in paragraph (1) in accordance with paragraph (3) to eligible systems within States to support protection and advocacy services as described in subsection (a). The Secretary shall make grants to the eligible systems from the allotments.

(3) SYSTEMS WITHIN STATES.—

(A) POPULATION BASIS.—Except as provided in subparagraph (B), from such remainder for each fiscal year, the Secretary shall make an allotment to the eligible system within a State of an amount bearing the same ratio to such remainder as the population of the State bears to the population of all States.

(B) MINIMUMS.—Subject to the availability of appropriations to carry out this section, the allotment to any system under subparagraph (A) shall be not less than $50,000, and the allotment to any system under this paragraph for any fiscal year that is less than $50,000 shall be increased to $50,000.

(4) ADJUSTMENT FOR INFLATION.—For any fiscal year, beginning in fiscal year 2000, in which the total amount appropriated and reserved as described in paragraph (1) exceeds the total amount so appropriated and reserved for the

preceding fiscal year, the Secretary shall increase each of the minimum allotments under paragraph (3)(B) by a percentage that shall not exceed the percentage increase in the total amount so appropriated and reserved between the preceding fiscal year and the fiscal year involved.

(5) PROPORTIONAL REDUCTION.—To provide minimum allotments to systems within States (as increased under paragraph (4)) under paragraph (3)(B), the Secretary shall proportionately reduce the allotments of the remaining systems within States under paragraph (3), with such adjustments as may be necessary to prevent the allotment of any such remaining system within a State from being reduced to less than the minimum allotment for a system within a State (as increased under paragraph (4)) under paragraph (3)(B).

(6) REALLOTMENT.—Whenever the Secretary determines that any amount of an allotment under paragraph (3) to a system within a State for any fiscal year will not be expended by such system in carrying out the provisions of this section, the Secretary shall make such amount available for carrying out the provisions of this section to 1 or more of the systems that the Secretary determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a system for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the allotment of the system (as determined under the preceding provisions of this section) for such year.

(c) REPORT TO SECRETARY.—An entity that receives a grant under this section shall annually prepare and submit to the Secretary a report that contains such information as the Secretary may require, including documentation of the progress of the entity in—

(1) conducting consumer-responsive activities, including activities that will lead to increased access, for individuals with disabilities, to funding for assistive technology devices and assistive technology services;

(2) engaging in informal advocacy to assist in securing assistive technology and assistive technology services for individuals with disabilities;

(3) engaging in formal representation for individuals with disabilities to secure systems change, and in advocacy activities to secure assistive technology and assistive technology services for individuals with disabilities;

(4) developing and implementing strategies to enhance the long-term abilities of individuals with disabilities and their family members, guardians, advocates, and authorized representatives to advocate the provision of assistive technology devices and assistive technology services to which the individuals with disabilities are entitled under law other than this Act; and

(5) coordinating activities with protection and advocacy services funded through sources other than this title, and coordinating activities with the capacity building and advocacy activities carried out by the lead agency or State Assistive Technology Office, as appropriate.

(d) REPORTS AND UPDATES TO STATE AGENCIES.—An entity that receives a grant under this section shall prepare and submit to the State Assistive Technology Office the report described in subsection (c) and quarterly updates concerning the activities described in subsection (c).

(e) COORDINATION.—On making a grant under this section to an entity in a State, the Secretary shall solicit and consider the opinions of the lead agency of the State designated under section 101(d), or the State Assistive Technology Office, whichever is appropriate, with respect to efforts at coordination, collaboration, and promoting outcomes between the lead agency or the State Assistive Technology Office, as appropriate, and the entity that receives the grant under this section.

SEC. 105. ADMINISTRATIVE PROVISIONS.

(a) REVIEW OF PARTICIPATING ENTITIES.—

(1) IN GENERAL.—The Secretary shall assess the extent to which entities that receive grants pursuant to this title are complying with the applicable requirements of this title and achieving the goals that are consistent with the requirements of the grant programs under which the entities applied for the grants.

(2) ONSITE VISITS OF STATES RECEIVING CERTAIN GRANTS.—

(A) IN GENERAL.—The Secretary shall conduct an onsite visit—

(i) for each State that receives a grant under section 101 and that would have been in the third or fourth year of a second extension grant under the Technology-Related Assistance for Individuals With Disabilities Act of 1988 if that Act had been reauthorized for that fiscal year, prior to the end of that year; and

(ii) for each State that receives a grant under section 102, prior to the end of the fourth year of that grant.

(B) UNNECESSARY VISITS.—The Secretary shall not be required to conduct a visit of a State described in clause (i) or (ii) of subparagraph (A) if the Secretary determines that the visit is not necessary to assess whether the State is making significant progress toward development and implementation of a comprehensive statewide program of technology-related assistance.

(3) ADVANCE PUBLIC NOTICE.—The Secretary shall provide advance public notice of an onsite visit conducted under paragraph (2) and solicit public comment through such notice from targeted individuals, regarding State goals and related activities to achieve such goals funded through a grant made under section 101 or 102, as appropriate.

(4) MINIMUM REQUIREMENTS.—At a minimum, the visit shall allow the Secretary to determine the extent to which the State is making progress in meeting State goals and maintaining a comprehensive statewide program of technology-related assistance consistent with the purposes described in section 2(b)(1).

(5) PROVISION OF INFORMATION.—To assist the Secretary in carrying out the responsibilities of the Secretary under this section, the Secretary may require States to provide relevant information.

(b) CORRECTIVE ACTION AND SANCTIONS.—

(1) CORRECTIVE ACTION.—If the Secretary determines that an entity fails to substantially comply with the requirements of this title with respect to a grant program, the Secretary shall assist the entity through a technical assistance center funded under section 106 or other means, within 90 days after such determination, to develop a corrective action plan.

(2) SANCTIONS.—An entity that fails to develop and comply with a corrective action plan as described in paragraph (1) during a fiscal year shall be subject to 1 of the following corrective actions selected by the Secretary:

(A) Partial or complete fund termination under the grant program.

(B) Ineligibility to participate in the grant program in the following year.

(C) Reduction in funding for the following year under the grant program.

(D) Required redesignation of the lead agency designated under section 101(d) or an entity responsible for administering the grant program.

(3) APPEALS PROCEDURES.—The Secretary shall establish appeals procedures for entities that are found to be in noncompliance with the requirements of this title.

(c) ANNUAL REPORT.—

(1) IN GENERAL.—Not later than December 31 of each year, the Secretary shall prepare, and submit to the President and to Congress, a report on the activities funded under this Act, to improve the access of individuals with disabilities to assistive technology devices and assistive technology services.

(2) CONTENTS.—Such report shall include information on—

(A) the demonstrated successes of the funded activities in improving interagency coordination relating to assistive technology, streamlining access to funding for assistive technology, and producing beneficial outcomes for users of assistive technology;

(B) the demonstration activities carried out through the funded activities to—

(i) promote access to such funding in public programs that were in existence on the date of the initiation of the demonstration activities; and

(ii) establish additional options for obtaining such funding;

(C) the education and training activities carried out through the funded activities to educate and train targeted individuals about assistive technology, including increasing awareness of funding through public programs for assistive technology;

(D) the research activities carried out through the funded activities to improve understanding of the costs and benefits of access to assistive technology for individuals with disabilities who represent a variety of ages and types of disabilities;

(E) the program outreach activities to rural and inner-city areas that are carried out through the funded activities;

(F) the activities carried out through the funded activities that are targeted to reach underrepresented populations and rural populations; and

(G) the consumer involvement activities carried out through the funded activities.

(3) AVAILABILITY OF ASSISTIVE TECHNOLOGY DEVICES AND ASSISTIVE TECHNOLOGY SERVICES.—As soon as practicable, the Secretary shall include in the annual report required by this subsection information on the availability of assistive technology devices and assistive technology services. If the Secretary develops an assistive technology taxonomy under section 216, after the date of the development the Secretary shall present such information in the report in a manner consistent with such taxonomy.

(d) EFFECT ON OTHER ASSISTANCE.—This title may not be construed as authorizing a Federal or a State agency to reduce medical or other assistance available, or to alter eligibility for a benefit or service, under any other Federal law.

SEC. 106. TECHNICAL ASSISTANCE PROGRAM.

(a) IN GENERAL.—Through grants, contracts, or cooperative agreements, awarded on a competitive basis, the Secretary is authorized to fund a technical assistance program to provide technical assistance to entities, principally entities funded under any of sections 101 through 104.

(b) INPUT.—In designing the program to be funded under this section, and in deciding the differences in function between national and regionally based technical assistance efforts carried out through the program, the Secretary shall consider the input of the directors of comprehensive statewide programs of technology-related assistance and other individuals the Secretary determines to be appropriate, especially—

(1) individuals with disabilities who use assistive technology and understand the barriers to the acquisition of such technology and assistive technology services;

(2) family members, guardians, advocates, and authorized representatives of such individuals; and

(3) individuals employed by protection and advocacy systems funded under section 104.

(c) SCOPE OF TECHNICAL ASSISTANCE.—

(1) NATIONAL PUBLIC INTERNET SITE.—

(A) ESTABLISHMENT OF INTERNET SITE.—The Secretary shall fund the establishment and maintenance of a National Public Internet Site for the purposes of providing to individuals with disabilities and the general public technical assistance and information on increased access to assistive technology devices, assistive technology services, and other disability-related resources.

(B) ELIGIBLE ENTITY.—To be eligible to receive a grant or enter into a contract or cooperative agreement under subsection (a) to establish and maintain the Internet site, an entity shall be an institution of higher education that emphasizes research and engineering, has a multidisciplinary research center, and has demonstrated expertise in—

(i) working with assistive technology and intelligent agent interactive information dissemination systems;

(ii) managing libraries of assistive technology and disability-related resources;

(iii) delivering education, information, and referral services to individuals with disabilities, including technology-based curriculum development services for adults with low-level reading skills;

(iv) developing cooperative partnerships with the private sector, particularly with private sector computer software, hardware, and Internet services entities; and

(v) developing and designing advanced Internet sites.

(C) FEATURES OF INTERNET SITE.—The National Public Internet Site described in subparagraph (A) shall contain the following features:

(i) AVAILABILITY OF INFORMATION AT ANY TIME.—The site shall be designed so that any member of the public may obtain information posted on the site at any time.

(ii) INNOVATIVE AUTOMATED INTELLIGENT AGENT.—The site shall be constructed with an innovative automated intelligent agent that is a diagnostic tool for assisting users in problem definition and the selection of appropriate assistive technology devices and assistive technology services resources.

(iii) RESOURCES.—

(I) LIBRARY ON ASSISTIVE TECHNOLOGY.—The site shall include access to a comprehensive working library on assistive technology for all environments, including home, workplace, transportation, and other environments.

(II) RESOURCES FOR A NUMBER OF DISABILITIES.—The site shall include resources relating to the largest possible number of disabilities, including resources relating to low-level reading skills.

(iv) LINKS TO PRIVATE SECTOR RESOURCES AND INFORMATION.—To the extent feasible, the site shall be linked to relevant private sector resources and information, under agreements developed between the institution of higher education and cooperating private sector entities.

(D) MINIMUM LIBRARY COMPONENTS.—At a minimum, the Internet site shall maintain updated information on—

(i) how to plan, develop, implement, and evaluate activities to further extend comprehensive statewide programs of technology-related assistance, including the development and replication of effective approaches to—

(I) providing information and referral services;

(II) promoting interagency coordination of training and service delivery among public and private entities;

(III) conducting outreach to underrepresented populations and rural populations;

(IV) mounting successful public awareness activities;

(V) improving capacity building in service delivery;

(VI) training personnel from a variety of disciplines; and

(VII) improving evaluation strategies, research, and data collection;

(ii) effective approaches to the development of consumer-controlled systems that increase access to, funding for, and awareness of, assistive technology devices and assistive technology services;

(iii) successful approaches to increasing the availability of public and private funding for and access to the provision of assistive technology devices and assistive technology services by appropriate State agencies; and

(iv) demonstration sites where individuals may try out assistive technology.

(2) TECHNICAL ASSISTANCE EFFORTS.—In carrying out the technical assistance program, taking into account the input required under subsection (b), the Secretary shall ensure that entities—

(A) address State-specific information requests concerning assistive technology from other entities funded under this title and public entities not funded under this title, including—

(i) requests for state-of-the-art, or model, Federal, State, and local laws, regulations, policies, practices, procedures, and organizational structures, that facilitate, and overcome barriers to, funding for, and access to, assistive technology devices and assistive technology services;

(ii) requests for examples of policies, practices, procedures, regulations, administrative hearing decisions, or legal actions, that have enhanced or may enhance access to funding for assistive technology devices and assistive technology services for individuals with disabilities;

(iii) requests for information on effective approaches to Federal-State coordination of programs for individuals with disabilities, related to improving funding for or access to assistive technology devices and assistive technology services for individuals with disabilities of all ages;

(iv) requests for information on effective approaches to the development of consumer-controlled systems that increase access to, funding for, and awareness of, assistive technology devices and assistive technology services, including information on the identification and description of mechanisms and means that successfully support self-help and peer mentoring groups for individuals with disabilities;

(v) other requests for technical assistance from other entities funded under this title and public entities not funded under this title; and

(vi) other assignments specified by the Secretary, including assisting entities described in section 105(b) to develop corrective action plans; and

(B) assist targeted individuals by disseminating information about—

(i) Federal, State, and local laws, regulations, policies, practices, procedures, and organizational structures, that facilitate, and overcome barriers to, funding for, and access to, assistive technology devices and assistive technology services, to promote fuller independence, productivity, and inclusion in society for individuals with disabilities of all ages; and

(ii) technical assistance activities undertaken under subparagraph (A).

(d) ELIGIBLE ENTITIES.—To be eligible to compete for grants, contracts, and cooperative agreements under this section, entities shall have documented experience with and expertise in assistive technology service delivery or systems, interagency coordination, and capacity building and advocacy activities.

(e) APPLICATION.—To be eligible to receive a grant, contract, or cooperative agreement under this section, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

SEC. 107. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title $36,000,000 for fiscal year 1999 and such sums as may be necessary for fiscal years 2000 through 2004.

(b) RESERVATIONS OF FUNDS.—

(1) IN GENERAL.—Except as provided in paragraphs (2) through (4)—

(A) if the amount appropriated under subsection (a) for a fiscal year is less than $33,000,000—

(i) 87.5 percent of the amount shall be reserved to fund grants under sections 101 and 102;

(ii) 7.9 percent shall be reserved to fund grants under section 104; and

(iii) 4.6 percent shall be reserved for activities funded under section 106;

(B) if the amount appropriated under subsection (a) for a fiscal year is not less than $33,000,000 and is less than $36,000,000—

(i) 85 percent of the amount shall be reserved to fund grants under sections 101 and 102;

(ii) 11 percent shall be reserved to fund grants under section 104; and

(iii) 4 percent shall be reserved for activities funded under section 106; and

(C) if the amount appropriated under subsection (a) for a fiscal year is not less than $36,000,000—

(i) 80 percent of the amount shall be reserved to fund grants under sections 101, 102, and (to the extent provided in paragraph (2)) 103;

(ii) 15 percent shall be reserved to fund grants under section 104; and

(iii) 5 percent shall be reserved for activities funded under section 106.

(2) CONDITION APPLICABLE TO SUPPLEMENTARY GRANTS.—Beginning in fiscal year 2000, if the amount appropriated under subsection (a) for a fiscal year is not less than $40,000,000, the Secretary may reserve not more than 5 percent of the amount to fund grants under section 103.

(3) RESERVATION FOR CONTINUATION OF TECHNICAL ASSISTANCE INITIATIVES.—For fiscal year 1999, the Secretary may use funds reserved under clause (iii) of subparagraph (A), (B), or (C) of paragraph (1) to continue funding technical assistance initiatives that were funded in fiscal year 1998 under the Technology-Related Assistance for Individuals With Disabilities Act of 1988.

(4) RESERVATION FOR ONSITE VISITS.—The Secretary may reserve, from the amount appropriated under subsection (a) for any fiscal year, such sums as the Secretary considers to be necessary for the purposes of conducting onsite visits as required by section 105(a)(2).

TITLE II—NATIONAL ACTIVITIES

Subtitle A—Rehabilitation Act of 1973

SEC. 201. COORDINATION OF FEDERAL RESEARCH EFFORTS.

Section 203 of the Rehabilitation Act of 1973 (as amended by section 405 of the Workforce Investment Act of 1988) is amended—

(1) in subsection (a)(1), by inserting after "programs," insert "including programs relating to assistive technology research and research that incorporates the principles of universal design,";

(2) in subsection (b)—

(A) by inserting "(1)" before "After receiving";

(B) by striking "from individuals with disabilities and the individuals' representatives" and inserting "from targeted individuals";

(C) by inserting after "research" the following: (including assistive technology research and research that incorporates the principles of universal design)"; and

(D) by adding at the end the following:

"(2) In carrying out its duties with respect to the conduct of Federal research (including assistive technology research and research that incorporates the principles of universal design) related to rehabilitation of individuals with disabilities, the Committee shall—

"(A) share information regarding the range of assistive technology research, and research that incorporates the principles of universal design, that is being carried out by members of the Committee and other Federal departments and organizations;

"(B) identify, and make efforts to address, gaps in assistive technology research and research that incorporates the principles of universal design that are not being adequately addressed;

"(C) identify, and establish, clear research priorities related to assistive technology research and research that incorporates the principles of universal design for the Federal Government;

"(D) promote interagency collaboration and joint research activities relating to assistive technology research and research that incorporates the principles of universal design at the Federal level, and reduce unnecessary duplication of effort regarding these types of research within the Federal Government; and

"(E) optimize the productivity of Committee members through resource sharing and other cost-saving activities, related to assistive technology research and research that incorporates the principles of universal design.";

(3) by striking subsection (c) and inserting the following:

"(c) Not later than December 31 of each year, the Committee shall prepare and submit, to the President and to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report that—

"(1) describes the progress of the Committee in fulfilling the duties described in subsection (b);

"(2) makes such recommendations as the Committee determines to be appropriate with respect to coordination of policy and development of objectives and priorities for all Federal programs relating to the conduct of research (including assistive technology research and research that incorporates the principles of universal design) related to rehabilitation of individuals with disabilities; and

"(3) describes the activities that the Committee recommended to be funded through grants, contracts, cooperative agreements, and other mechanisms, for assistive technology research and development and research and development that incorporates the principles of universal design."; and

(4) by adding at the end the following:

"(d)(1) In order to promote coordination and cooperation among Federal departments and agencies conducting assistive technology research programs, to reduce duplication of effort among the programs, and to increase the availability of assistive technology for individuals with disabilities, the Committee may recommend activities to be funded through grants, contracts or cooperative agreements, or other mechanisms—

"(A) in joint research projects for assistive technology research and research that incorporates the principles of universal design; and

"(B) in other programs designed to promote a cohesive, strategic Federal program of research described in subparagraph (A).

"(2) The projects and programs described in paragraph (1) shall be jointly administered by at least 2 agencies or departments with representatives on the Committee.

"(3) In recommending activities to be funded in the projects and programs, the Committee shall obtain input from targeted individuals, and other organizations and individuals the Committee determines to be appropriate, concerning the availability and potential of technology for individuals with disabilities.

"(e) In this section, the terms 'assistive technology', 'targeted individuals', and 'universal design' have the meanings given the terms in section 3 of the Assistive Technology Act of 1998.".

SEC. 202. NATIONAL COUNCIL ON DISABILITY.

Section 401 of the Rehabilitation Act of 1973 (as amended by section 407 of the Workforce Investment Act of 1998) is amended by adding at the end the following:

"(c)(1) Not later than December 31, 1999, the Council shall prepare a report describing the barriers in Federal assistive technology policy to increasing the availability of and access to assistive technology devices and assistive technology services for individuals with disabilities.

"(2) In preparing the report, the Council shall obtain input from the National Institute on Disability and Rehabilitation Research and the Association of Tech Act Projects, and from targeted individuals, as defined in section 3 of the Assistive Technology Act of 1998.

"(3) The Council shall submit the report, along with such recommendations as the Council determines to be appropriate, to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives.".

SEC. 203. ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD.

(a) IN GENERAL.—Section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792) is amended—

(1) by redesignating subsections (d) through (i) as subsections (e) through (j), respectively;

(2) by inserting after subsection (c) the following:

"(d) Beginning in fiscal year 2000, the Access Board, after consultation with the Secretary, representatives of such public and private entities as the Access Board determines to be appropriate (including the electronic and information technology industry), targeted individuals (as defined in section 3 of the Assistive Technology Act of 1998), and State information technology officers, shall provide training for Federal and State employees on any obligations related to section 508 of the Rehabilitation Act of 1973."; and

(3) in the second sentence of paragraph (1) of subsection (e) (as redesignated in paragraph (1)), by striking "subsection (e)" and inserting "subsection (f)".

(b) CONFORMING AMENDMENT.—Section 506(c) of the Rehabilitation Act of 1973 (29 U.S.C. 794(c)) is amended by striking "section 502(h)(1)" and inserting "section 502(i)(1)".

Subtitle B—Other National Activities

SEC. 211. SMALL BUSINESS INCENTIVES.

(a) DEFINITION.—In this section, the term "small business" means a small-business concern, as described in section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

(b) CONTRACTS FOR DESIGN, DEVELOPMENT, AND MARKETING.—

(1) IN GENERAL.—The Secretary may enter into contracts with small businesses, to assist such businesses to design, develop, and market assistive technology devices or assistive technology services. In entering into the contracts, the Secretary may give preference to businesses owned or operated by individuals with disabilities.

(2) SMALL BUSINESS INNOVATIVE RESEARCH PROGRAM.—Contracts entered into pursuant to paragraph (1) shall be administered in accordance with the contract administration requirements applicable to the Department of Education under the Small Business Innovative Research Program, as described in section 9(g) of the Small Business Act (15 U.S.C. 638(g)). Contracts entered into pursuant to paragraph (1) shall not be included in the calculation of the required expenditures of the Department under section 9(f) of such Act (15 U.S.C. 638(f)).

(c) GRANTS FOR EVALUATION AND DISSEMINATION OF INFORMATION ON EFFECTS OF TECHNOLOGY TRANSFER.—The Secretary may make grants to small businesses to enable such businesses—

(1) to work with any entity funded by the Secretary to evaluate and disseminate information on the effects of technology transfer on the lives of individuals with disabilities;

(2) to benefit from the experience and expertise of such entities, in conducting such evaluation and dissemination; and

(3) to utilize any technology transfer and market research services such entities provide, to bring new assistive technology devices and assistive technology services into commerce.

SEC. 212. TECHNOLOGY TRANSFER AND UNIVERSAL DESIGN.

(a) IN GENERAL.—The Director of the National Institute on Disability and Rehabilitation Research may collaborate with the Federal Laboratory Consortium for Technology Transfer established under section 11(e) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(e)), to promote technology transfer that will further development of assistive technology and products that incorporate the principles of universal design.

(b) COLLABORATION.—In promoting the technology transfer, the Director and the Consortium described in subsection (a) may collaborate—

(1) to enable the National Institute on Disability and Rehabilitation Research to work more effectively with the Consortium, and to enable the Consortium to fulfill the responsibilities of the Consortium to assist Federal agencies with technology transfer under the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq);

(2) to increase the awareness of staff members of the Federal Laboratories regarding assistive technology issues and the principles of universal design;

(3) to compile a compendium of current and projected Federal Laboratory technologies and projects that have or will have an intended or recognized impact on the available range of assistive technology for individuals with disabilities, including technologies and projects that incorporate the principles of universal design, as appropriate;

(4) to develop strategies for applying developments in assistive technology and universal design to mainstream technology, to improve economies of scale and commercial incentives for assistive technology; and

(5) to cultivate developments in assistive technology and universal design through demonstration projects and evaluations, conducted with assistive technology professionals and potential users of assistive technology.

(c) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary may make grants to or enter into contracts or cooperative agreements with commercial, nonprofit, or other organizations, including institutions of higher education, to facilitate interaction with the Consortium to achieve the objectives of this section.

(d) RESPONSIBILITIES OF CONSORTIUM.—Section 11(e)(1) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(e)(1)) is amended—

(1) in subparagraph (I), by striking "; and" and inserting a semicolon;

(2) in subparagraph (J), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(K) work with the Director of the National Institute on Disability and Rehabilitation Research to compile a compendium of current and projected Federal Laboratory technologies and projects that have or will have an intended or recognized impact on the available range of assistive technology for individuals with disabilities (as defined in section 3 of the Assistive Technology Act of 1998), including technologies

and projects that incorporate the principles of universal design (as defined in section 3 of such Act), as appropriate.".

SEC. 213. UNIVERSAL DESIGN IN PRODUCTS AND THE BUILT ENVIRONMENT.

The Secretary may make grants to commercial or other enterprises and institutions of higher education for the research and development of universal design concepts for products (including information technology) and the built environment. In making such grants, the Secretary shall give preference to enterprises and institutions that are owned or operated by individuals with disabilities. The Secretary shall define the term "built environment" for purposes of this section.

SEC. 214. OUTREACH.

(a) ASSISTIVE TECHNOLOGY IN RURAL OR IMPOVERISHED URBAN AREAS.—The Secretary may make grants, enter into cooperative agreements, or provide financial assistance through other mechanisms, for projects designed to increase the availability of assistive technology for rural and impoverished urban populations, by determining the unmet assistive technology needs of such populations, and designing and implementing programs to meet such needs.

(b) ASSISTIVE TECHNOLOGY FOR CHILDREN AND OLDER INDIVIDUALS.—The Secretary may make grants, enter into cooperative agreements, or provide financial assistance through other mechanisms, for projects designed to increase the availability of assistive technology for populations of children and older individuals, by determining the unmet assistive technology needs of such populations, and designing and implementing programs to meet such needs.

SEC. 215. TRAINING PERTAINING TO REHABILITATION ENGINEERS AND TECHNICIANS.

(a) GRANTS AND CONTRACTS.—The Secretary shall make grants, or enter into contracts with, public and private agencies and organizations, including institutions of higher education, to help prepare students, including students preparing to be rehabilitation technicians, and faculty working in the field of rehabilitation engineering, for careers related to the provision of assistive technology devices and assistive technology services.

(b) ACTIVITIES.—An agency or organization that receives a grant or contract under subsection (a) may use the funds made available through the grant or contract—

(1) to provide training programs for individuals employed or seeking employment in the field of rehabilitation engineering, including postsecondary education programs;

(2) to provide workshops, seminars, and conferences concerning rehabilitation engineering that relate to the use of assistive technology devices and assistive technology services to improve the lives of individuals with disabilities; and

(3) to design, develop, and disseminate curricular materials to be used in the training programs, workshops, seminars, and conferences described in paragraphs (1) and (2).

SEC. 216. ASSISTIVE TECHNOLOGY TAXONOMY.

(a) STUDY.—The Secretary may, directly or (if necessary) by entering into contracts or cooperative agreements with appropriate entities, conduct a study to determine the benefits of and obstacles to implementing throughout the Federal Government a single assistive technology taxonomy developed by the Secretary.

(b) REPORT.—Not later than December 31, 1999, the Secretary shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report that contains information detailing the benefits and obstacles described in subsection (a) and that contains such policy recommendations as the Secretary determines to be appropriate.

SEC. 217. PRESIDENT'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES.

(a) PROGRAMS.—The President's Committee on Employment of People With Disabilities (referred to in this section as "the Committee") may design, develop, and implement programs to increase the voluntary participation of the private sector in making information technology accessible to individuals with disabilities, including increasing the involvement of individuals with disabilities in the design, development, and manufacturing of information technology.

(b) ACTIVITIES.—The Committee may carry out activities through the programs that may include—

(1) the development and coordination of a task force, which—

(A) shall develop and disseminate information on voluntary best practices for universal accessibility in information technology; and

(B) shall consist of members of the public and private sectors, including—

(i) representatives of organizations representing individuals with disabilities; and

(ii) individuals with disabilities; and

(2) the design, development, and implementation of outreach programs to promote the adoption of best practices referred to in paragraph (1)(B).

(c) COORDINATION.—The Committee shall coordinate the activities of the Committee under this section, as appropriate, with the activities of the National Institute on Disability and Rehabilitation Research and the activities of the Department of Labor.

(d) TECHNICAL ASSISTANCE.—The Committee may provide technical assistance concerning the programs carried out under this section and may reserve such portion of the funds appropriated to carry out this section as the Committee determines to be necessary to provide the technical assistance.

(e) DEFINITION.—In this section, the term "information technology" means any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information, including a computer, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

SEC. 218. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title and the provisions described in subsection (b)(1), $15,000,000 for fiscal year 1999, and such sums as may be necessary for each of fiscal years 2000 through 2004.

(b) RESERVATIONS.—Of the funds appropriated under subsection (a) for a fiscal year, the Secretary shall reserve not less than—

(1) 33 percent to carry out the provisions of section 203 of the Rehabilitation Act of 1973 that relate to research described in section 203(b)(2)(A) of such Act;

(2) 16 percent to carry out section 211;

(3) 4 percent to carry out section 212;

(4) 8 percent to carry out section 215; and

(5) 10 percent to carry out section 217.

(c) AVAILABILITY.—Amounts appropriated under subsection (a) for a fiscal year shall remain available for obligation for the following fiscal year.

TITLE III—ALTERNATIVE FINANCING MECHANISMS

SEC. 301. GENERAL AUTHORITY.

(a) IN GENERAL.—The Secretary shall award grants to States to pay for the Federal share of the cost of the establishment and administration of, or the expansion and administration of, an alternative financing program featuring 1 or more alternative financing mechanisms to allow individuals with disabilities and their family members, guardians, advocates, and authorized representatives to purchase assistive technology devices and assistive technology services (referred to individually in this title as an "alternative financing mechanism").

(b) MECHANISMS.—The alternative financing mechanisms may include—

(1) a low-interest loan fund;

(2) an interest buy-down program;

(3) a revolving loan fund;

(4) a loan guarantee or insurance program;

(5) a program operated by a partnership among private entities for the purchase, lease, or other acquisition of assistive technology devices or assistive technology services; or

(6) another mechanism that meets the requirements of this title and is approved by the Secretary.

(c) REQUIREMENTS.—

(1) PERIOD.—The Secretary may award grants under this title for periods of 1 year.

(2) LIMITATION.—No State may receive more than 1 grant under this title.

(d) FEDERAL SHARE.—The Federal share of the cost of the alternative financing program shall not be more than 50 percent.

(e) CONSTRUCTION.—Nothing in this section shall be construed as affecting the authority of a State to establish an alternative financing program under title I.

SEC. 302. AMOUNT OF GRANTS.

(a) IN GENERAL.—

(1) GRANTS TO OUTLYING AREAS.—From the funds appropriated under section 308 for any fiscal year that are not reserved under section 308(b), the Secretary shall make a grant in an amount of not more than $105,000 to each eligible outlying area.

(2) GRANTS TO STATES.—From the funds described in paragraph (1) that are not used to make grants under paragraph (1), the Secretary shall make grants to States from allotments made in accordance with the requirements described in paragraph (3).

(3) ALLOTMENTS.—From the funds described in paragraph (1) that are not used to make grants under paragraph (1)—

(A) the Secretary shall allot $500,000 to each State; and

(B) from the remainder of the funds—

(i) the Secretary shall allot to each State an amount that bears the same ratio to 80 percent of the remainder as the population of the State bears to the population of all States; and

(ii) the Secretary shall allot to each State with a population density that is not more than 10 percent greater than the population density of the United States (according to the most recently available census data) an equal share from 20 percent of the remainder.

(b) INSUFFICIENT FUNDS.—If the funds appropriated under this title for a fiscal year are insufficient to fund the activities described in the acceptable applications submitted under this title for such year, a State whose application was approved for such year but that did not receive a grant under this title may update the application for the succeeding fiscal year. Priority shall be given in such succeeding fiscal year to such updated applications, if acceptable.

(c) DEFINITIONS.—In subsection (a):

(1) OUTLYING AREA.—The term "outlying area" means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(2) STATE.—The term "State" does not include the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 303. APPLICATIONS AND PROCEDURES.

(a) ELIGIBILITY.—States that receive or have received grants under section 101 or 102 and

comply with subsection (b) shall be eligible to compete for grants under this title.

(b) APPLICATION.—To be eligible to compete for a grant under this title, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

(1) an assurance that the State will provide the non-Federal share of the cost of the alternative financing program in cash, from State, local, or private sources;

(2) an assurance that the alternative financing program will continue on a permanent basis;

(3) an assurance that, and information describing the manner in which, the alternative financing program will expand and emphasize consumer choice and control;

(4) an assurance that the funds made available through the grant to support the alternative financing program will be used to supplement and not supplant other Federal, State, and local public funds expended to provide alternative financing mechanisms;

(5) an assurance that the State will ensure that—

(A) all funds that support the alternative financing program, including funds repaid during the life of the program, will be placed in a permanent separate account and identified and accounted for separately from any other fund;

(B) if the organization administering the program invests funds within this account, the organization will invest the funds in low-risk securities in which a regulated insurance company may invest under the law of the State; and

(C) the organization will administer the funds with the same judgment and care that a person of prudence, discretion, and intelligence would exercise in the management of the financial affairs of such person;

(6) an assurance that—

(A) funds comprised of the principal and interest from the account described in paragraph (5) will be available to support the alternative financing program; and

(B) any interest or investment income that accrues on or derives from such funds after such funds have been placed under the control of the organization administering the alternative financing program, but before such funds are distributed for purposes of supporting the program, will be the property of the organization administering the program; and

(7) an assurance that the percentage of the funds made available through the grant that is used for indirect costs shall not exceed 10 percent.

(c) LIMIT.—The interest and income described in subsection (b)(6)(B) shall not be taken into account by any officer or employee of the Federal Government for purposes of determining eligibility for any Federal program.

SEC. 304. CONTRACTS WITH COMMUNITY-BASED ORGANIZATIONS.

(a) IN GENERAL.—A State that receives a grant under this title shall enter into a contract with a community-based organization (including a group of such organizations) that has individuals with disabilities involved in organizational decisionmaking at all organizational levels, to administer the alternative financing program.

(b) PROVISIONS.—The contract shall—

(1) include a provision requiring that the program funds, including the Federal and non-Federal shares of the cost of the program, be administered in a manner consistent with the provisions of this title;

(2) include any provision the Secretary requires concerning oversight and evaluation necessary to protect Federal financial interests; and

(3) require the community-based organization to enter into a contract, to expand opportunities under this title and facilitate administration of the alternative financing program, with—

(A) commercial lending institutions or organizations; or

(B) State financing agencies.

SEC. 305. GRANT ADMINISTRATION REQUIREMENTS.

A State that receives a grant under this title and any community-based organization that enters into a contract with the State under this title, shall submit to the Secretary, pursuant to a schedule established by the Secretary (or if the Secretary does not establish a schedule, within 12 months after the date that the State receives the grant), each of the following policies or procedures for administration of the alternative financing program:

(1) A procedure to review and process in a timely manner requests for financial assistance for immediate and potential technology needs, including consideration of methods to reduce paperwork and duplication of effort, particularly relating to need, eligibility, and determination of the specific assistive technology device or service to be financed through the program.

(2) A policy and procedure to assure that access to the alternative financing program shall be given to consumers regardless of type of disability, age, income level, location of residence in the State, or type of assistive technology device or assistive technology service for which financing is requested through the program.

(3) A procedure to assure consumer-controlled oversight of the program.

SEC. 306. INFORMATION AND TECHNICAL ASSISTANCE.

(a) IN GENERAL.—The Secretary shall provide information and technical assistance to States under this title, which shall include—

(1) providing assistance in preparing applications for grants under this title;

(2) assisting grant recipients under this title to develop and implement alternative financing programs; and

(3) providing any other information and technical assistance the Secretary determines to be appropriate to assist States to achieve the objectives of this title.

(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary shall provide the information and technical assistance described in subsection (a) through grants, contracts, and cooperative agreements with public or private agencies and organizations, including institutions of higher education, with sufficient documented experience, expertise, and capacity to assist States in the development and implementation of the alternative financing programs carried out under this title.

SEC. 307. ANNUAL REPORT.

Not later than December 31 of each year, the Secretary shall submit a report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate describing the progress of each alternative financing program funded under this title toward achieving the objectives of this title. The report shall include information on—

(1) the number of grant applications received and approved by the Secretary under this title, and the amount of each grant awarded under this title;

(2) the ratio of funds provided by each State for the alternative financing program of the State to funds provided by the Federal Government for the program;

(3) the type of alternative financing mechanisms used by each State and the community-based organization with which each State entered into a contract, under the program; and

(4) the amount of assistance given to consumers through the program (who shall be classified by age, type of disability, type of assistive technology device or assistive technology service financed through the program, geographic distribution within the State, gender, and whether the consumers are part of an underrepresented population or rural population).

SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title $25,000,000 for fiscal year 1999 and such sums as may be necessary for each of fiscal years 2000 through 2004.

(b) RESERVATION.—Of the amounts appropriated under subsection (a) for a fiscal year, the Secretary shall reserve 2 percent for the purpose of providing information and technical assistance to States under section 306.

(c) AVAILABILITY.—Amounts appropriated under subsection (a) for a fiscal year shall remain available for obligation for the following fiscal year.

TITLE IV—REPEAL AND CONFORMING AMENDMENTS

SEC. 401. REPEAL.

The Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2201 et seq.) is repealed.

SEC. 402. CONFORMING AMENDMENTS.

(a) DEFINITIONS.—Section 6 of the Rehabilitation Act of 1973 (as amended by section 403 of the Workforce Investment Act of 1998) is amended—

(1) in paragraph (3), by striking "section 3(2) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2202(2))" and inserting "section 6 of the Assistive Technology Act of 1998"; and

(2) in paragraph (4), by striking "section 3(3) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2202(3))" and inserting "section 6 of the Assistive Technology Act of 1998".

(b) RESEARCH AND OTHER COVERED ACTIVITIES.—Section 204(b)(3) of the Rehabilitation Act of 1973 (as amended by section 405 of the Workforce Investment Act of 1998) is amended—

(1) in subparagraph (C)(i), by striking "the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2201 et seq.)" and inserting "the Assistive Technology Act of 1998"; and

(2) in subparagraph (G)(i), by striking "the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2201 et seq.)" and inserting "the Assistive Technology Act of 1998".

(c) PROTECTION AND ADVOCACY.—Section 509(a)(2) of the Rehabilitation Act of 1973 (as amended by section 408 of the Workforce Investment Act of 1998) is amended by striking "the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (42 U.S.C. 2201 et seq.)" and inserting "the Assistive Technology Act of 1998".

Mr. GRAMS. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements related to the bill appear in the RECORD.

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

The committee amendment was agreed to.

The bill (S. 2432), as amended, was read the third time and passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session

to consider the following nominations on the executive calendar: No. 863, No. 864, all nominations placed on the Secretary's desk in the Coast Guard. I further ask consent that the nominations be confirmed, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations, considered and confirmed en bloc, are as follows:

COAST GUARD

The following named officers for appointment in the United States Coast Guard to the grade indicated under title 14, U.S.C., section 271:

To be rear admiral (lower half)

Capt. Robert C. Olsen, Jr., xx...
Capt. Robert D. Sirois, xx...
Capt. Patrick M. Stillman, xx...
Capt. Ronald F. Silva, xx...
Capt. David R. Nicholson, xx...

The following named officers for appointment in the United States Coast Guard to the grade indicated under title 14, U.S.C., section 271:

To be rear admiral

Rear Adm. (lh) Thomas J. Barrett, xx...
Rear Adm. (lh) James D. Hull, xx...
Rear Adm. (lh) George N. Naccara, xx...
Rear Adm. (lh) Terry M. Cross, xx...

IN THE COAST GUARD

Coast Guard nomination of Joseph E. Vorbach, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 3, 1998.

Coast Guard nominations beginning John H. Siemens, and ending David H. Illuminate, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 16, 1998.

Coast Guard nomination of Richelle L. Johnson, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 29, 1998.

Coast Guard nominations beginning Robert J. Fuller, and ending John B. Mcdermott, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 29, 1998.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

MEASURE READ THE FIRST TIME—H.R. 4257

Mr. GRAMS. Mr. President, I understand that H.R. 4257 has arrived from the House, and I ask now for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The legislative clerk read as follows:

A bill (H.R. 4257) to amend the Fair Labor Standards Act of 1938 to permit certain youth to perform certain work with wood products.

Mr. GRAMS. I now ask for its second reading and would object to my own request.

The PRESIDING OFFICER. Objection is heard.

ORDERS FOR TUESDAY, OCTOBER 6, 1998

Mr. GRAMS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. on Tuesday, October 6. I further ask that the time for the two leaders be reserved.

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

Mr. GRAMS. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business until 10 a.m., with Senators permitted to speak therein for up to 5 minutes each, with the following exceptions: Senator DEWINE for 10 minutes.

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

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12:30 p.m. and 2:15 p.m. to allow the weekly party caucuses to meet.

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

Mr. GRAMS. Mr. President, I ask unanimous consent that at 11:30 a.m. on Tuesday the Senate resume consideration of the Agriculture Appropriations conference report, with the time between 11:30 a.m. and 12:30 p.m., and additionally the between 2:15 p.m. and 3:15 p.m., equally divided for debate only on the conference report; further, that at 3:15 p.m. the Senate proceed to vote on adoption of the conference report.

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

Mr. GRAMS. Mr. President, I ask unanimous consent that following the vote on adoption of the Agriculture Conference report, the Senate resume consideration of S. 442, the Internet Tax Bill.

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

PROGRAM

The PRESIDING OFFICER. For the information of all Senators, on Tuesday, there will be a period of morning business until 10 a.m. Following morning business, the Senate may consider any cleared executive nominations or legislation regarding judicial anti-nepotism. At 11:30 a.m., the Senate will resume consideration of the Agriculture Appropriations conference report, with a vote occurring on adoption of that report at 3:15 p.m. Following that vote, the Senate will resume consideration of S. 442, the Internet Tax Bill. Amendments are expected to be offered and debated in relation to the Internet Tax, and therefore Members should expect rollcall votes into the evening during Tuesday's session.

Members are reminded that the cloture vote on the Internet Tax Bill will occur at 10 a.m. on Wednesday. Therefore, I ask unanimous consent that Members have until the vote occurs to file second-degree amendments to the Internet Tax Bill.

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

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. GRAMS. Mr. President, if there is no further business to come before the Senate, I ask that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 8:19 p.m., recessed until Tuesday, October 6, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 5, 1998:

GENERAL ACCOUNTING OFFICE

DAVID M. WALKER, OF GEORGIA, TO BE COMPTROLLER GENERAL OF THE UNITED STATES FOR A TERM OF FIFTEEN YEARS, VICE CHARLES A. BOWSHER, TERM EXPIRED.

FEDERAL MARITIME COMMISSION

JOHN A. MORAN, OF VIRGINIA, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 2001, VICE MING HSU, TERM EXPIRED.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

ANDREA KIDD TAYLOR, OF MICHIGAN, TO BE A MEMBER OF THE CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD FOR A TERM OF FIVE YEARS. (NEW POSITION)

UNITED STATES POSTAL SERVICE

JOHN F. WALSH, OF CONNECTICUT, TO BE A GOVERNOR OF THE UNITED STATES POSTAL SERVICE FOR A TERM EXPIRING DECEMBER 8, 2006, VICE BERT H. MACKIE, TERM EXPIRED.

THE JUDICIARY

NORMAN A. MORDUE, OF NEW YORK, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF NEW YORK VICE ROSEMARY S. POOLER, ELEVATED.

UNITED STATES INSTITUTE OF PEACE

STEPHEN HADLEY, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE UNITED STATES INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 1999, VICE MARY LOUISE SMITH, TERM EXPIRED.

STEPHEN HADLEY, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE UNITED STATES INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 2003. (REAPPOINTMENT)

ZALMAY KHALIZAD, OF MARYLAND, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE UNITED STATES INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 2001, VICE CHRISTOPHER H. PHILLIPS, RESIGNED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate October 5, 1998:

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES COAST GUARD TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 271:

To be rear admiral (lower half)

CAPT. ROBERT C. OLSEN, JR., x...
CAPT. ROBERT D. SIROIS, x...
CAPT. PATRICK M. STILLMAN, x...
CAPT. RONALD F. SILVA, x...
CAPT. DAVID R. NICHOLSON, x...

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES COAST GUARD TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 271:

To be rear admiral

REAR ADM. (LH) THOMAS J. BARRETT, x...

REAR ADM. (LH) JAMES D. HULL, X...
REAR ADM. (LH) GEORGE N. NACCARA, X...
REAR ADM. (LH) TERRY M. CROSS, XX...

COAST GUARD NOMINATION OF JOSEPH E. VORBACH, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 3, 1998.

COAST GUARD NOMINATIONS BEGINNING JOHN H. SIEMENS, AND ENDING DAVID M. ILLUMINATE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 16, 1998.

COAST GUARD NOMINATION OF RICHELLE L. JOHNSON, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 29, 1998.

COAST GUARD NOMINATIONS BEGINNING ROBERT J. FULLER, AND ENDING JOHN B. MCDERMOTT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 29, 1998.

WITHDRAWALS

EXECUTIVE MESSAGES TRANSMITTED BY THE PRESIDENT TO THE SENATE ON OCTOBER 5, 1998, WITHDRAWING FROM FURTHER SENATE CONSIDERATION THE FOLLOWING NOMINATIONS:

DEPARTMENT OF TRANSPORTATION

GUS A. OWEN, OF CALIFORNIA, TO BE A MEMBER OF THE SURFACE TRANSPORTATION BOARD FOR A TERM EXPIRING DECEMBER 31, 2002 (REAPPOINTMENT), WHICH WAS SENT TO THE SENATE ON FEBRUARY 2, 1998.

DEPARTMENT OF STATE

MARI CARMEN APONTE, OF PUERTO RICO, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE DOMINICAN REPUBLIC, WHICH WAS SENT TO THE SENATE ON APRIL 28, 1998.

HOUSE OF REPRESENTATIVES—*Monday, October 5, 1998*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. NETHERCUTT).

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
October 5, 1998.

I hereby designate the Honorable GEORGE R. NETHERCUTT, Jr., to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 449. An act to provide for the orderly disposal of certain Federal lands in Clark County, Nevada, and to provide for the acquisition of environmentally sensitive lands in the State of Nevada.

H.R. 1481. An act to amend the Great Lakes Fish and Wildlife Restoration Act of 1990 to provide for implementation of recommendations of the United States Fish and Wildlife Service contained in the Great Lakes Fishery Resources Restoration Study.

H.R. 3381. An act to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2186. An act to authorize the Secretary of the Interior to provide assistance to the National Historic Trails Interpretive Center in Casper, Wyoming.

H.R. 2886. An act to provide for a demonstration project in the Stanislaus National Forest, California, under which a private contractor will perform multiple resource management activities for that unit of the National Forest System.

H.R. 3796. An act to authorize the Secretary of Agriculture to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction or improvement of offices and support buildings for the Rogue River National Forest and the Bureau of Land Management.

The message also announced that the Senate has passed bills of the following titles in which concurrence of the House is requested:

S. 469. An act to designate a portion of the Sudbury, Assabet, and Concord Rivers as a component of the National Wild and Scenic Rivers System.

S. 852. An act to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

S. 890. An act to dispose of certain Federal properties located in Dutch John, Utah, to assist the local government in the interim delivery of basic services to the Dutch John community, and for other purposes.

S. 1016. An act to authorize appropriations for the Coastal Heritage Trail Route in New Jersey, and for other purposes.

S. 1333. An act to amend the Land and Water Conservation Fund Act of 1965 to allow national park units that cannot charge an entrance or admission fee to retain other fees and charges.

S. 1398. An act to extend certain contracts between the Bureau of Reclamation and irrigation water contractors in Wyoming and Nebraska that receive water from Glendo Reservoir.

S. 1408. An act to establish the Lower East Side Tenement National Historic Site, and for other purposes.

S. 1665. An act to reauthorize the Delaware and Lehigh Navigation Canal National Heritage Corridor Act, and for other purposes.

S. 1718. An act to amend the Weir Farm National Historic Site Establishment Act of 1990 to authorize the acquisition of additional acreage for the historic site to permit the development of visitor and administrative facilities and to authorize the appropriation of additional amounts for the acquisition of real and personal property.

S. 1719. An act to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.

S. 1990. An act to authorize expansion of Fort Davis National Historic Site in Fort Davis, Texas.

S. 2106. An act to expand the boundaries of Arches National Park, Utah, to include portions of certain drainages that are under the jurisdiction of the Bureau of Land Management, and to include a portion of Fish Seep Draw owned by the State of Utah, and for other purposes.

S. 2129. An act to eliminate restrictions of the acquisition of certain land contiguous to Hawaii Volcanoes National Park.

S. 2171. An act to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas.

S. 2232. An act to establish the Little Rock Central High School National Historic Site in the State of Arkansas, and for other purposes.

S. 2272. An act to amend the boundaries of Grant-Kohrs Ranch National Historic Site in the State of Montana.

S. 2351. An act to direct the Secretary of the Interior to make corrections to a map relating to the Coastal Barrier Resources System.

S. 2469. An act to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System.

S. 2470. An act to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System.

S. 2474. An act to direct the Secretary of the Interior to make corrections to certain maps relating to the Coastal Barrier Resources System.

MORNING HOUR DEBATES

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

The Chair recognizes the gentlewoman from the District of Columbia (Ms. NORTON) for 5 minutes.

OVERTURN SUPREME COURT DECISION DENYING DAMAGES TO NINTH GRADER WHO WAS SEXUALLY ABUSED BY HER TEACHER

Ms. NORTON. Mr. Speaker, the Supreme Court begins its session today and has announced a set of cases it will decide, among them another troublesome sexual harassment case, this one called Davis versus Monroe County Board of Education. It involves student-on-student sexual harassment under Title IX. We have here a student who was making As and Bs but fell to failing grades, to writing suicide notes, a fifth grader, after 5 months of groping of her breasts and other parts of her body. There were constant complaints from her parents, there were vulgar comments and the rest, until finally the parents simply sued the school after the school ignored the complaints. We have a split in the circuits based on how we have written Title IX, two circuits saying damages are recoverable, two circuits are saying they are not. Well, Mr. Speaker, I hope there will be no split here in this body. If the Supreme Court rules that Title IX does not cover this kind of action, we must take action next term.

Why do I raise this now? Because the Court has already moved in an unacceptable direction on a not dissimilar case last term in the case of Gebser versus Largo Vista School District. There we had a ninth grader whose teacher sexually assaulted and harassed her, and yet the Supreme Court set a standard that makes it almost impossible for a parent and a child to recover against a school system. The

reason, the Court said, was that, quote, "the statutory text of Title IX does not shed light on Congress' intent with respect to the scope of available remedies." Understand that this was a child who beginning in the eighth grade had her teacher during Advanced Placement classtime initiate sexual relations with her and at other times and otherwise engage in sexual activity with this youngster.

This decision is a virtual summons to Congress. Justice Stevens thought that Title IX did cover damages. That was not the majority, however. Instead the Court set an absolutely absurd standard that the school had to have actual notice or a deliberate indifference by an official with authority to implement correction measures before damages could be obtained.

What we are left with now is an indefensible distinction in our law. If a principal sexually harasses a teacher, even though the superintendent knew nothing about it, damages are forthcoming under Title VII. We must make sure that teachers who are sexually harassed by other teachers or by their superiors do not have rights superior to when a teacher harasses a student or a student harasses another student. We must protect students at least as much as we protect teachers from sexual harassment. I am already writing a bill to remedy the finding that sexual harassment by a teacher on a student cannot yield damages.

Mr. Speaker, if the court fails again, this time in a case involving outrageous student on student sexual harassment, this House will have a second provision to correct next term.

VA PSYCHIATRIST LIES ABOUT SEXUAL MISCONDUCT AND IS CONVICTED AND SENTENCED

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

Mr. STEARNS. Mr. Speaker, often times in life while you are looking at a problem, you find there is a parallel set of activities that are occurring at the same time while you are looking at your present problem. I have such a case this morning, I think, which is a good example.

Last April the U.S. Department of Justice charged a staff psychiatrist, a female at a VA Medical Center, with obstruction of justice. It seems that in 1992 a male patient sued the female psychiatrist at the VA alleging that the psychiatrist committed medical malpractice when she engaged in sexual relationships with him during an office visit in 1991.

Now, what happened is the psychiatrist requested that the United States Justice Department certify that under the Federal Tort Claims Act that the Justice Department would defend her and substitute itself as a defendant because the alleged misconduct occurred within the scope of her employment. She was a psychiatrist for the VA Medical Center, and she felt the suit should be covered under the Federal Torts Claim Act and that the Justice Department should defend her.

So in 1992, attorneys from the U.S. Attorney's Office interviewed her, talked to her about the case. She denied engaging in a sexual relationship with the patient. The U.S. Attorney, therefore, based upon her testimony, certified that she, the psychiatrist, for her conduct would be certified through the dates of the alleged office incident. So to the extent that the psychiatrist was, quote, certified she would not have been liable for any damages.

On July 13–14, 1995, Chief Magistrate Judge Mikel Williams conducted a hearing to determine the scope of the female psychiatrist's employment at the VA. During the hearing she testified falsely under oath about what had happened between the male patient and her during his visit on June 27, 1991. In so doing, she violated the obstruction of justice statute, Title 18, United States Code, Section 1503. She is scheduled to be sentenced this year before the Honorable Edward J. Lodge.

Okay, now we are here in 1998. As I mentioned Judge Mikel Williams conducted a hearing to determine the scope of the female psychiatrist's employment at the VA and what occurred at this hearing. But in so doing, it turns out she was not telling the truth, and she violated the obstruction of justice statute, which is Title 18, United States Code, Section 1503.

So here we are, Mr. Speaker. She testified falsely under oath about what happened during the patient's visit in 1991. So in so doing, she was charged with violating the Federal statute, and in effect she was lying about her misconduct and her sexual relationship with this patient who came in to see her. In this case, she lied about sex under oath and violated a Federal statute and was convicted and sentenced. I might add these activities occurred in a Federal building, on federal time, and while she was on a federal salary.

Today our Committee on the Judiciary is meeting to discuss something that parallels this case. They have a constitutional duty to the public to investigate and remedy breaches of public trust. Of course it will be painful, but they have a responsibility to ensure that future holders of the Presidency, whoever they might be, have to be accountable for their statements. To neglect to do so would be to debase our Constitution.

Let me conclude by referring to the former Representative Peter Rodino, Jr., who was Chairman of the House Committee on the Judiciary during the Watergate scandals. This is what he said.

We cannot turn away out of partisanship or convenience from problems that now are our responsibility to consider.

So I bring to the attention of my colleagues a very similar case to what is being discussed today by the Judiciary Committee involving not telling the truth about a sexual affair and obstructing justice. I put that into the RECORD, Mr. Speaker, because I think it is helpful to know this information. It shows the U.S. Justice Department prosecuting a federal employee for lying under oath about sexual misconduct and obtaining a conviction. Isn't that what we are talking about today at the judiciary hearing. Often times there are past activities that can be used to judge the present activities.

AMERICA'S ROLE AS THE LEADER IN THE GLOBAL ECONOMY

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

Mr. BLUMENAUER. Mr. Speaker, at a time when the eyes of the capital and the news media are focused on the Judiciary deliberations and the scope and authority of impeachment inquiry, when others are struggling to deal with the slaughter in Kosovo, it is hard perhaps for us to give attention to the mounting global economic crisis and the role that United States leadership will play. Yet I sincerely believe that world peace, alleviating human suffering and poverty, and averting environmental disaster are all tied in the long run to the United States economic leadership far more than military might.

Ten days ago we suffered a setback on the floor of the House of Representatives with the rejection of the fast track authority, not just the rejection of that authority itself, but how and why it was done. I do believe that America's Presidents need the ability to negotiate some treaties that Congress votes on on an up-or-down basis. Every President since Richard Nixon has had that power. Recently the authority for the Clinton administration expired, and it has been unable to be renewed. Last year we were close to a vote, but because it was deemed that we were short of the votes and we could not afford a defeat, the matter was withdrawn.

This year with the world economy in turmoil, Asia in crisis and the United States stock market on a volatile roller coaster, a vote was scheduled and forced through without bipartisan leadership, without the discussion of the areas of concern, without administration backing. The result was to lose at least 20 Republicans from last year's tally, over a third of the Democrats, either changed their vote to no or

present, and it froze a number of sympathetic lawmakers who had legitimate concerns into a no column without working either to accommodate or even to listen to their concerns. This will have consequences far beyond the fast track authority.

At a time when over half the world's people are under some threat of sanction from the United States, we do not know how to evaluate them, how to stop them. For example, with the Pakistan-India situation, United States sanctions simply penalized American farmers and we quickly backtracked. The United States has more difficulty with its China relationship than any other country in the world, and we have significant global environmental concerns to be worked out with the World Bank, with the IMF.

Mr. Speaker, these are not simple items, they are not items that we can ignore, and reckless partisan behavior, for example, as we had on fast track gets us nowhere. We need to start now to repair the damage in the remaining days of this session, and even more important, we need to be clear-eyed, cooperative and thoughtful in our approach to America's role as a leader in the global economy for the next Congress. The stakes are simply too high for us to be diverted by the media issue du jour or attempts to gain partisan advantage.

SURPLUS TAX REVENUE, A NEW CONCEPT IN WASHINGTON

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

Mr. WELLER. Mr. Speaker, I appreciate very much the opportunity to spend a few minutes talking about not only a great opportunity, but a great step forward that was acted upon by this House in the last couple weeks.

One of the greatest commitments we made when we were elected in 1994 on this new majority was to do something that Washington had failed to do for 28 years, and that is to hold the President's feet to the fire and hold the congressional leadership's feet to the fire and balance the budget and live within our means for the first time in 28 years. We succeeded, and I am proud of that success, and this week, the first week of October, we are actually enjoying for the first time in 29 years surplus tax revenue, more money coming into the Federal Treasury than we are spending, a new concept here in Washington, but prior to 1969 it was standard operating procedure in Washington; that is, to live within your means. And I am proud that in the last 3½ years we brought fiscal sanity back to Washington.

Well, the Congressional Budget Office now projects that we have a projected surplus of extra tax revenue over the next 10 years of $1.6 trillion because of this fiscal responsibility. The question is what are we going to do with it? Some want to spend it, others want to give it back to the American people in helping save Social Security, and of course tax relief, and I stand on the side of those who want to give it back to the American people.

We have a plan that we adopted here in the House of Representatives and sent to the Senate about 2 weeks ago which takes the $1.6 trillion of extra tax revenue and sets it aside to save Social Security and get back to the American people tax relief.

□ 1245

I am proud that the 90/10 plan sets aside 90 percent of surplus tax revenues over the next 10 years and we use it to save Social Security. Setting aside 90 percent is 1 trillion 400 billion dollars.

In January, I stood up in a bipartisan applause when the President said let us save and use the surplus for Social Security. At that time, that surplus was $600 billion. We have done better. We have set aside more than twice what the President had asked for by setting aside 1 trillion 400 billion dollars to save Social Security. What is left, we give back to you in tax relief.

I have often asked in this well a very simple fundamental question. Is it right, is it fair that, under our tax code, 28 million married working couples pay higher taxes under our tax code just because they are married? Is it right, is it fair that a married working couple with two incomes pays more in taxes than an identical couple with identical incomes living together outside of marriage? That is not right.

We answer that question in the 90/10 plan. In fact, the centerpiece of the 90/10 plan which saves Social Security is we eliminate the marriage tax penalty for the majority of those who suffer it. For 2 million married working couples, we eliminate the marriage penalty, and we provide over $240 dollars in extra take-home pay that these 28 million working couples will be able to keep back at home in places like Illinois, my home State. That $240 is a car payment in Joliet, Illinois. We eliminate the marriage penalty for the majority of those who suffer it. We also simplify our tax code by eliminating the marriage penalty for those who suffer it.

President Clinton, in his response to our effort to save Social Security and eliminate the marriage tax penalty, says, well, gee, you know, if you use some of the extra tax revenue and give it back to the American people in eliminating the marriage tax penalty, he calls it squandering that money.

It is very interesting. They always say in Washington you should not listen to what politicians say, you should watch what they do. Because in the 90/10 plan, our effort is to eliminate the marriage tax penalty and help family farmers and small business people, those who want to send their kids off to college, help build schools with school construction bond funds.

We provide about a $7 billion tax cut next year. President Clinton calls that squandering. Eliminate the marriage tax penalty; that is called squandering under President Clinton's definition. But at the same time, President Clinton calls for spending over $14 billion of the projected budget surplus of extra tax revenue on the State Department and defense spending and all these other new spending ideas that he does not feel should go through the regular budget process but he wants to use surplus tax revenue for. That just does not make sense.

If we want to eliminate the marriage tax penalty, that is squandering the surplus according to President Clinton. But if you want to spend the surplus, it is okay. That just does not make sense.

Mr. Speaker, this House, with bipartisan support, adopted the 90/10 plan, a plan which sets aside $1.4 trillion, which is 1 trillion 400 billion dollars, to save Social Security. We eliminate the marriage tax penalty.

We help family farmers. We help small business people. We help those who want to send their kids on to college. We help schools back in Illinois. Let us do the right thing. I hope the Senate will join us in bipartisan support to pass the 90/10 plan.

CONGRESS MAINTAINS POWER TO DECLARE WAR

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

Mr. SKAGGS. Mr. Speaker, as the country and this body battles to find some clarity in the back and forth between the salacious and the fallacious, there are actually some significant and important things going on in Washington and in Congress.

One of those has to do with the fact that we may be on the verge of launching a NATO attack under United States leadership against the country of Yugoslavia because of the awful, awful conduct of the security forces of Yugoslavia under the direction of President Milosevic in going after innocent civilians in Kosovo.

One of the important aspects of this unfolding story and policy has to do with the question of whether, as the United States undertakes this effort, whether we do so in compliance with the requirements of our own Constitution.

Article I Section 8 of the Constitution provides very clearly that it is Congress that has the power to make war, whether it is a limited war or a more general war. The power to initiate offensive military action against

another country with which we are at least nominally at peace is not a question that resides in the Executive Branch of government but here in the Legislative Branch.

Unfortunately, the history of the post World War II era in the United States is a history of the disuse and the disregard of this very important responsibility provided for in the Constitution and assigned to the Congress. Basically we have had a succession of Presidents who have asserted an ever broader definition of their exclusive authority to initiate military action.

We encounter now, in the face of the pending Kosovo matter the argument of, "Well, everyone else has done it, why can President Clinton not assert this very broad reach of presidential authority?"

The Secretary of State in testimony to Congress earlier this year basically said that it is the Administration's view that the President as commander in chief has the inherent power under the Constitution to take military action in defense of United States interests abroad as the President sees and defines them.

In the face of this post World War II history, we have a parallel and unfortunate history of congressional acquiescence. There are lots of reasons for that. Suffice it to say that, if it is in fact our responsibility that is at stake here, it is up to Congress to assert it and to protect it.

The situation in Kosovo presents a pretty stark set of facts to which this provision of our Constitution ought to apply. We recognize Yugoslavia as a sovereign independent nation. The United States recognizes Kosovo as an integral part of Yugoslavia. It does not recognize a right to an independent Kosovo. There has been no attack by Yugoslav forces against the United States or our allies. And yet, we nonetheless propose as U.S. policy with our NATO allies to initiate an attack against Yugoslavia.

Let me say it may very well be that the behavior of Yugoslav security forces and President Milosevic is an adequate cause for war. But, again, if there were ever a case in which the war power responsibility of the Congress is clear and ought to be invoked, it is under these facts and circumstances. It is not that Congress has "a" role, is supposed to be consulted or whatever: we have "the" role in making this decision.

Remember the inherent wisdom that the framers of the Constitution had in drafting this provision as they did. They realized it would be unwise to leave with any single individual, the President of the United States, the power to take the country into war. They realized it was essential to involve the people's Representatives in Congress in such a momentous decision and to have them examine thoroughly the implications and consequences of initiating warfare. They realized that it would be important for the American people, through their representatives, to be involved from the beginning in such an undertaking because it is the people's wealth and lives that will be put at stake in any military undertaking.

We have learned since then that our own military leadership recognizes the importance of Congress taking this step at the beginning, because it means that there will be a full debate and a full effort to make sure that there is national support for such a military undertaking.

So this is the right thing for us to do. It is the right way for us to do it. It would be wrong for Congress to stand by again and permit President Clinton to take the country into war without prior authorization.

CONGRESS MUST PROVIDE LEADERSHIP ON FOREIGN POLICY MATTERS

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

Mr. ROHRABACHER. Mr. Speaker, as the Congress moves forward via the Committee on the Judiciary's impeachment hearings, it is useful to understand that this administration's shortcomings are not confined to extramarital affairs. Six years into this administration, our country is in jeopardy. With little awareness by the public, we are facing a multitude of critical national security threats and foreign policy debacles.

My fellow Americans, mistakes being made today imperil our children and future generations. The sad fact is that this administration has no credible foreign policy. Our weakness and vacillation emboldens tyrants throughout the world from China to Afghanistan to North Korea to Serbia to Cambodia to Iraq. It encourages these regimes to, not only brutalize their own people, but to create regional instability, to threaten Americans, and to threaten others as well with terrorism, and, for the first time, to develop and deploy technologies that directly threaten the continental United States.

How many Americans know that Communist North Korea is the largest recipient of U.S. foreign aid in Asia? In fact, Communist North Korea, this brutal regime that starves its own people to develop weapons of mass destruction, this Stalinist regime that threatens the stability of Asia is perhaps one of the top five recipients of foreign aid in the world.

How many Americans know this? How many Americans know that we have given into that regime into blackmail from that very same regime, and that is why they are receiving that foreign aid?

How many Americans know that, on the day that President Clinton visited Communist China, that that dictatorship tested a new rocket engine for a missile that can hit the United States? There was no response from President Clinton or his entourage, yet they knew that that engine was being tested.

This is the same brutal regime that represses religious believers and democratic reformers, the same regime that gets a preferential trade status enabling it to flood our markets to the tune of a $60 billion trade surplus a year, which they then use to build weapons that may someday attack Americans.

As I speak, the select committee of the gentleman from California (Mr. COX) is finding more and more evidence that the Clinton administration has permitted the transfer of American technology to upgrade Communist Chinese missiles and other weapons systems.

How many Americans know that, due to this administration's determined opposition, that our country has no missile defense system to stop a missile whether it is from China or elsewhere from hitting the United States?

How many Americans know that the Taliban extremists in Afghanistan, who are like the Nazi's were to Jews, the Taliban are to women throughout the world, how many people know that this group, the Taliban, who are the largest exporters and suppliers of heroin in the world and have made their country into a safe haven for anti-American terrorists, that this bad bunch has had the tacit support of the Clinton administration?

How many Americans know that, due to the Clinton's administrations nonsensical military deployment and other policies, that our military is now at its lowest rate of readiness since before World War II?

All of this adds up to reckless incompetence or worse. The world economy is sinking. This administration has done everything in its power to tie our national well-being to the crooks and tyrants throughout the world who would drag us down all in the name of creating a global economy.

Going into the next Congress, we have got serious work to do. If the President and his staff are incapable of providing the leadership this country needs to keep us safe, to ensure our prosperity, then we must step forward, and Congress must stand up and take the leadership role.

RECESS

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

Accordingly (at 12 o'clock and 59 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. BARRETT of Nebraska) at 2 p.m.

PRAYER

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

O gracious God, from the beginning You have known us and Your grace has been our constant blessing, and so we pray on this day that Your gifts will be upon us depending on our need and our concerns. If lives need healing or recovery, grant strength and hope; if lives need forgiveness, grant mercy and pardon; if lives need vision beyond self-centered designs, grant the freedom of truth and the openness that comes when we see others as created by Your eternal hand. So we thank You, O God, that we can all share in Your blessings and in the bounty of Your free gifts. Bless us this day and everyday, we pray. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Maryland Mr. CUMMINGS) come forward and lead the House in the Pledge of Allegiance.

Mr. CUMMINGS 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.

IN MEMORY OF FORMER MEMBER D. FRENCH SLAUGHTER, JR.

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

Mr. BLILEY. Mr. Speaker, it is with a great sadness I announce the death of French Slaughter, Junior, our former colleague from Culpeper, Virginia. French represented the Seventh District with honor and integrity. I am proud to be one of his successors as the Representative from the Seventh District of Virginia.

First and foremost, French was devoted to his constituents. French was a native of Culpeper and represented the Seventh District for 7 years in Congress. Prior to his service in Congress, French was devoted to his country and his constituents.

French served in the U.S. Army as an infantryman and earned the Purple Heart and Bronze Star during the Battle of the Bulge. After the war, he earned both a Bachelor's Degree and a law degree from the University of Virginia.

From 1958 to 1978 he served in the Virginia House of Delegates and championed legislation creating Virginia's community college system. He served on the Board of Visitors of the University of Virginia and Germanna College.

Elected to Congress in 1985, he constantly focused on constituent services. French was a great friend whom I could trust. I always knew I could rely on French for help during our service together in the House. French was and will always be a Virginia gentleman. My prayers are with his family.

French Slaughter was a legislator devoted to his constituents. No request from his constituents was too small. It in an era when C–SPAN first projected our speeches nationwide, French preferred to stay out of the limelight and focus on constituent service.

French heard the call of his nation during the perilous days of World War II. French was a student at Virginia Military Institute when he postponed his studies and joined the United States Army as an infantryman. While serving with the Army's 84th Division, French was wounded in action at the Battle of the Bulge in 1944. French was awarded the Purple Heart and Bronze Star for his actions that day.

After the war, French returned to school and earned a bachelor degree and a law degree from the University of Virginia. During the late 50's, French won a seat in the Virginia House of Delegates. During his 20 years of service, he often ran without opposition because of his faithfulness to constituent service. In 1966, he sponsored legislation to establish Virginia's Community College system. Upon his retirement from the House of Delegates, French was a member of the Board of Visitors of his alma mater from 1978 to 1982. French continued to find ways to stay active in the community because public service was his calling.

Like a true Virginian, French had a deep appreciation for the history of his native soil, and a love for passing on that heritage. He served as a loyal board member and attorney for The Memorial Foundation of the Germanna Colonies in Virginia, Inc., a foundation that continues to convey the heritage of the first European settlement on the Rapidan River by German Calvinists and Lutherans beginning in 1714. As a Germanna Colonies board member, he was instrumental in persuading the Foundation to donate 100 acres of the original 1714 settlement to the Commonwealth in order to build Germanna Community College. French also served on the Germanna College's board from 1978 to 1985. I am proud to say the main building at Germanna College is named in his honor.

French heard one more call to duty and served his constituents in Congress from 1985 to 1991. During his tenure in Congress, French served on the Judiciary, Small Business and Science Committees in Congress. Once again, French championed constituent service for the people of Manassas, Winchester, Charlottesville, Fredericksburg, and most importantly, Culpeper during his service in Congress. French focused his legislative efforts on interests of interest to the elderly, particularly health care. French favored a balanced budget amendment while opposing tax increases. French's conservative agenda for smaller government served the people of the Virginia Seventh District well during his seven years in Congress.

French was also very kind to keep me informed of the days events on the floor of the House of Representatives. French was a great friend with whom I could trust. He will be sorely missed by many. My prayers are with his family during this sad time.

French is survived by his son, D. French Slaughter, III of Charlottesville; a daughter, Kathleen Slaughter Smith of Gilbert, Arizona; nine grandchildren; a brother, Johnson Slaughter of Houston; and a niece, Connie Slaughter Koenig, also of Houston.

TAXPAYER FUNDS SHOULD NOT BE USED FOR INTERNATIONAL MONETARY FUND BAILOUTS

(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, Russia got $20 billion, Asia got over $100 billion, and now International Monetary Fund wants a $30 billion bailout for Brazil. That is right, the same Brazil that illegally dumps millions of tons of steel in America, below the production cost, destroying American jobs and American families.

Unbelievable. Think about it. Bailout for Russia, they sell missiles to our enemy; bailout to Asia and Japan, they rip us off with illegal trade; bailout to Brazil, they destroy American jobs. What is next, a bailout for Saddam Hussein?

We are not playing monopoly down here. These are taxpayer dollars. Enough is enough. Last I heard it was Uncle Sam, not Uncle Sucker. I yield back the balance of the hard-working jobs that the steel industry is losing.

CONGRATULATIONS TO DAN AND PAIGE PITTS ON THEIR MARRIAGE

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

Mr. PITTS. Mr. Speaker, this past weekend my son, Dan, was married to Paige Overton of Knoxville, Tennessee. So today I would like to talk to them.

Dan and Paige, what a magnificent wedding. We love you and are so happy for you. Never forget what the pastor shared; that according to the scriptures, the institution of marriage and

family was God's idea. That is why it is so right and good.

When you think about family, they are the people that God brings into your life. You do not choose your brother or sister, your parents or children. God gives them to you.

So, Paige, we are so delighted to welcome you into our family. You are a very special young lady. Dan and Paige, you waited and prayed for each other, and God has given you the desires of your heart. His very best. Congratulations.

We love you, we are proud of you, we are grateful for you, and we wish you a lifetime of happiness together. And have a great honeymoon.

HOW AMERICANS HAVE BENEFITTED BY ELECTING REPUBLICANS TO CONGRESS

(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, after 40 years of Democratic leadership, which brought higher taxes, increased spending, and enormous budget deficits, my liberal colleagues are labeling us as a do-nothing Congress. So, Mr. Speaker, as the 105th Congress draws to a close, I am proud to submit a progress report on how this Republican-led Congress has benefitted America.

By electing Republicans, Americans have benefitted from their first tax cut in 16 years. And now, for a second consecutive year, we will again provide significant tax relief. By electing Republicans to control Congress, Americans benefitted not only from the first balanced budget in over a generation, but a budget surplus on top of that. And with this surplus Republicans are helping save Social Security. By electing Republicans, Americans have benefitted from a truly needed and meaningful Patient Protection Act, legislation that will ensure Americans have accountable, accessible and affordable health care for themselves and their families.

Is it any wonder that Americans continue to elect and reelect Republicans to lead this body into the next century? Republicans remain committed to a future that benefits the American people, a future that is pro-family, pro-business and pro-America; a commitment that this and future generations have a rendezvous with a brighter destiny.

COST OF PRESCRIPTION DRUGS AND THE PRESCRIPTION DRUG FAIRNESS ACT

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

Mr. FORD. Mr. Speaker, I rise today in support of the Prescription Drug Fairness Act. Anyone in America who has older relatives or friends who are living on a fixed income and taking prescription drugs understand firsthand the devastating impact that the high cost of medication can have on the health and well-being of seniors.

As we all know, with age comes a greater susceptibility to health problems. As such, it is no surprise that, on average, Americans over the age of 65 spend three times as much of their income, over 20 percent, on health care than Americans under the age of 65. Three-quarters of Americans 65 and older take prescription drugs. On average, Americans take 2.4 prescription drugs at any one time.

One would think that since older Americans make up such a large segment of the market for prescription drugs that they would pay reasonable prices for their medication. Unfortunately, that is not the case. Due to cost shifting and the limited power of seniors, they get the short end of the stick compared to HMOs and other most-favored customers when it comes to the cost of drugs, which is why I rise in support of the Prescription Drug Fairness Act.

Thanks to the leadership of the gentleman from Texas (Mr. JIM TURNER) and the gentleman from Maine (Mr. TOM ALLEN) we now have legislation which is designed to help level the playing field by; one, providing Medicare beneficiaries with a drug benefit card that will entitle the holder to purchase drugs at reduced prices from participating pharmacies; and, two, allowing pharmacies to purchase drugs at the same lower price as the Federal Government.

As a public policymaker at the Federal level, I believe Congress has a responsibility to help protect seniors from the unreasonably high cost of prescription drugs. The Prescription Drug Fairness Act is designed to accomplish just that. I hope every one of my colleagues signs on and supports this legislation.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, 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 after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

FEDERAL EMPLOYEES HEALTH CARE PROTECTION ACT OF 1997

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 1836) to amend chapter 89 of title 5, United States Code, to improve administration of sanctions against unfit health care providers under the Federal Employees Health Benefits Program, and for other purposes.

The Clerk read as follows:

Senate amendments:

Page 2, line 3, strike out "1997" and insert "1998".

Page 12, line 8, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 12, lines 13 and 14, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 12, line 18, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 13, line 13, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 13, line 19, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 14, lines 2 and 3, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 14, line 10, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 14, line 16, strike out "January 4, 1998" and insert "January 3, 1999 or such earlier date as established by the Office of Personnel management after consultation with the Federal Deposit Insurance Corporation or the Board of Governors of the Federal Reserve System, as appropriate".

Page 14, line 24, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 15, line 13 after "Office" insert "of Personnel Management".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 1836, as amended by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

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

Mr. Speaker, I want to thank the gentleman from Indiana (Mr. BURTON), the chairman of the Committee on Government Reform and Oversight, for introducing this very important bill. I also want to thank the gentleman from Florida (Mr. MICA), chairman of the Subcommittee on Civil Service, for his assistance in bringing this bill to the floor today; as well as the committee's ranking minority member, the gentleman from California (Mr. WAXMAN); and the subcommittee's ranking minority member, the gentleman from Maryland (Mr. CUMMINGS), who is going to be handling this bill across the aisle, for their support.

FEHBP is an outstanding program, but even among the best programs, there is always room for improvement.

The FEHBP is critically important to my constituents, and it is the country's largest employer-based health insurance program, serving the health care needs of almost 10 million Federal employees, retirees and their families. It is critical we continue its success. This legislation will attack fraud and abuse in the FEHBP program.

Turning to section 5 of H.R. 1836, I want to make clear that my endorsement of the bill is based upon my understanding that nothing in the measure is designed to hinder the types of market forces which have made the FEHBP a cost effective health insurance model for other public agencies and private industry. This legislation is not intended to tilt the competitive playing field in the health insurance marketplace in one direction or another.

Section 5 suggests as its goal the disclosure of certain rate agreements which might yield savings to plans and ultimately to enrollees in the Federal Employees Health Benefits Program. I agree that the FEHBP plan should be held to no less a standard than private sector counterparts.

When H.R. 1836 was originally introduced, I opposed the draft of section 5. As originally drafted, section 5 would have cost the FEHBP savings and created an administrative burden that would have increased administrative costs. These increased costs to FEHBP would have been borne jointly by the Federal Government and Federal employees and retirees. I appreciate the willingness of the gentleman from Indiana (Mr. BURTON) to listen to the many stakeholders involved in the issue and consent to redrafting section 5, the new draft now part of this legislation.

While the intent of this legislation was in doubt after the report of the Committee on Government Reform and Oversight was altered prior to filing last year, I believe the Senate has clarified our intentions and join my colleagues in recognizing the Senate's report, especially the additional views filed by Subcommittee Chairman COCHRAN of the Senate Committee on Governmental Affairs, and Senators GLENN and LEVIN, as the proper memorialization of our congressional intent on section 5. We thank them.

Section 5 of H.R. 1836 will tell the Office of Personnel Management to encourage disclosure of certain arrangements in an effort to maintain the integrity of FEHBP. I support this effort. At the same time, I understand that section 5 would create no additional duties for the Office of Personnel Management or have a chilling effect on current negotiated arrangements which yield the program savings. I understand that this fact is reinforced by the Congressional Budget Office in estimating that the section would have no budgetary effect on the program.

□ 1415

I am including the Senate committee report's description at this point in the RECORD to clarify our mutual intent.

Based upon concerns raised to the House Government Reform and Oversight Committee by the American Medical Association and the American Hospital Association that certain payers were taking advantage of discounts to which they were not entitled, the Office of Personnel Management Inspector General was requested to conduct a review "to determine whether silent PPOs were used by FEHBP carriers to capture discounts to which they were not entitled."

The additional views of Senators COCHRAN, GLENN and LEVIN in the RECORD further clarify our mutual intent:

In brief the Office of Personnel Management Inspector General found no evidence that health care providers were being victimized by FEHBP carriers, nor any evidence of schemes allowing payers to capture discounts they are not contractually entitled to receive. Although we support inclusion in H.R. 1836 of section 5 bill language, we believe Congress should be careful to avoid interjecting the Federal Government into contractual issues between health care providers and health plans.

A recent audit by the OPM IG defined "Silent" PPOs as a health care provider discount taken by an FEHBP carrier without a contract existing between the PPO and the health care provider. This is the type of unethical practice that the FEHBP carriers should avoid.

Further, PPOs, both directed and nondirected, provide various incentives to health care providers which contract with PPOs for the benefit of FEHBP; i.e, to reduce health care costs. The FEHBP must continue to benefit from these relationships, recognizing that the PPOs must always have a contract with the health care provider.

During our committee deliberations, issues were raised with respect to activities of "silent PPOs" and the potential adverse impact their discounts could have on cost initiatives within the FEHBP.

PPOs play an important role in today's health care market. Both directed and nondirected PPOs provide legitimate and valuable benefits to health care providers, carriers, and patients. Nondirected discounts are currently saving the government and FEHBP enrollees millions of dollars a year through their legitimate utilization by a number of fee-for-service carriers. Examples of nondirected discounts are those given by participating providers in return for incentives other than steerage, such as prompt payment, prepayment, claim audit assistance and negotiated provider settlements.

Section 7 of H.R. 1836 resulted from an amendment I offered to the bill in subcommittee to increase the Physicians Comparability Allowance, a critically important tool to recruit and retain Federal physicians. Last fall, I commissioned a GAO study to review the PCA and its usefulness. The September 1997 GAO report confirms that the PCA is critical. Since I requested the GAO study, I have heard from hundreds of Federal physicians from across the country who stated very clearly that without the PCA, they would have chosen a different career.

This section would increase the PCA from $20,000 to $30,000. The Physicians Comparability Act has not been increased in 10 years. This increase, however, would not result in an increase in appropriations; it simply allows agencies to pay an additional PCA from their own budgets based on their recruitment and retention needs.

According to the Office of Personnel Management, the "PCA constitutes a declining percentage of income." I had also hoped to include a provision in legislation that I introduced, H.R. 2541, that would include a physician's PCA in his or her average pay for purposes of computing retirement.

I understood the cost concerns of the chairman, the gentleman from Florida (Mr. MICA), and I requested a CBO score. Now that we have received the CBO score demonstrating that this provision does not impose any significant cost on the Federal Government, I am hopeful that we can move this piece forward as well.

The over 2,700 Federal physicians eligible for the PCA are working on cures for AIDS, cancer, and heart disease; protecting the safety of food and drugs; providing medical care to Defense and State Department employees and dependents, airline pilots, astronauts, native Americans, and Federal prisons.

The Government cannot pay physicians on the same scale as physicians employed in hospitals, HMOs, and universities. Consequently, the PCA provides some compensation to offset this loss of income for Federal physicians to ensure that the Government can recruit and retain highly-trained and well-qualified physicians.

I urge my colleagues, Mr. Speaker, to join me in supporting this important measure.

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

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

Mr. Speaker, H.R. 1836, the Federal Employees Health Care Protection Act of 1998, is a good bill that has won strong bipartisan support. It has at its core a provision that would enable the Office of Personnel Management to effectively use administrative sanctions to protect our health care program from fraud and abuse perpetuated by unscrupulous health care providers.

By strengthening OPM's administrative powers and giving it the authority to impose monetary sanctions on health care providers who engage in professional and financial misconduct, OPM will be able to assure Federal employees that they are being provided with health care services free of mismanagement and abuse.

The enactment of this reform was requested by the Office of Personnel Management last year because they found imposing administrative sanctions under current law was time-consuming and expensive. The House passed H.R. 1836 last November, and the Senate passed a bill last week after making necessary technical changes to update the dates on which certain sections of the bill are to be implemented.

H.R. 1836, however, contains some additional provisions that will also improve the administration of the Federal Employees Health Benefit Program. I would like to highlight just a few of them.

The bill contains a provision to strengthen the current preemption statute in title 5 so as to ensure FEHBP's national plans can continue to provide uniform benefits and rates to enrollees regardless of where they live. Another provision would permit active and retired employees of the Federal Deposit Insurance Corporation and the Federal Reserve System to reenter FEHBP. This will save both agencies several millions of dollars in future premium cost.

This bill also requires OPM to encourage participating health plans that contract with third parties to obtain discounted rates from health care providers to seek assurances that a condition surrounding those discounts had been fully disclosed.

Finally, H.R. 1836 clarifies a provision of existing law concerning direct access and reimbursement to health care providers in the program.

Mr. Speaker, I believe that H.R. 1836 makes important and needed improvements in the Federal Employees Health Benefits Program. I urge all Members to give it their support.

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

Mrs. MORELLA. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Virginia (Mr. DAVIS).

Mr. DAVIS of Virginia. Mr. Speaker, I thank my friend, the gentlewoman from Maryland (Mrs. MORELLA) for yielding.

Mr. Speaker, I appreciate her work on the bill and the work of the gentleman from Maryland (Mr. CUMMINGS) on this bill as it moves forward to what will hopefully be a successful passage today.

This bill, H.R. 1826, does amend the FEHBP to expand the power of the Office of Personnel Management to sanction fraudulent health care providers. The bill authorizes OPM to debar and fine fraudulent health providers that are participating in the FEHBP, and I think my colleagues have spoken about some of the specifics of this earlier.

One of the important things this does is it takes about 5,000 employees and annuitants from the Federal Deposit Insurance Corporation and the Federal Reserve Board who are currently ineligible for the FEHBP. Because of a change in their coverage, they can now be covered by the Federal Employees Health Benefit Plan.

This is very, very helpful to them. This in no way, shape or form reduces the rates that other Federal employees are paying for this. I think it is a very critical point that needs to be made, and it will give adequate protection and health care to people who are generally under the Federal envelope in these two areas.

I want to thank the gentlewoman from Maryland (Mrs. MORELLA) for her assistance in increasing from $20,000 to $30,000 the maximum amount that Federal agencies can pay for the physicians' comparability allowance. The comparability allowance was created in 1978 by the Physicians' Comparability Act to ease the burden of a critical shortage of doctors and vast salary differences between military doctors and other Federal doctors, as well as the overall differences between Federal and private sector doctors.

I think both of these provisions are well worth while, I think are going to be advantageous to all concerned, and I just want to congratulate my colleagues in bringing this to a vote today.

Mr. CUMMINGS. Mr. Speaker, I yield 3 minutes to the gentlewoman from the District of Columbia (Ms. NORTON), a distinguished Member who has consistently fought hard for Federal employees and been at the forefront of just about every battle that I have seen with regard to this House and Federal employees.

Ms. NORTON. Mr. Speaker, I very much thank the gentleman from Maryland (Mr. CUMMINGS) for yielding and for his kind words, and I want to thank the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS) for their leadership on this very important issue.

Mr. Speaker, I also want to congratulate the Office of Personnel Management for bringing this matter to the attention of the Congress so that we could take action that is corrective of this problem. Delay in correcting fraud and abuse at a time when premiums for Federal employees are on the rise should not be tolerated, and I am very appreciative that this bill has come to the floor before we adjourn.

By moving to allow the OPM to sanction providers who engage in misconduct, we are sending a strong message that being a provider of health care for Federal employees is not a right but a privilege. Those who abuse that privilege will lose that privilege or be sanctioned for their abuse of that privilege.

Over and over again, Mr. Speaker, the FEHBP is cited as a model for health care in the country, and in a number of important ways it has proved to be that over time. It will lose its place in that regard unless we are willing to step up and do what this bill does, and that essentially is to wipe away some of the causes of administrative delay which have been responsible for the fact that OPM has not been able to move promptly in some instances where misconduct was brought to its attention.

Mr. Speaker, may I also speak in favor of the increase in the physicians' comparability allowance. This is a period in which vast disparities are found in the location and the willingness of physicians to serve. When those disparities can be traced back to income, we must look closely at the effect. Here we are not talking about an increase in budget. We are talking about allowing an increase in comparability pay where that is necessary. This provision attends to a real shortage of physicians willing to serve as we need them.

For these two provisions and for the others in this bill, I am personally grateful to the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS), and I once again thank them for their very diligent and excellent work on this bill.

Mrs. MORELLA. Mr. Speaker, I have no further speakers on this side. Perhaps the gentleman from Maryland (Mr. CUMMINGS) has further speakers.

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

Mr. Speaker, I just wanted to add on to something that the distinguished lady from the District of Columbia (Ms. NORTON) was just speaking about. Back in 1998, the FEHBP amendment has not been an effective tool because it mandates exhaustive due process in every case, requiring a hearing on the record to be offered before any adverse determination takes effect.

□ 1430

This precludes OPM's use of less formal administrative procedures to deny health care providers access to the FEHB program, even where a court or State licensing authority previously has found a provider guilty of misconduct.

I just want to say that this law that we are passing today makes that process much more practical. I think it is good government. I take a moment to thank the other side, particularly my colleague from Maryland for all her work that she has done with regard to this legislation and other pieces of legislation which we will be considering today. It is truly a bipartisan effort and is about lifting up the people of our great Nation, those people day in and day out, hour after hour who work to make this Nation the best that it can be. Mr. Speaker, I urge my colleagues to support this legislation.

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

Mrs. MORELLA. Mr. Speaker, I include for the RECORD a letter from Chairman MICA and myself to Chairman COCHRAN.

The text of the letter is as follows:

HOUSE OF REPRESENTATIVES
Washington, DC, July 29, 1998.

Senator THAD COCHRAN,
Chairman, Subcommittee on International Security, Proliferation and Federal Services, Washington, DC.

DEAR CHAIRMAN COCHRAN: In response to the Senate's anticipated action in favorably considering H.R. 1836, the Federal Employees Health Benefits Protection Act, and in anticipation of having the measure cleared for the President without need of a conference, we write to clarify the purpose of one element of the bill: Section 5 dealing with preferred provider organizations.

As your additional views accurately represent, recent audit activity by the OPM Inspector General in response to complaints from provider associations (AMA and AHA) found no evidence that health care providers were being victimized by FEHBP carriers, nor evidence of schemes allowing payers to capture discounts to which they were not contractually entitled.

Both directed and non-directed PPOs provide various incentives to health care providers which contract with PPOs for the benefit of FEHBP—reducing health care costs. The FEHBP must continue to benefit from these relationships, recognizing that the PPOs must always have a contract with the health care provider. Silent PPO activity, as described by the OPM Inspector General, represents the type of unethical practices that FEHBP carriers should avoid. Further, we understand that the IG found no evidence of "silent PPO" activity within the FEHBP.

We look forward to continuing our close work in sustaining the Federal Employees Health Benefits Program as a model for others to follow.

Sincerely,

JOHN MICA,
Chairman, Subcommittee on Civil Service.
CONNIE MORELLA.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume. I want to thank my colleagues for their support of this important legislation. I would pick up and echo the comments of my colleague from Maryland. Indeed this is a bipartisan piece of legislation that will help all Federal employees and help us to recruit and retain physicians and others into public service which is so very, very important.

I want to again reiterate my thanks to the gentleman from Indiana (Mr. BURTON), the gentleman from California (Mr. WAXMAN), the gentleman from Florida (Mr. MICA) chairman of the Subcommittee on Civil Service; and the gentleman from Maryland (Mr. CUMMINGS). He is right. We work in a very nonpartisan way on the Subcommittee on Civil Service. This legislation is evidence of that. I thank him also for his leadership. I ask my colleagues to support this legislation.

Mr. PAPPAS. Mr. Speaker, I rise in support of H.R. 1836, the "Federal Employees Health Care Protection Act."

While the legislation sets out laudable goals, I want to make clear that my endorsement of the bill is based upon my understanding that nothing in the measure is designed to hinder the types of market forces which have made the FEHBP a cost-effective health insurance model for the public agencies and private industry. This legislation is not intended to tilt the competitiveness in the health insurance marketplace in one direction or another.

One element of the legislation, Section 5, suggests as its goal the disclosure of certain rate agreements which might yield savings to plans and enrollees in the Federal Health benefits Program. I agree that FEHBP plans should be held to no lesser standard than their private sector counterparts and I agree with the clarification of Congressional intent in the drafting of Section 5 as set forth in the Senate Report's additional views filed by Senate Subcommittee chairman, Senator COCHRAN.

During our committee deliberations, issues were raised concerning the activities of "silent PPO's" and the potential of adverse impact their discounts could have on cost saving initiatives within the FEHBP. Some even speculated that a variety of unethical and perhaps fraudulent activities related to "silent PPOs" were rampant in the federal health program.

The Inspector General of the Office of Personnel Management dispelled these allegations in a report issued on February 26, 1998. The Inspector General audit found that the practices alleged are not currently prevalent in the FEHBP. The Inspector General further asserted that networks of non-directed PPOs operate within a contractually authorized environment.

PPO's play an important role in today's health care market. Both directed and non-directed PPO's provide legitimate and valuable benefits to health care providers.

I remain committed to improving the quality of health care offered to our federal employees as well as committed to ensuring a diverse and competitive environment for health plans and providers.

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

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 1836.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEES CHILD CARE AFFORDABILITY ACT

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4280) to provide for greater access to child care services for Federal employees, as amended.

The Clerk read as follows:

H.R. 4280

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

SECTION 1. CHILD CARE SERVICES FOR FEDERAL EMPLOYEES.

(a) IN GENERAL.—An Executive agency which provides or proposes to provide child care services for Federal employees may use appropriated funds (otherwise available to such agency for salaries) to provide child care, in a Federal or leased facility, or through contract, for civilian employees of such agency.

(b) AFFORDABILITY.—Amounts so provided with respect to any such facility or contractor shall be applied to improve the affordability of child care for lower income Federal employees using or seeking to use the child care services offered by such facility or contractor.

(c) REGULATIONS.—The Office of Personnel Management shall, within 180 days after the date of enactment of this Act, issue regulations necessary to carry out this section.

(d) DEFINITION.—For purposes of this section, the term "Executive agency" has the meaning given such term by section 105 of title 5, United States Code, but does not include the General Accounting Office.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4280, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume. I want to thank the gentleman from Indiana (Mr. BURTON) chairman of the Committee on Government Reform and Oversight; the gentleman from Florida (Mr. MICA) chairman of the Subcommittee on Civil Service; and I also want to thank the gentleman from California (Mr. WAXMAN) the ranking member; and the gentleman from Maryland (Mr. CUMMINGS) the ranking member of the subcommittee for their assistance in bringing this bill to the floor today.

I would particularly like to thank some staff who have been very instrumental in crafting it so we could finally get this bill before us, staff on both sides of the aisle. In my office Kathryn Pearson, Jeff Davis; also Gary Ewing, Jeff Shea, Siobhan McGill for all their help in bringing this bill to the floor, and the staff of the gentleman from Maryland (Mr. CUMMINGS) for the work they have done.

Mr. Speaker, I introduced this bill so that agencies may use their salary and expense accounts to help low-income Federal employees pay for child care. Balancing work and family has become increasingly difficult for families, and Federal employees are no exception.

My legislation will provide opportunities for Federal agencies to help provide quality child care for their employees' children.

I have worked with the Office of Personnel Management to develop this legislation. Several agencies, including the Social Security Administration, Department of Justice, and the Department of Defense have actually requested such authority from OPM. OPM cannot grant this authority. We must legislate this change.

This legislation does not require any additional appropriations. It would be up to the individual agencies to determine whether or not to use funds from their salary and expense accounts to help provide child care. Agencies, not employees, would make payments to child care providers to help lower-income Federal employees pay for their child care.

Such child care benefits are already being provided to military employees with a separate line item which is more than my legislation would provide. The Department of Defense, one of the agencies seeking such authority to help its employees with child care costs, has pointed out that they can provide child care benefits to their military employees but not the civil servants working side by side.

One of the greatest challenges families face, we know, is finding safe, affordable and high-quality day care. Having raised nine children and now watching them struggle with their own child care dilemmas, I am well acquainted with the problems associated with finding high-quality day care. America's lack of safe, affordable day care is not a new problem but its consequences are becoming far more dire, and it does require new, innovative solutions. In 1995, 62 percent of women with children younger than six and 77 percent of women with children between the ages of six and 17 were in the labor force.

Approximately one-quarter of all Federal workers have children under the age of six needing care at some time during the workday. During a recent hearing in the subcommittee of the gentleman from California (Mr. HORN), testimony revealed that some Federal child care facilities charge up to $10,000 or more per child per year. Many Federal employees simply cannot afford quality child care. By allowing agencies the flexibility to help their workers meet their child care needs, we will be encouraging family-friendly workplaces and higher productivity.

It is clear that we need more child care, we need affordable child care, and we need high quality child care. Unless child care becomes a priority in the private sector and in the public sector, families, including those of Federal employees, just are not going to find it.

Mr. Speaker, I hope that Congress will pursue a wide range of innovative solutions to address families' child care needs in the near future. As a Nation, we must and we can do better for our children. This legislation is an important first step. However, increasing the affordability and the quality of child care go hand in hand. That is why I am sorry that important provisions that were offered in a bill by the gentleman from New York (Mr. GILMAN) to improve the quality of Federal child care centers is not still a part of H.R. 4280. I am committed to continuing to work with the gentleman from New York to enact the provisions in his bill which will ensure that all child care centers housed in Federal buildings meet quality standards. These provisions require all Federal child care centers to follow and maintain State and local regulations for health, fire and safety. They would not lower Federal agency standards if they are greater than the local or State regulations. They would simply ensure that those that are substandard begin to comply.

I encourage my colleagues to join me in supporting this legislation to help Federal employees and agencies meet their child care needs.

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

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

Mr. Speaker, I take this moment to congratulate the gentlewoman from Maryland (Mrs. MORELLA) for this outstanding piece of legislation. It is so very important.

Three thousand nine hundred ninety-four Federal workers currently enroll their children in the 109 child care centers established in Federal agencies across the country. The cost of child care is a particular burden for low-income families. For the poorest families, child care costs on the average represent more than one-quarter of family income.

I support this bipartisan bill because it will help make child care more affordable for many Federal workers and their families as well as provide their children with developmentally appropriate environments in which to spend their days as they grow up to be productive adults.

As parents move from welfare to work and attend job training and preparatory classes, child care becomes of great concern, as is the case in my district.

At the White House Conference on Child Care in October of 1997, President Clinton asked Secretary of the Treasury Robert Rubin to convene a group of business and labor leaders to look at child care problems facing working parents. The group found that when employers provide quality and affordable child care, employee morale improves, turnover and absenteeism is reduced and productivity is improved. So good child care pays for itself.

Perhaps more importantly, they found a growing body of research that substantiates the view that investments in the care of young children affects a child's physical and emotional development, and these investments can have positive returns for families and society. These benefits will last those children until the day they die.

The Federal Government has taken the first steps in making such an investment. All child care facilities designed and renovated after 1992 reflect state of the art child care designs and are built to promote child-oriented, developmentally appropriate, efficient and effective environments. As the Nation's largest employer, do we not have an obligation to ensure that these facilities are more financially accessible for Federal employees?

H.R. 4280 will do the following: Allow Federal agencies to use appropriated funds to pay a portion of the costs incurred by private operators of child care centers in Federal facilities; require that such payments improve the affordability of care for lower-income Federal employees; authorize alternative methods for providing child care in Federal facilities; and will require that agencies perform a background check and a criminal history of employees of day care centers located in Federal facilities.

During full committee consideration of H.R. 4280, two amendments were added to it. The first amendment offered by the gentleman from New York (Mr. GILMAN) would have required Federal child care centers, including the United States Congress, to follow and maintain State and local regulations for health, fire and safety. The gentleman from California (Mr. WAXMAN) offered a second degree amendment to the Gilman amendment providing that child care facilities be inspected for, and be free of, lead hazards. Though I supported both of these amendments, jurisdictional concerns have been raised by the Committee on House Oversight, and they have been removed to ensure passage of the bill. I hope at some point in the future, the Gilman and Waxman provisions will be enacted by this body.

This bill now before us is one of many steps that the Federal Government should take to provide accessible, high-quality child care to Federal workers. Carl Sandberg said it best when he said, "The birth of a child is God rendering his opinion that the world should go on." As a cosponsor of this legislation, I urge all of my colleagues to support it.

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

Mrs. MORELLA. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. DAVIS) who is a fierce fighter for Federal employees and cares very much about the quality of care for their children.

Mr. DAVIS of Virginia. Mr. Speaker, I thank the gentlewoman for yielding

time. After that introduction, I ought to stop right there.

Mr. Speaker, this is a great bill because it offers flexibility as a part of the benefit package to the different agencies. They can take these dollars that are appropriated, there is no new money involved, and can best decide how they can use that in recruiting and in retaining good people. Child care is a major concern for families across this country. A lot of single parents who work for the Federal Government are going to find this immeasurably benefits their performance and ability to stay on working and do their job. I remember when our day care provider at one point in our lives decided she was retiring, that she could not make enough money, and the months of scramble trying to find somebody who could fill that niche. There is no more important decision for a single parent or parents to make than what they are going to do for their children while they are working.

This allows the Federal Government to come in and use existing dollars as a part of a benefit package for some of their lower-paid employees to allow the flexibility to try to meet those child care needs for them.

□ 1445

It is going to be up to the agencies as to how they best implement that, how they can innovate, but I think this is a very, very good idea. I know my mother brought up five children, and my father, who served two tours in the State prison system, was not around, and she would have to work taking care of other people's kids and work at night. But keeping that family together was the most important thing in her life, and it allowed her to go off and be productive and be successful in other things. This will allow that same standard to Federal employees.

We are finding the work force today across the world in an information age is the most important asset that any organization has. It is no longer the machinery or the equipment; it is the employees and their minds and what they bring to bear. This basically allows us to recruit and retrain the best and the brightest by allowing them flexibility to care for their day care needs, something that is very important, something at a governmental level we have been behind the private sector in recognizing how important this is to be able to recruit and retrain good people. And I am very confident that with the passage of this act, as we start meeting and talking to Federal agencies, as they start hearing from employees, both single parents and working parents about how important child care is, that this will allow the flexibility that our agencies need to meet the needs of employees that they are trying to recruit or retrain.

So I am very bullish on this bill. I want to thank everybody involved. Keeping families together is important, but keeping and recruiting and retraining and being able to retain quality employees is also important from a taxpayer perspective, and this legislation does this.

So, Mr. Speaker, I thank my colleague for having yielded to me, and I hope my other colleagues will support this legislation.

Mr. CUMMINGS. Mr. Speaker, I yield 4½ minutes to the gentlewoman from the District of Columbia (Ms. NORTON) who has constantly been at the forefront of making sure that our children are uplifted.

Ms. NORTON. Mr. Speaker, I thank the gentleman for his kindness and for yielding this time to me, and I would like to thank the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS) both for working so closely together on what is clearly a ground-breaking piece of legislation, though it affects a smaller universe than our country needs.

One of the reasons I am thrilled with this bill is that the bipartisan Congressional Women's Caucus made child care one of its seven priorities this year, focused on seven priorities; six of them were actual bills; four of the seven, in fact, have been enacted, which is not a bad track record; and it has encouraged us as a caucus, now 21 years old, to focus on specific legislation of the kind that we think has a consensus in this body.

Now, of the three that did not get through, one was child care. All were fairly complicated. The ones that were fairly easy did get through. Child care was difficult this term, and we knew it. We could not get a consensus on one bill, but we got consensus on three principles:

One, that funding would go to lower-income families; two, that there would be tax relief for working families and for stay-at-home spouses; and three, that there would be quality child care. Any bill that incorporated those three principles would have our support.

As we know, we were unable to get a comprehensive child care bill through. That is why I am thrilled that at least that there will be a child care bill that passes the 105th Congress. The Federal Employee Child Care Affordable Act gives us something to show for child care in this session.

Now, my chief regret is that the Gilman and Waxman provision was not incorporated into this bill as it originally was because that would have meant that one of our three principles, quality, would have been memorialized in an important bill. This provision would have had Federal child care centers comply with Federal or State safety and health standards, whichever is higher, and all Federal centers would have to be free of lead paint. I believe, Mr. Speaker, I can say without fear of being contradicted that there is not a Member in this body who would disagree with the provisions of the Gilman and Waxman bill, but the fact is that a jurisdictional dispute has derailed it, and I was pleased to hear the gentlewoman saying she will follow up next session to make sure that this provision also is passed.

This in other ways is a model bill. This is a model bill in the flexibility it allows in meeting child care needs. I am inclined to say to the gentlewoman from Maryland that in a real sense it is making lemons out of lemonade because there is no extra money in this bill, it is a no-cost bill that leaves discretion to the agency to decide where to use its money, and when we have a lot of employees who look like they are not on time or they are not being productive for child care reasons, that may be the best use of discretionary funds. This will go to lower-income people who cannot afford the child care.

Mr. Speaker, I can say to my colleagues that when I was a young mother with two youngsters, I remember at one point having the need of both my mother-in-law and someone who helped me in the house. The mother-in-law went to pick up the child from nursery school, and the lady in the house stayed with the other child. I still have not figured out how low-income mothers do it, particularly single parents.

Mr. Speaker, with its Federal child care centers the Federal Government surely ought to be in the forefront of child care. With this bill, it moves in that direction, and this legislation is in the progressive tradition of the Federal Government staying ahead of other employers in important matters to its own employees.

Mrs. MORELLA. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. GILMAN), the Chairman of the Committee on International Relations, who has put so much time into child care and high-quality child care.

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman from Maryland for yielding this time to me.

Mr. Speaker, I am pleased to rise today in support of H.R. 4280, the Federal Child Care Affordability Act, and I want to thank the gentlewoman from Maryland (Mrs. MORELLA) for her leadership and dedication to child care. This bill allows Federal agencies to help their employees with the ever-growing cost of child care in our Nation. Recent hearings have illustrated that some day care centers charge up to $10,000 or more for a single year of child care, and for some employees that is an outrageous charge, and they are forced to choose more affordable, but not necessarily quality care facilities.

Miss MORELLA's language will allow Federal agencies to use already appropriated funds, no additional costs, already appropriated funds to help these

employees pay for child care, something that the Department of Defense already does for its employees, and these provisions are supported by both conservative and liberal groups alike in addition to GSA and the executive branch agencies and nationally recognized accreditation groups including the National Council on Private School Accreditation and the National Association for the Education of Young Children.

Mr. Speaker, our children are so important, and the care they receive during their first few years of development is essential to raising intelligent and productive members of our society, and I want to thank the gentleman from Maryland (Mr. CUMMINGS) and the gentlewoman from the District of Columbia (Ms. NORTON) for noting the need for our proposed amendment, an amendment that has been proposed by both the gentleman from California (Mr. WAXMAN) and myself which provides regulations for safety and for qualified personnel, which regrettably at the moment is being held up by a jurisdictional question and which hopefully can soon be resolved. I think that that is an essential part of all of this to make certain that whatever child care facilities we utilize, that they are going to be safe and that they are going to be staffed by qualified people.

Accordingly, I urge my colleagues to fully support the Morella measure, H.R. 4280.

Mr. CUMMINGS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Virginia (Mr. MORAN), someone who also has been at the forefront of making sure that Federal employees receive equity and parity and that our children be lifted up.

Mr. MORAN of Virginia. Mr. Speaker, I thank the very distinguished gentleman representing Baltimore for his leadership with regard to Federal employee issues, and particularly with regard to the children of Federal employees, and I thank the gentlewoman from Maryland (Mrs. MORELLA) for her initiative on this amendment.

Mr. Speaker, I rise in strong support of the Federal Employee Child Care Affordability Act to allow Federal agencies the discretion to use their salary and expense accounts to provide child care for their employees.

As my colleagues know, between 1975 and 1994, over a 20-year period, the number of women in the labor force with children under the age of 6 increased from 39 percent to 60 percent. Unbelievable, 60 percent of women in the labor force have children under the age of 6. More than half of children under 1 year of age and more than 12 million children under the age of 5 are regularly in the care of someone other than their parents.

A recent study suggests that one-quarter of all Federal employees need child care. That means we are talking about hundreds of thousands of parents and their children. Access to quality affordable child care has become a number one issue for many parents in the United States, particularly Federal employees. So, as a responsible employer, the Federal Government should be working to improve access to and affordability of child care for its employees.

In Congress we have been working to find ways to encourage private businesses to do just that. We are not doing a bad job. There are 1,400 private employer-provided child care centers throughout the United States. By comparison, the Department of Defense has 850 centers for its employees and another 230 more for civilian DOD employees. We can do much better by allowing all Federal agencies to provide child care assistance to all their employees.

In exchange for being a responsible employer, we also have the added bonus of increased productivity by decreasing missed work hours for child care crises, and the lure of quality affordable child care is a recruitment and retention tool to the most qualified applicants and employees of the Federal Government. DOD has been successful in providing sliding scale fee care on location to parent employees, but other Federal agencies have been strictly prohibited from funding such a program even by simply providing an onsite facility with electricity or furnishings.

The Morella amendment would not force agencies to provide care, but would allow agencies to use their funds at their own discretion to provide care or tuition assistance. Because the amendment does not require an additional appropriation, it does not impact the balanced budget, and, in addition, any profits to the facility will be used to make care more affordable for lower income employees.

Mr. Speaker, it is a well-thought-out amendment.

Over the past several years we have made tough choices along with great progress in achieving fiscal responsibility in the budget. Along with this responsibility we have asked the private sector to do their part in being responsible citizens, particularly as employers by providing benefits such as child care to their employees. It is time for the Federal Government to step up to our responsibility as employers by allowing Federal agencies the discretion to provide child care to their employees, and I urge my colleagues to take this responsibility seriously by supporting the Morella-Cummings-Moran amendment. It is the right thing to do.

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

Mr. Speaker, you can see the extent of the passion and the interest in such an important issue as child care for Federal employees.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, I wanted to mention to my colleague that she may be kind of interested to note that I had the privilege of being the author of the Child Development Act of 1972 in California. Congress has discovered child care 25 years later.

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that a letter sent from the gentleman from California (Mr. THOMAS) to the gentleman from Indiana (Mr. BURTON) be included in the record.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

□ 1500

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

Mr. Speaker, I want to thank my colleagues who have spoken today, my colleague, the gentleman from Maryland, who is handling this bill who is a cosponsor and a very strong advocate who has worked with us, and the gentleman from Florida (Mr. MICA), the chairman of the subcommittee. I wanted to thank the chairman of the full committee also and the ranking member of the full committee and also all of the members who have spoken here today and those who are submitting statements and are very supportive of this legislation.

Certainly the gentleman from New York (Mr. GILMAN) has demonstrated leadership consistently, and I know that his legislation with all of our help will ultimately become law. The gentleman from Virginia (Mr. DAVIS) has spoken, the gentlewoman from the District of Columbia (Ms. NORTON) and, indeed, the gentleman from Virginia (Mr. MORAN) and the gentleman from Maryland (Mr. CUMMINGS).

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

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

Mr. Speaker, I, too, would like to thank the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. WAXMAN), the ranking member, and certainly the gentlewoman from Maryland (Mrs. MORELLA). I want to thank the gentleman from New York (Mr. GILMAN) and the gentlewoman from the District of Columbia (Ms. NORTON) and all of those who have taken part in this discussion today.

I think that when we just see the Members of Congress who have come here today to the floor to speak on this issue, it is clear that it is again a bipartisan effort, an effort to reach out and touch children, children who, in many instances, cannot fend for themselves and cannot speak for themselves, but yet and still they are our most important resource.

I think it is that spirit that brings this legislation to the floor of the House today. It is that spirit that has garnered a bipartisan effort, and it is that very spirit that should allow and make feel good every Member of Congress when they vote for it. I certainly urge all of us to do so.

Ms. JACKSON-LEE of Texas. Mr. Speaker, thank you for the opportunity to speak on this bill today. H.R. 4280 is an extremely important bill for our families and for our children. This bill will allow federal agencies to use their salary and expense accounts to help federal employees pay for child care.

This bill does not require any additional appropriations, it simply requires a commitment on our part, as responsible legislators who care about our future, to ensure that our federal government employees receive the same benefits, the same benefits, the same access to affordable child care that our military emplyees receive. Not only will this bill provide employers with the authority to help its employees with child care costs, it will also improve the quality of our federal child care centers by requiring that these centers follow and maintain state and local regulations for health, fire and safety.

We know that ¼ of all federal workers had children under age six requiring child care during their parents' work day. Some federal child care facilities charge up to $10,000 a year per child! We must vote to help many of our federal employees who are caught in a serious child care crunch!

All parents want to provide their children with the best quality care they can. I hope you will vote to allow federal agencies and federal employees to meet their child care needs.

Ms. LEE. Mr. Speaker, I rise to speak in support of H.R. 4280, the Federal Employee Child Care Affordability Act. I supported a version of this bill, the Morella amendment, on June 14, 1998, when it came up as an amendment of H.R. 4104, the Treasury-Postal Appropriations Act of 1999. The amendment was to permit federal agencies to use their salary and expense accounts to help federal employees pay for child care. I am pleased to support it again.

The lack of reliable child care was an issue before the passage of welfare-to-work reform. Now, it has become more urgent than ever. We are realizing the effects that we feared when welfare reform passed in August 1996. The welfare reform package drastically lacks the support systems necessary to help welfare recipients in transition. In California alone, for example, 200,000 children of working poor families are already on a waiting list for child care. In addition, the parents of nearly 950,000 children who currently receive Temporary Assistance to Needy Families (TANF) assistance will be expected to join the work force in the next few years. This means that nearly one million additional children may be without child care.

In addition to women going from welfare to work, the overall number of working women is increasing. By the year 2006, it is estimated that 61.4 percent of women will be at work. Between the 1986–96 period, slightly more men than women entered the labor force, 52 percent compared with 48 percent. Forty-six percent of all workers today are women, up from 44 percent in 1986. In the 1996–2006 period, women and men are expected to enter the labor force in equal numbers.

For anyone who has had to find child care or knows of someone who needs child care, the story is familiar: there is a severe shortage of reliable child care with necessary educational, physical, and nurturing standards at an affordable cost.

Though child care workers are among our poorest paid, Federal child care still may cost up to $10,000 a year. I put myself in the position of a young woman, head-of-household, whose median salary is $19,752 a year. I would have to pay half of my pre-tax salary for child care. How do my children and I survive?

H.R. 4280 is a real winner in that it provides part of the solution. H.R. 4280 addresses this continuing crisis in finding adequate child care by allowing federal agencies to use their salary and expense accounts to help low-income employees pay for child care. This bill has an extra bonus in that it will not need additional appropriations. I urge my colleagues to support this bill.

Ms. DEGETTE. Mr. Speaker, I thank my colleague from Maryland, Mr. CUMMINGS, and my friend from Maryland, CONNIE MORELLA, for moving this important legislation to the floor. I am pleased that we are considering this so quickly after it was struck down by a point of order in the House version of the Treasury-Postal appropriations bill.

H.R. 4280 is a simple piece of legislation that would permit the Office of Personnel Management to redraw its regulations so that all federal agencies can use existing funds to subsidize child care costs for federal employees. It's a shining example of the old saying, "a little goes a long way." Lower-income employees all around the country will be able to obtain the necessary assistance to seek out and pay for local child care programs.

H.R. 4280 does not legislate new federal child care programs or require additional appropriations.

At a time when child care costs often exceed $10,000 per child per year, and at a time when employers are fast becoming aware that good child care means higher productivity on the job, this bill is good government.

In my district, The Denver Federal Center is situated comfortably at the foot of the Rocky Mountains, about one-half hour away from downtown Denver, Colorado. Roughly 5,500 federal employees are employed at this facility, many of whom are raising small children. This bill would make a simple but profound change in the lives of these individuals—it would make quality child care for their children more affordable.

Today we should recognize the importance of quality child care to the positive development of our children and we should take this opportunity to make a straight-forward, administrative change to government practice. It's a small, but important change.

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

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and pass the bill, H.R. 4280, 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.

CONFERENCE REPORT ON H.R. 4194, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

Mr. LEWIS of California (during debate on H.R. 4280) submitted the following conference report and statement on the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–769)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4194) "making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

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

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, namely:

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFERS OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), $21,857,058,000, to remain available until expended: Provided, That not to exceed $24,534,000 of the amount appropriated shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act

of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the "Compensation and pensions" appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, $1,175,000,000, to remain available until expended: Provided, That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98–77, as amended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, $46,450,000, to remain available until expended.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That during fiscal year 1999, within the resources available, not to exceed $300,000 in gross obligations for direct loans are authorized for specially adapted housing loans: Provided further, That during 1999 any moneys that would be otherwise deposited into or paid from the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund shall be deposited into or paid from the Veterans Housing Benefit Program Fund: Provided further, That any balances in the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund on the effective date of this Act may be transferred to and merged with the Veterans Housing Benefit Program Fund.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $159,121,000, which may be transferred to and merged with the appropriation for "General operating expenses".

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

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

In addition, for administrative expenses necessary to carry out the direct loan program, $206,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $55,000, as authorized by 38 U.S.C. chapter 31, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $2,401,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $400,000, which may be transferred to and merged with the appropriation for "General operating expenses".

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

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

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq.; and not to exceed $8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5), $17,306,000,000, plus reimbursements: Provided, That of the funds made available under this heading, $778,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1999, and shall remain available until September 30, 2000: Provided further, That of the funds made available under this heading, not to exceed $27,420,000 may be transferred to and merged with the appropriation for "General operating expenses": Provided further, That of the funds made available under this heading, up to $10,000,000 shall be for implementation of the Primary Care Providers Incentive Act, contingent upon enactment of authorizing legislation.

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

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 2000, $316,000,000, plus reimbursements: Provided, That of the funds made available under this heading, $6,000,000 is for the Musculoskeletal Disease Center, which amount shall remain available for obligation until expended.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology, $63,000,000, plus reimbursements.

GENERAL POST FUND, NATIONAL HOMES

(INCLUDING TRANSFER OF FUNDS)

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

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

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed $25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail, $855,661,000: Provided, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act.

NATIONAL CEMETERY SYSTEM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of the National Cemetery System, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of six passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, $92,006,000: Provided, That of the amount made available under this heading, not to exceed $90,000 may be transferred to and merged with the appropriation for "General operating expenses".

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $36,000,000: Provided, That of the amount made available under this heading, not to exceed $30,000 may be transferred to and merged with the appropriation for "General operating expenses".

CONSTRUCTION, MAJOR PROJECTS

(INCLUDING TRANSFER OF FUNDS)

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106,

8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is $4,000,000 or more or where funds for a project were made available in a previous major project appropriation, $142,300,000, to remain available until expended: Provided, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: Provided further, That funds provided in this appropriation for fiscal year 1999, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, 1999; and (2) by the awarding of a construction contract by September 30, 2000: Provided further, That the Secretary shall promptly report in writing to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above: Provided further, That no funds from any other account except the "Parking revolving fund", may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only: Provided further, That not to exceed $125,000 may be transferred to the Pershing Hall Revolving Fund, codified at section 493(d) of title 36, United States Code: Provided further, That during fiscal year 1999, or in subsequent fiscal years, the "Construction, major projects" account shall be reimbursed, in the amount transferred, from other funds as they become part of the Pershing Hall Revolving Fund.

CONSTRUCTION, MINOR PROJECTS

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

PARKING REVOLVING FUND

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

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131–8137, $90,000,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

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

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year 1999 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for fiscal year 1999 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

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

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

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year 1999 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 1998.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1999 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100–86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

SEC. 107. Notwithstanding any other provision of law, during fiscal year 1999, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans' Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the "General operating expenses" account for the cost of administration of the insurance programs financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 1999, that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: Provided further, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal year 1999, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 108. In accordance with section 1557 of title 31, United States Code, the following obligated balances shall be exempt from subchapter IV of chapter 15 of such title and shall remain available for expenditure without fiscal year limitation: (1) funds obligated by the Department of Veterans Affairs for lease numbers 084B–05–94, 084B–07–94, and 084B–027–94 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103–124) under the heading "Medical care"; and (2) funds obligated by the Department of Veterans Affairs for lease number 084B–002–96 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995 (Public Law 103–327) under the heading "Medical care".

SEC. 109. (a) The Department of Veterans Affairs medical center in Salisbury, North Carolina, is hereby designated as the "W.G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center". Any reference to such center in any law, regulation, map, document, record or other paper of the United States shall be considered to be a reference to the "W.G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center".

(b) The provisions of subsection (a) are effective on the latter of the first day of the 106th Congress or January 3, 1999.

SEC. 110. LAND CONVEYANCE, RIDGECREST CHILDREN'S CENTER, ALABAMA. (a) CONVEYANCE.—The Secretary of Veterans Affairs may convey, without consideration, to the Board of Trustees of the University of Alabama, all right, title, and interest of the United States in and to the parcel of real property, including any improvements thereon, described in subsection (b).

(b) COVERED PARCEL.—The parcel of real property to be conveyed under subsection (a) is the following: A parcel of property lying in the northeast quarter of the southwest quarter, section 28, township 21 south, range 9 west, Tuscaloosa County, Alabama, lying along and adjacent to Ridgecrest (Brewer's Porch) Children's Center being more particularly described as follows: As a point of commencement start at the southeast corner of the north half of the southwest quarter run in an easterly direction along an easterly projection of the north boundary of the southeast quarter of the southwest quarter for a distance of 888.52 feet to a point; thence with a deflection angle to the left of 134 degrees 41 minutes run in a northwesterly direction for a distance of 1164.38 feet to an iron pipe; thence with a deflection angle to the left of 75 degrees 03 minutes run in a southwesterly direction for a distance of 37.13 feet to the point of beginning of this parcel of property; thence continue in this same southwesterly direction along the projection of the chainlink fence for a distance of 169.68 feet to a point; thence with an interior angle to the left of 63 degrees 16 minutes run in a northerly direction for a distance of 233.70 feet to a point; thence with an interior angle to the left of 43 degrees 55 minutes run in a southeasterly direction for a distance of 218.48 feet to the point of beginning, said parcel having an interior angle of closure of 72 degrees 49 minutes, said parcel containing 0.40 acres more or less, said parcel of property is also subject to all rights-of-way, easements, and conveyances heretofore given for this parcel of property.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms

and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 111. (a) The Department of Veterans Affairs medical center in Cleveland, Ohio, is hereby designated as the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center". Any reference to such center in any law, regulation, map, document, record or other paper of the United States shall be considered to be a reference to the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center".

(b) The provisions of subsection (a) are effective on the latter of the first day of the 106th Congress or January 3, 1999.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFERS AND RESCISSION OF FUNDS)

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, $10,326,542,030, to remain available until expended: Provided, That of the total amount provided under this heading, $9,600,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts, for enhanced vouchers (including renewals) as provided under the "Preserving Existing Housing Investment" account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104–204), and contracts entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act: Provided further, That in the case of enhanced vouchers provided under this heading, if the income of a family receiving assistance declines to a significant extent, the percentage of income paid by the family for rent shall not exceed the greater of 30 percent or the percentage of income paid at the time of mortgage prepayment: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1999: Provided further, That of the total amount provided under this heading, $433,542,030 shall be for section 8 rental assistance under the United States Housing Act of 1937 including assistance to relocate residents of properties: (1) that are owned by the Secretary and being disposed of; or (2) that are discontinuing section 8 project-based assistance; for relocation and replacement housing for units that are demolished or disposed of from the public housing inventory (in addition to amounts that may be available for such purposes under this and other headings); for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: Provided further, That of the total amount made available in the preceding proviso, $40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 1361l), or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families: Provided further, That the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104–204, shall also be made available to nonelderly disabled families affected by the restriction of occupancy to elderly families in accordance with section 658 of the Housing and Community Development Act of 1992: Provided further, That to the extent the Secretary determines that the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104–204, is not needed to fund applications for affected families described in the fifth proviso, or in the preceding proviso under this heading in this Act, the amount not needed shall be made available to other nonelderly disabled families: Provided further, That of the total amount provided under this heading, $10,000,000 shall be for Regional Opportunity Counseling: Provided further, That all balances, as of September 30, 1998, remaining in the "Prevention of Resident Displacement" account shall be transferred to and merged with the amounts provided for those purposes under this heading.

For tenant-based assistance under the United States Housing Act of 1937 to help eligible families make the transition from welfare to work, $283,000,000 from the total amount provided under this heading, to be administered by public housing agencies (including Indian tribes and their tribally designated housing entities, as defined by the Secretary of Housing and Urban Development), and to remain available until expended: Provided, That families initially selected to receive assistance under this paragraph: (1) shall be eligible to receive, shall be currently receiving, or shall have received within the preceding two years, assistance or services funded under the Temporary Assistance for Needy Families (TANF) program under part A of title IV of the Social Security Act or as part of a State's qualified State expenditure under section 409(a)(7)(B)(i) of such Act; (2) shall be determined by the agency to be families for which tenant-based housing assistance is critical to successfully obtaining or retaining employment; and (3) shall not already be receiving tenant-based assistance under the United States Housing Act of 1937: Provided further, That each application shall: (1) describe the proposed program, which shall be developed by the public housing agency in consultation with the State, local or Tribal entity administering the TANF program and the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor pursuant to section 403(a)(5)(A) of the Social Security Act, and which shall take into account the particular circumstances of the community; (2) demonstrate that tenant-based housing assistance is critical to the success of assisting eligible families to obtain or retain employment; (3) specify the criteria for selecting among eligible families to receive housing assistance under this paragraph; (4) describe the proposed strategy for tenant counseling and housing search assistance and landlord outreach; (5) include any requests for waivers of any administrative requirements or any provisions of the United States Housing Act of 1937, with a demonstration of how approval of the waivers would substantially further the objective of this paragraph; (6) include certifications from the State, local, or Tribal entity administering assistance under the TANF program and from the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor, that the entity supports the proposed program and will cooperate with the public housing agency that administers the housing assistance to assure that such assistance is coordinated with other welfare reform and welfare to work initiatives; however, if either does not respond to the public housing agency within a reasonable time period, its concurrence shall be assumed, and if either objects to the application, its concerns shall accompany the application to the Secretary, who shall take them into account in this funding decision; and (7) include such other information as the Secretary may require and meet such other requirements as the Secretary may establish: Provided further, That the Secretary, after consultation with the Secretary of Health and Human Services and the Secretary of Labor, shall select public housing agencies to receive assistance under this paragraph on a competitive basis, taking into account the need for and quality of the proposed program (including innovative approaches), the extent to which the assistance will be coordinated with welfare reform and welfare to work initiatives, the extent to which the application demonstrates that tenant-based assistance is critical to the success of assisting eligible families to obtain or retain employment; and other appropriate criteria established by the Secretary: Provided further, That the Secretary may use up to one percent of the amount available under this paragraph, directly or indirectly, to conduct detailed evaluations of the effect of providing assistance under this paragraph: Provided further, That of the amount made available under this paragraph, at least $4,000,000 each shall be made available for local self-sufficiency/welfare-to-work initiatives in San Bernardino County, California; Cleveland, Ohio; Kansas City, Missouri; Charlotte, North Carolina; Miami/Dade County, Florida; Prince Georges County, Maryland; New York City, New York; and Anchorage, Alaska.

From the sources and in the order hereinafter specified, $1,650,000,000 is rescinded: Provided, That the first source shall be amounts that are available or may be recaptured from project-based contracts for section 8 assistance that expired or were terminated during fiscal year 1999 or any prior year: Provided further, That after all amounts that are available or may be recaptured from the first source have been exhausted, the second source shall be unobligated amounts from amendments to contracts for project-based section 8 assistance, other than contracts for projects developed under section 202 of the Housing Act of 1959, other than amounts described as the fourth source, in the fourth proviso in this paragraph, that are carried over into 1999: Provided further, That after all amounts that are available from the second source are exhausted, the third source shall be amounts recaptured from section 8 reserves in the section 8 moderate rehabilitation program: Provided further, That after all amounts that are available or may be recaptured from the third source have been exhausted, the fourth source shall be all unobligated amounts for project-based assistance that are earmarked under the third proviso under this heading in Public Law 105–65, 111 Stat. 1351 (approved October 27, 1997): Provided further, That any amounts that are available or recaptured in connection with the first or third provisos of this paragraph that are in the Annual Contributions for Assisted Housing account, and are required to be rescinded by this paragraph, shall be rescinded from the Annual Contributions for Assisted Housing account.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program for modernization of existing public housing projects as authorized under section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), $3,000,000,000, to remain available until expended: Provided, That of the total amount, up to $100,000,000 shall be for carrying out activities under section 6(j) of such Act and technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the Department and of public housing agencies and to residents in connection with the public housing programs and for lease adjustments to section 23 projects: Provided further, That of the amount available under this heading, up to $5,000,000 shall be for the Tenant Opportunity Program: Provided further, That all balances, as of September 30, 1998, of funds heretofore provided for section 673 public housing service coordinators shall be transferred to and merged with amounts made available under this heading.

PUBLIC HOUSING OPERATING FUND

For payments to public housing agencies for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), $2,818,000,000, to remain available until expended.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

For grants to public housing agencies and Indian tribes and their tribally designated housing entities for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, $310,000,000, to remain available until expended, of which $10,000,000 shall be for grants, technical assistance, contracts and other assistance, training, and program assessment and execution for or on behalf of public housing agencies, resident organizations, and Indian tribes and their tribally designated housing entities (including the cost of necessary travel for participants in such training), $10,000,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home Program administered by the Inspector General of the Department of Housing and Urban Development, $10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home; and $20,000,000 shall be available for a program named the New Approach Anti-Drug program which will provide competitive grants to entities managing or operating public housing developments, federally assisted multifamily housing developments, or other multifamily housing developments for low-income families supported by non-Federal governmental entities or similar housing developments supported by nonprofit private sources in order to provide or augment security (including personnel costs), to assist in the investigation and/or prosecution of drug related criminal activity in and around such developments, and to provide assistance for the development of capital improvements at such developments directly relating to the security of such developments: Provided, That grants for the New Approach Anti-Drug program shall be made on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989: Provided further, That the term "drug-related crime", as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary: Provided further, That, notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants displaced by the demolition (including appropriate homeownership down payment assistance for displaced tenants), $625,000,000, to remain available until expended, of which the Secretary may use up to $15,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: Provided, That no funds appropriated under this heading shall be used for any purpose that is not provided for herein, in the United States Housing Act of 1937, in the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, 1997, and 1998, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996: Provided further, That for purposes of environmental review pursuant to the National Environmental Policy Act of 1969, a grant under this heading or under prior appropriations Acts for use for the purposes under this heading shall be treated as assistance under title I of the United States Housing Act of 1937 and shall be subject to the regulations issued by the Secretary to implement section 26 of such Act: Provided further, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (Public Law 104–330), $620,000,000, to remain available until expended, of which $6,000,000 shall be used to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the oversight and management of Indian housing and tenant-based assistance, including up to $200,000 for related travel: Provided, That of the amount provided under this heading, $6,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of the Native American Housing Assistance and Self-Determination Act of 1996: Provided, further, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided, further, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed $54,600,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to $200,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees: Provided, That the funds made available in the first proviso in the preceding paragraph are for a demonstration on ways to enhance economic growth, to increase access to private capital, and to encourage the investment and participation of traditional financial institutions in tribal and other Native American areas.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), $6,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $68,881,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to $400,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For an Office of Rural Housing and Economic Development to be established in the Department of Housing and Urban Development, $25,000,000, to remain available until expended: Provided, That of the amount under this heading, $4,000,000 shall be used to develop capacity at the State and local level for developing rural housing and for economic development, of which $1,000,000 shall be used to develop a clearinghouse of ideas for innovative strategies for rural housing and economic development and revitalization and of which $3,000,000 shall be awarded by June 1, 1999 directly to local rural nonprofits, community development corporations and Indian tribes to support capacity building and technical assistance: Provided further, That of the amount under this heading, $21,000,000 shall be awarded by June 1, 1999 to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations to support innovative housing and economic development activities in rural areas, of which $5,000,000 shall be awarded as seed support for Indian tribes, nonprofits and community development corporations that are located in areas that have limited capacity for the development of rural housing and for economic development: Provided further, That all grants shall be awarded on a competitive basis as specified in section 102 of the HUD Reform Act: Provided further, That all funds unobligated as of October 1, 1998 under the fifth paragraph of the Community Development Block Grants account in the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1998 (Public Law 105–65; October 27, 1997) shall be transferred to this account to be awarded to Indian tribes, State housing finance agencies, State community and/or economic development corporations for activities under this heading with any outstanding earmarks for a State to be awarded to that State's housing finance agency.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), $215,000,000, to remain available until expended: Provided, That the Secretary may use up to 1 percent of the funds under this heading for technical assistance: Provided further, That within 30 days of the close of fiscal year 1999, the Secretary shall submit a report to the Congress summarizing all technical assistance provided during the fiscal year.

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFER OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301), $4,750,000,000, to remain available until September 30, 2001: Provided, That $67,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act, $3,000,000 shall be available as a grant to the Housing Assistance Council, $3,000,000 shall be available for the Organizing Committee for the 1999 Special Olympics Summer Games to be used in support of related activities in the Triangle Area of North Carolina, $1,800,000 shall be available as a grant to the National American Indian Housing Council, $50,000,000 shall be for grants pursuant to section 107 of the Act: Provided further, That all funding decisions under section 107 except as specified herein shall be subject to a reprogramming request unless otherwise specified in accordance with the terms and conditions specified in the joint explanatory statement of the committee of conference accompanying this Act (H.R. 4194): Provided further, That $27,500,000 shall be for grants pursuant to the Self Help Housing Opportunity program, subject to authorization of which $7,500,000 shall be for capacity building efforts: Provided further, That not to exceed 20 percent of any grant made with funds appropriated herein (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department.

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

Of the amount made available under this heading, $12,000,000 is for the City of Oklahoma City, Oklahoma, for a revolving loan pool that shall be subject to the following requirements and conditions: (1) amounts in the pool shall be available only for the purposes of making loans to carry out economic development activities that primarily benefit the area in Oklahoma City bounded on the south by Robert S. Kerr Avenue, on the north by North 13th Street, on the east by Oklahoma Avenue, and on the west by Shartel Avenue, and covering costs involved in administering the loan pool; (2) amounts provided under this paragraph shall be available for use from the loan pool only to the extent that the amounts contributed to the loan pool (or committed to be contributed) from non-Federal sources equal or exceed two times the amounts provided under this paragraph; (3) any repayments of principal and interest from loans made by the pool shall be deposited in the pool and available for use for loans in accordance with this paragraph; (4) amounts in the pool may not be used to provide loans to any agency or entity of the Federal Government or any State government or unit of general local government; (5) amounts provided under this paragraph shall be available for use from the loan pool only if the City of Oklahoma City, Oklahoma agrees (to the satisfaction of the Secretary of Housing and Urban Development) to deposit in the pool (for use for loans in accordance with this paragraph) the net proceeds from any amounts that are repaid to the City under loans made by the City using amounts provided under this same heading under chapter III of title III of Public Law 104-19 (109 Stat. 253).

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to $55,000,000 for a public and assisted housing self-sufficiency program, of which up to $5,000,000 may be used for the Moving to Work Demonstration, and at least $20,000,000 shall be used for grants for service coordinators and congregate services for the elderly and disabled: Provided, That for self-sufficiency activities, the Secretary may make grants to public housing agencies (including Indian tribes and their tribally designated housing entities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals: Provided further, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: Provided further, That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated education, training, and other supportive services, including case management skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, such as transportation, and child care: Provided further, That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: Provided further, That the Secretary shall select public and Indian housing agencies to receive assistance under this heading on a competitive basis, taking into account the quality of the proposed program, including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary (except that this proviso shall not apply to renewal of grants for service coordinators and congregate services for the elderly and disabled).

Of the amount made available under this heading, notwithstanding any other provision of law, $42,500,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: Provided, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: Provided further, That up to $2,500,000 may be used for capacity buildings efforts.

Of the amount made available under this heading, $225,000,000 shall be available for the Economic Development Initiative (EDI) to finance a variety of efforts, including $190,000,000 for making grants for targeted economic investments in accordance with the terms and conditions specified for such grants in the joint explanatory statement of the committee of conference accompanying this Act.

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

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

For any fiscal year, of the amounts made available as emergency funds under the heading "Community Development Block Grants Fund" and notwithstanding any other provision of law, not more than $250,000 may be used for the non-Federal cost-share of any project funded by the Secretary of the Army through the Corps of Engineers.

BROWNFIELDS REDEVELOPMENT

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

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), as amended, $1,600,000,000, to remain available until expended: Provided, That up to $7,000,000 of these funds shall be available for the development and operation of integrated community development management information systems: Provided further, That up to $17,500,000 of these funds shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968.

HOMELESS ASSISTANCE GRANTS

For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney

Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), $975,000,000, to remain available until expended: Provided, That not less than 30 percent of these funds shall be used for permanent housing, and all funding for services must be matched by 25 percent in funding by each grantee: Provided further, That the Secretary of Housing and Urban Development shall conduct a review of any balances of amounts provided under this heading in this or any previous appropriations Act that have been obligated but remain unexpended and shall deobligate any such amounts that the Secretary determines were obligated for contracts that are unlikely to be performed and award such amounts during this fiscal year: Provided further, That up to 1 percent of the funds appropriated under this heading may be used for technical assistance and tracking systems needed to carry out the directives provided in House Report 105–610.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families not otherwise provided for, $854,000,000, to remain available until expended: Provided, That of the total amount provided under this heading, $660,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for the elderly under section 202(c)(2) of the Housing Act of 1959, and for supportive services associated with the housing; and $194,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance, for amendments to contracts for project rental assistance, and supportive services associated with the housing for persons with disabilities as authorized by section 811 of such Act: Provided further, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is five years in duration: Provided further, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the Cranston-Gonzalez National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 1998, and any collections made during fiscal year 1999, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1999, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of $110,000,000,000.

During fiscal year 1999, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed $100,000,000: Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, $328,888,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed $324,866,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed $4,022,000 shall be transferred to the appropriation for the Office of Inspector General.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z–3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), $81,000,000, to remain available until expended: Provided, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to $18,100,000,000: Provided further, That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed $50,000,000; of which not to exceed $30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed $20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, $211,455,000, of which $193,134,000, shall be transferred to the appropriation for departmental salaries and expenses; and of which $18,321,000 shall be transferred to the appropriation for the Office of Inspector General.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

During fiscal year 1999, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed $150,000,000,000.

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

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z–1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $47,500,000, to remain available until September 30, 2000.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $40,000,000, to remain available until September 30, 2000, of which $23,500,000 shall be to carry out activities pursuant to such section 561: Provided, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, $80,000,000 to remain available until expended, of which $2,500,000 shall be for CLEARCorps and $10,000,000 shall be for a Healthy Homes Initiative, which shall be a program pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related environmental diseases and hazards.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed $7,000 for official reception and representation expenses, $985,826,000, of which $518,000,000 shall be provided from the various funds of the Federal Housing Administration, $9,383,000 shall be provided from funds of the Government National Mortgage Association, $1,000,000 shall be provided from the "Community Development Grants Program" account, $200,000 shall be provided by transfer from the "Title VI Indian Federal Guarantees Program" account, and $400,000 shall be provided by transfer from the "Indian Housing Loan Guarantee Fund Program" account: Provided, That the Department is prohibited from employing more than 77 schedule C and 20 noncareer Senior Executive Service employees.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $81,910,000, of which $22,343,000 shall be provided from the various funds of the Federal Housing Administration and $10,000,000 shall be provided from the amount earmarked for Operation Safe Home in the "Drug Elimination Grants for Low-Income

Housing" account: Provided, That the Inspector General shall have independent authority over all personnel issues within the Office of Inspector General.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

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

ADMINISTRATIVE PROVISIONS

PUBLIC AND ASSISTED HOUSING RENTS, PREFERENCES, AND FLEXIBILITY

SEC. 201. Section 201(a)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437l note), is amended to read as follows:

"(2) APPLICABILITY.—Section 14(q) of the United States Housing Act of 1937 shall be effective only with respect to assistance provided from funds made available for fiscal year 1999 or any preceding fiscal year, except that the authority in the first sentence of section 14(q)(1) to use up to 10 percent of the allocation of certain funds for any operating subsidy purpose shall not apply to amounts made available for fiscal years 1998 and 1999.".

GSE DEFAULT LOSS PROTECTION

SEC. 202. (a) Section 305(a)(2) of the Federal Home Loan Corporation Act is amended in the first sentence by—

(1) striking "or" at the end of clause (B);

(2) striking the period at the end of the first sentence and inserting in lieu thereof: "; or (D) the mortgage is subject to default loss protection that the Corporation determines is financially equal or superior, on an individual or pooled basis, to the protection provided by clause (C) of this sentence: Provided, That if the Director of the Office of Federal Housing Enterprise Oversight subsequently finds that such default loss protection determined by the Corporation does not provide such equal or superior protection, the Corporation shall provide such additional default loss protection for such mortgage, as approved by the Director of the Office of Federal Housing Enterprise Oversight, necessary to provide such equal or superior protection.";

(b) Section 1313(b) of the Federal Housing Enterprises Financial Housing Safety and Soundness Act of 1992 is amended by renumbering paragraphs "(9)", "(10)", and "(11)", as "(10)", "(11)", and "(12)", respectively, and inserting the following new paragraph "(9)":

"(9) default loss protection levels under section 305(a)(2)(D) of the Federal Home Loan Mortgage Corporation Act;".

FINANCING ADJUSTMENT FACTORS

SEC. 203. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

FAIR HOUSING AND FREE SPEECH

SEC. 204. None of the amounts made available under this Act may be used during fiscal year 1999 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a government official or entity, or a court of competent jurisdiction.

BROWNFIELDS AS ELIGIBLE CDBG ACTIVITY

SEC. 205. For fiscal years 1998, 1999, and all fiscal years thereafter, States and entitlement communities may use funds allocated under the community development block grants program under title I of the Housing and Community Development Act of 1974 for environmental cleanup and economic development activities related to Brownfields projects in conjunction with the appropriate environmental regulatory agencies, as if such activities were eligible under section 105(a) of such Act.

ENHANCED DISPOSITION AUTHORITY

SEC. 206. Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended by striking "fiscal years 1997 and 1998" and inserting "fiscal years 1997, 1998, and 1999".

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANTS

SEC. 207. (a) ELIGIBILITY.—Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 1999 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation in a prior fiscal year under clause (ii) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 1999 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 1999 do not have the number of cases of acquired immunodeficiency syndrome required under such clause.

(b) AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year 1999 in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

(c) ENVIRONMENTAL REVIEW.—For purposes of environmental review, pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.) from amounts provided under this or prior Acts shall be treated as assistance for a special project that is subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547), and shall be subject to the regulations issued by the Secretary to implement such section. Where the grantee under the AIDS Housing Opportunity Act is a nonprofit organization and the activity is proposed to be carried out within the jurisdiction of an Indian tribe or the community of an Alaska native village, the role of the State or unit of general local government under sections 305(c)(1)–(3) of such Act may be carried out by the Indian tribe or Alaska native village instead.

DRAWDOWN OF FUNDS

SEC. 208. Section 14(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437l(q)(1)) is amended by inserting after the first sentence the following sentence: "Such assistance may involve the drawdown of funds on a schedule commensurate with construction draws for deposit into an interest earning escrow account to serve as collateral or credit enhancement for bonds issued by a public agency for the construction or rehabilitation of the development.".

ELIMINATION OF SHOPPING INCENTIVE FOR VOUCHER FAMILIES WHO REMAIN IN SAME UNIT UPON INITIAL RECEIPT OF ASSISTANCE

SEC. 209. (a) Section 8(o)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(2)) is amended by inserting the following new sentence at the end: "Notwithstanding the preceding sentence, for families being admitted to the voucher program who remain in the same unit or complex, where the rent (including the amount allowed for utilities) does not exceed the payment standard, the monthly assistance payment for any family shall be the amount by which such rent exceeds the greater of 30 percent of the family's monthly adjusted income or 10 percent of the family's monthly income.".

(b) This section shall take effect 60 days after the later of October 1, 1998 or the date of enactment of this Act.

RENEGOTIATION OF PERFORMANCE FUNDING SYSTEM

SEC. 210. Section 9(a)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(A)) is amended—

(1) by inserting after the third sentence the following new sentence to read as follows: "Notwithstanding the preceding sentences, the Secretary may revise the performance funding system in a manner that takes into account equity among public housing agencies and that includes appropriate incentives for sound management."; and

(2) in the last sentence, by inserting after "vacant public housing units" the following: ", or any substantial change under the preceding sentence,".

FHA MULTIFAMILY MORTGAGE CREDIT DEMONSTRATIONS

SEC. 211. Section 542 of the Housing and Community Development Act of 1992 is amended—

(1) in subsection (b)(5) by adding before the period at the end of the first sentence ", and not more than an additional 25,000 units during fiscal year 1999", and

(2) in the first sentence of subsection (c)(4) by striking "1996 and" and inserting "1996," and by inserting after "fiscal year 1997" the following: "and not more than an additional 25,000 units during fiscal year 1999".

CALCULATION OF DOWNPAYMENT

SEC. 212. Section 203(b)(10) of the National Housing Act is amended by—

(1) striking out "ALASKA AND HAWAII" and inserting in lieu thereof "CALCULATION OF DOWNPAYMENT"; and

(2) striking out in subparagraph (A) "originated in the State of Alaska or the State of Hawaii and endorsed for insurance in fiscal years 1997 and 1998," and inserting in lieu thereof "executed for insurance in fiscal years 1998, 1999, and 2000".

STATE CDBG IDIS FUNDING

SEC. 213. During fiscal year 1999, from amounts received by a State under section

106(d)(1) of the Housing and Community Development Act of 1974 for distribution in nonentitlement areas, the State may deduct an amount, not to exceed the greater of 0.25 percent of the amount so received or $50,000, for implementation of the integrated disbursement and information system established by the Secretary, in addition to any amounts used for this purpose from amounts retained by the State for administrative expenses under section 106(d)(3)(A).

NURSING HOME LEASE TERMS

SEC. 214. (a) TECHNICAL CORRECTION.—Section 216 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998, is amended by striking out "fifty years from the date" and inserting in lieu thereof "fifty years to run from the date".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be construed to have taken effect on October 27, 1997.

TECHNICAL FOR EMERGENCY CDBG PROGRAM

SEC. 215. For purposes of eligibility for funding under the heading "Community Development Block Grants" in the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105–174; May 1, 1998) the term "States" shall be deemed to include "Indian tribes" as defined under section 102(a)(17) of the Housing and Community Development Act of 1974 and Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa: Provided, That amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

USE OF HOME FUNDS FOR PUBLIC HOUSING MODERNIZATION

SEC. 216. Notwithstanding section 212(d)(5) of the Cranston-Gonzalez National Affordable Housing Act, amounts made available to the City of Bismarck, North Dakota, under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act for fiscal years 1998, 1999, 2000, 2001 or 2002, may be used to carry out activities authorized under section 14 of the United States Housing Act of 1937 (42 U.S.C. 14371) for the purpose of modernizing the Crescent Manor public housing project located at 107 East Bowen Avenue, in Bismarck, North Dakota, if—

(1) the Burleigh County Housing Authority (or any successor public housing agency that owns or operates the Crescent Manor public housing project) has obligated all other Federal assistance made available to that public housing agency for that fiscal year; or

(2) the Secretary of Housing and Urban Development authorizes the use of those amounts for the purpose of modernizing that public housing project, which authorization may be made with respect to one or more of those fiscal years.

CDBG AND HOME EXEMPTION

SEC. 217. The City of Oxnard, California may use amounts available to the City under title I of the Housing and Community Development Act of 1974 and under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act to reimburse the city for its cost in purchasing 19.89 acres of land, more or less, located at the northwest corner of Lombard Street and Camino del Sol in the city, on the north side of the 2100 block of Camino del Sol, for the purpose of providing affordable housing. The procedures set forth in sections 104(g)(2) and (3) of the Housing and Community Development Act of 1974 and sections 288(b) and (c) of the Cranston-Gonzalez National Affordable Housing Act shall not apply to any release of funds for such reimbursement.

CDBG PUBLIC SERVICES CAP

SEC. 218. Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking "1998" and inserting "1999".

CLARIFICATION OF OWNER'S RIGHT TO PREPAY

SEC. 219. (a) PREPAYMENT RIGHT.—Notwithstanding section 211 of the Housing and Community Development Act of 1987 or section 221 of the Housing and Community Development Act of 1987 (as in effect pursuant to section 604(c) of the Cranston-Gonzalez National Affordable Housing Act), subject to subsection (b), with respect to any project that is eligible low-income housing (as that term is defined in section 229 of the Housing and Community Development Act of 1987)—

(1) the owner of the project may prepay, and the mortgagee may accept prepayment of, the mortgage on the project, and

(2) the owner may request voluntary termination of a mortgage insurance contract with respect to such project and the contract may be terminated notwithstanding any requirements under sections 229 and 250 of the National Housing Act.

(b) CONDITIONS.—Any prepayment of a mortgage or termination of an insurance contract authorized under subsection (a) may be made—

(1) only to the extent that such prepayment or termination is consistent with the terms and conditions of the mortgage on or mortgage insurance contract for the project;

(2) only if owner of the project involved agrees not to increase the rent charges for any dwelling unit in the project during the 60-day period beginning upon such prepayment or termination; and

(3) only if the owner of the project provides notice of intent to prepay or terminate, in such form as the Secretary of Housing and Urban Development may prescribe, to each tenant of the housing, the Secretary, and the chief executive officer of the appropriate State or local government for the jurisdiction within which the housing is located, not less than 150 days, but not more than 270 days, before such prepayment or termination, except that such requirement shall not apply to a prepayment or termination that—

(A) occurs during the 150-day period immediately following the date of enactment of this Act;

(B) is necessary to effect conversion to ownership by a priority purchaser (as defined in section 231(a) of the Low-Income Housing Preservation and Resident Ownership Act of 1990 (12 U.S.C. 4120(a)), or

(C) will otherwise ensure that the project will continue to operate, at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed prepayment or termination.

PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT

SEC. 220. The Public and Assisted Housing Drug Elimination Act of 1990 is amended—

(1) in section 5123, by inserting "Indian tribes" before "and private";

(2) in section 5124(a)(7), by inserting ", an Indian tribe," before "or tribally designated";

(3) in section 5125, by inserting "an Indian tribe" before "a tribally designated"; and

(4) in section 5126, by adding at the end the following new paragraph:

"(6) INDIAN TRIBE.—The term "Indian tribe" has the meaning given the term in section 4(12) of the Native American Housing Assistance and Self Determination Act of 1996, 25 U.S.C. 4103(12).".

MULTIFAMILY HOUSING INSTITUTE

SEC. 221. Notwithstanding any other provision of law, the Secretary may, from time to time, as determined necessary to assist the Department in managing its multifamily assets including analyzing, tracking and evaluating its portfolio of FHA-insured and other mortgages and properties and assisting the Department in understanding and reducing the risk involved in its mortgage restructuring, insuring and guaranteeing activities, provide data to, and purchase data from, any nonprofit, industry supported, on-line provider of nationwide, multifamily housing loan and property data services.

MULTIFAMILY MORTGAGE AUCTIONS

SEC. 222. Section 221(g)(4)(C) of the National Housing Act is amended—

(1) in the first sentence of clause (viii), by striking "September 30, 1996" and inserting "December 31, 2002"; and

(2) by adding at the end the following:

"(ix) The authority of the Secretary to conduct multifamily auctions under this paragraph shall be effective for any fiscal year only to the extent and in such amounts as are approved in appropriations Acts for the costs of loan guarantees (as defined in section 502 of the Congressional Budget Act of 1974), including the cost of modifying loans.".

FUNDING CORRECTION

SEC. 223. Notwithstanding any other provision of law, of the $1,250,000 made available pursuant to Public Law 102–389 for economic revitalization and infrastructure repair in Montpelier, Vermont, $250,000 is available for the Central Vermont Revolving Loan Fund administered by the Central Vermont Community Action Council.

ANNUAL REPORT ON MANAGEMENT DEFICIENCIES

SEC. 224.(a) IN GENERAL.—Section 203 of the National Housing Act (12 U.S.C. 1709) is amended by adding at the end the following:

"(x) MANAGEMENT DEFICIENCIES REPORT.—

"(1) IN GENERAL.—Not later than 60 days after the date of enactment of this subsection, and annually thereafter, the Secretary shall submit to Congress a report on the plan of the Secretary to address each material weakness, reportable condition, and noncompliance with an applicable law or regulation (as defined by the Director of the Office of Management and Budget) identified in the most recent audited financial statement of the Federal Housing Administration submitted under section 3515 of title 31, United States Code.

"(2) CONTENTS OF ANNUAL REPORT.—Each report submitted under paragraph (1) shall include—

"(A) an estimate of the resources, including staff, information systems, and contract assistance, required to address each material weakness, reportable condition, and noncompliance with an applicable law or regulation described in paragraph (1), and the costs associated with those resources;

"(B) an estimated timetable for addressing each material weakness, reportable condition, and noncompliance with an applicable law or regulation described in paragraph (1); and

"(C) the progress of the Secretary in implementing the plan of the Secretary included in the report submitted under paragraph (1) for the preceding year, except that this subparagraph does not apply to the initial report submitted under paragraph (1).".

SEC. 225. (a) INFORMED CONSUMER CHOICE.—Section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by adding at the end the following:

"In conjunction with any loan insured under this section, an original lender shall provide to each prospective borrower a disclosure notice that provides a one page analysis of mortgage products offered by that lender and for which the borrower would qualify. This notice shall include: (i) a generic analysis comparing the note rate (and associated interest payments), insurance premiums, and other costs and fees that would be due over the life of the loan for a loan

insured by the Secretary under this subsection with the note rates, insurance premiums (if applicable), and other costs and fees that would be expected to be due if the mortgagor obtained instead other mortgage products offered by the lender and for which the borrower would qualify with a similar loan-to-value ratio in connection with a conventional mortgage (as that term is used in section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) or section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)), as applicable), assuming prevailing interest rates; and (ii) a statement regarding when the mortgagor's requirement to pay the mortgage insurance premiums for a mortgage insured under this section would terminate or a statement that the requirement will terminate only if the mortgage is refinanced, paid off, or otherwise terminated.".

(b) REGULATION.—The Secretary of Housing and Urban Development shall develop the disclosure notice under subsection (a) within 150 days of enactment through notice and comment rulemaking.

SEC. 226. FUNDING OF CERTAIN PUBLIC HOUSING.—Notwithstanding any other provision of law, no funds in this or any other Act may hereafter be used by the Secretary of Housing and Urban Development to determine allocations or provide assistance for operating subsidies or modernization for certain State and city funded and locally developed public housing units, as defined for purposes of a statutory paragraph, notwithstanding the deeming by statute of such units to be public housing units developed under the United States Housing Act of 1937, unless such unit was so assisted before October 1, 1998.

SECTION 236 PROGRAM REFORM

SEC. 227. Section 236(g) of the National Housing Act, as amended by section 221(c) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended to read as follows:

"(g) The project owner shall, as required by the Secretary, accumulate, safeguard, and periodically pay the Secretary or such other entity as determined by the Secretary and upon such terms and conditions as the Secretary deems appropriate, all rental charges collected on a unit-by-unit basis in excess of the basic rental charges. Unless otherwise directed by the Secretary, such excess charges shall be credited to a reserve used by the Secretary to make additional assistance payments as provided in paragraph (3) of subsection (f). Notwithstanding any other requirements of this subsection, an owner of a project with a mortgage insured under this section, or a project previously assisted under subsection (b) but without a mortgage insured under this section if the project mortgage was insured under section 207 of this Act before July 30, 1998 pursuant to section 223(f) of this Act and assisted under subsection (b), may retain some or all of such excess charges for project use if authorized by the Secretary and upon such terms and conditions as established by the Secretary.".

FHA MORTGAGE INSURANCE INCREASE

SEC. 228. (a) Subparagraph (A) of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)(A)) is amended by striking clause (ii) and all that follows through the end of the subparagraph and inserting the following:

"(ii) 87 percent of the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; except that the dollar amount limitation in effect for any area under this subparagraph may not be less than 48 percent of the dollar limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; and".

(b) The first sentence in the matter following section 203(b)(2)(B)(iii) of the National Housing Act (12 U.S.C. 1709(b)(2)(B)(iii) is amended to read as follows: "For purposes of the preceding sentence, the term 'area' means a metropolitan statistical area as established by the Office of Management and Budget; and the median 1-family house price for an area shall be equal to the median 1-family house price of the county within the area that has the highest such median price.".

HOPE VI GRANT FOR HOLLANDER RIDGE

SEC. 229. If the Secretary rescinds the grant award of $20,000,000 made to the Housing Authority of Baltimore City for development efforts at Hollander Ridge in Baltimore, Maryland, involving funds appropriated for fiscal year 1996 under the heading "Public Housing Demolition, Site Revitalization, and Replacement Housing Grants", all of the rescinded grant amount shall be recaptured by the Secretary and added to the amounts otherwise available under this heading. If, after the date of any such recapture, the Housing Authority of Baltimore City applies in response to a Notice of Funding Availability issued by the Secretary for a grant from funds available under this heading (not to exceed the amount recaptured) for development efforts at Hollander Ridge, then the Secretary shall grant priority status to such application and approve the grant award if the application meets the terms and criteria stated in the Notice of Funding Availability.

DEBT FORGIVENESS

SEC. 230. The Secretary of Housing and Urban Development shall cancel the indebtedness of the Town of Hobson City, Alabama, relating to a public facilities loan under title II of the Housing Amendments of 1955, issued July 1, 1969 (Project No. ALA-01-PFL0139). The Town of Hobson City hereby is relieved of all liability to the Federal Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any other fees and charges payable in connection with such loan.

CONSIDERATION OF HOMELESS GRANT APPLICATION

SEC. 231. The Secretary shall consider without prejudice the application submitted August 5, 1998 by the City of Wichita and Sedgwick County, Kansas for assistance under the Continuum of Care Homeless Assistance program pursuant to the Notice at 63 Federal Register 23988, 23999 (April 30, 1998) notwithstanding the August 4, 1998 due date for such application, notwithstanding any provision that may be to the contrary in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

CDBG SERVICE CAP FOR MIAMI

SEC. 232. Section 105(a)(8) of the Housing and Community Development Act of 1974 is amended by striking "fiscal year 1994" and all that follows through the end of the paragraph and inserting the following: "each of fiscal years 1999, 2000, and 2001, to the City of Miami, such city may use not more than 25 percent in each fiscal year for activities under this paragraph;".

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries, $26,431,000, to remain available until expended.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

For necessary expenses in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act, including hire of passenger vehicles, and for services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376, $6,500,000: Provided, That the Chemical Safety and Hazard Investigation Board shall have not more than three career Senior Executive Service positions.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

FUND PROGRAM ACCOUNT

For grants, loans, and technical assistance to qualifying community development lenders, and administrative expenses of the Fund, including services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES-3, $80,000,000, to remain available until September 30, 2000, of which $12,000,000 may be used for the cost of direct loans, and up to $1,000,000 may be used for administrative expenses to carry out the direct loan program: Provided, That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $32,000,000: Provided further, That not more than $25,000,000 of the funds made available under this heading may be used for programs and activities authorized in section 114 of the Community Development Banking and Financial Institutions Act of 1994.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $47,000,000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the Corporation for National and Community Service (referred to in the matter under this heading as the "Corporation") in carrying out programs, activities, and initiatives under the National and Community Service Act of 1990 (referred to in the matter under this heading as the "Act") (42 U.S.C. 12501 et seq.), $425,500,000, to remain available until September 30, 2000: Provided, That not more than $28,500,000 shall be available for administrative expenses authorized under section 501(a)(4) of the Act (42 U.S.C. 12671(a)(4)) with not less than $3,000,000 targeted to administrative needs identified as urgent by the Corporation without regard to the provisions of section 501(a)(4)(B) of the Act: Provided further, That not more than $2,500 shall be for official reception and representation expenses: Provided further, That not more than $70,000,000, to remain available without fiscal year limitation, shall be transferred to the National Service Trust account for educational awards authorized under

subtitle D of title I of the Act (42 U.S.C. 12601 et seq.), of which not to exceed $5,000,000 shall be available for national service scholarships for high school students performing community service: Provided further, That not more than $227,000,000 of the amount provided under this heading shall be available for grants under the National Service Trust program authorized under subtitle C of title I of the Act (42 U.S.C. 12571 et seq.) (relating to activities including the AmeriCorps program), of which not more than $40,000,000 may be used to administer, reimburse, or support any national service program authorized under section 121(d)(2) of such Act (42 U.S.C. 12581(d)(2)): Provided further, That not more than $5,500,000 of the funds made available under this heading shall be made available for the Points of Light Foundation for activities authorized under title III of the Act (42 U.S.C. 12661 et seq.): Provided further, That no funds shall be available for national service programs run by Federal agencies authorized under section 121(b) of such Act (42 U.S.C. 12571(b)): Provided further, That to the maximum extent feasible, funds appropriated under subtitle C of title I of the Act shall be provided in a manner that is consistent with the recommendations of peer review panels in order to ensure that priority is given to programs that demonstrate quality, innovation, replicability, and sustainability: Provided further, That not more than $18,000,000 of the funds made available under this heading shall be available for the Civilian Community Corps authorized under subtitle E of title I of the Act (42 U.S.C. 12611 et seq.): Provided further, That not more than $43,000,000 shall be available for school-based and community-based service-learning programs authorized under subtitle B of title I of the Act (42 U.S.C. 12521 et seq.): Provided further, That not more than $28,500,000 shall be available for quality and innovation activities authorized under subtitle H of title I of the Act (42 U.S.C. 12853 et seq.): Provided further, That not more than $5,000,000 shall be available for audits and other evaluations authorized under section 179 of the Act (42 U.S.C. 12639): Provided further, That to the maximum extent practicable, the Corporation shall increase significantly the level of matching funds and in-kind contributions provided by the private sector, shall expand significantly the number of educational awards provided under subtitle D of title I, and shall reduce the total Federal costs per participant in all programs.

OFFICE OF INSPECTOR GENERAL

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

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Veterans Appeals as authorized by 38 U.S.C. 7251–7298, $10,195,000, of which $865,000, shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102–229.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of one passenger motor vehicle for replacement only, and not to exceed $1,000 for official reception and representation expenses, $11,666,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $650,000,000, which shall remain available until September 30, 2000: Provided, That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; and not to exceed $6,000 for official reception and representation expenses, $1,848,000,000, which shall remain available until September 30, 2000: Provided, That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000: Provided further, That none of the funds appropriated by this Act shall be used to propose or issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol which was adopted on December 11, 1997, in Kyoto, Japan at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of the Protocol: Provided further, That none of the funds made available in this Act may be used to implement or administer the interim guidance issued on February 5, 1998 by the Environmental Protection Agency relating to title VI of the Civil Rights Act of 1964 and designated as the "Interim Guidance for Investigating Title VI Administrative Complaints Challenging Permits" with respect to complaints filed under such title after the date of enactment of this Act and until guidance is finalized. Nothing in this proviso may be construed to restrict the Environmental Protection Agency from developing or issuing final guidance relating to title VI of the Civil Rights Act of 1964.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $31,154,000, to remain available until September 30, 2000: Provided, That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or for use by, the Environmental Protection Agency, $56,948,000, to remain available until expended.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111(c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; not to exceed $1,500,000,000, consisting of $650,000,000 as appropriated under this heading in Public Law 105–65, notwithstanding the second proviso under this heading of said Act, and not to exceed $850,000,000 (of which $100,000,000 shall not become available until September 1, 1999), all of which is to remain available until expended, consisting of $1,175,000,000, as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101–508, and $325,000,000 as a payment from general revenues to the Hazardous Substance Superfund for purposes as authorized by section 517(b) of SARA, as amended by Public Law 101–508: Provided, That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: Provided further, That $12,237,000 of the funds appropriated under this heading shall be transferred to the "Office of Inspector General" appropriation to remain available until September 30, 2000: Provided further, That notwithstanding section 111(m) of CERCLA or any other provision of law, $76,000,000 of the funds appropriated under this heading shall be available to the Agency for Toxic Substances and Disease Registry to carry out activities described in sections 104(i), 111(c)(4), and 111(c)(14) of CERCLA and section 118(f) of SARA: Provided further, That $40,000,000 of the funds appropriated under this heading shall be transferred to the "Science and Technology" appropriation to remain available until September 30, 2000: Provided further, That none of the funds appropriated under this heading shall be available for the Agency for Toxic Substances and Disease Registry to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 1999: Provided further, That an additional amount, $650,000,000, shall become available for obligation on October 1, 1999, only upon enactment by August 1, 1999, of specific legislation which reauthorizes the Superfund program: Provided further, That if such reauthorization does not occur on or before August 1, 1999, such additional amount to be made available on October 1, 1999, is rescinded and the Congressional Budget Office is directed to make the appropriate scorekeeping adjustment no later than August 5, 1999.

Section 119(e)(2)(C) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, (42 U.S.C. 9619(e)(2)(C)) is amended by deleting ", and before January 1, 1996".

Section 119(g)(5) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, (42 U.S.C.

9619(g)(5)) is amended by deleting ", or after December 31, 1995".

LEAKING UNDERGROUND STORAGE TANK PROGRAM

For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for the uses authorized under section 9004(f) of the Solid Waste Disposal Act, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $72,500,000, to remain available until expended: Provided, That hereafter, the Administrator is authorized to enter into assistance agreements with Federally recognized Indian tribes on such terms and conditions as the Administrator deems appropriate for the same purposes as are set forth in section 9003(h)(7) of the Resource Conservation and Recovery Act.

OIL SPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out the Environmental Protection Agency's responsibilities under the Oil Pollution Act of 1990, $15,000,000, to be derived from the Oil Spill Liability trust fund, and to remain available until expended.

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, $3,386,750,000, to remain available until expended, of which $1,350,000,000 shall be for making capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended, and $775,000,000 shall be for capitalization grants for the Drinking Water State Revolving Funds under section 1452 of the Safe Drinking Water Act, as amended except that, notwithstanding section 1452(n) of the Safe Drinking Water Act, as amended, none of the funds made available under this heading in this Act, or in previous appropriations acts, shall be reserved by the Administrator for health effects studies on drinking water contaminants, $50,000,000 for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission, $30,000,000 for grants to the State of Alaska to address drinking water and wastewater infrastructure needs of rural and Alaska Native Villages, $301,750,000 for making grants for the construction of wastewater and water treatment facilities and groundwater protection infrastructure in accordance with the terms and conditions specified for such grants in the joint explanatory statement of the committee of conference accompanying this Act (H.R. 4194); and $880,000,000 for grants, including associated program support costs, to States, federally recognized tribes, interstate agencies, tribal consortia, and air pollution control agencies for multimedia or single media pollution prevention, control and abatement and related activities, including activities pursuant to the provisions set forth under this heading in Public Law 104–134, and for making grants under section 103 of the Clean Air Act for particulate matter monitoring and data collection activities: Provided, That, consistent with section 1452(g) of the Safe Drinking Water Act (42 U.S.C. 300j–12(g)), section 302 of the Safe Drinking Water Act Amendments of 1996 (Public Law 104–182) and the accompanying joint explanatory statement of the committee of conference (H. Rept. No. 104–741 to accompany S. 1316, the Safe Drinking Water Act Amendments of 1996), and notwithstanding any other provision of law, beginning in fiscal year 1999 and thereafter, States may combine the assets of State Revolving Funds (SRFs) established under section 1452 of the Safe Drinking Water Act, as amended, and title VI of the Federal Water Pollution Control Act, as amended, as security for bond issues to enhance the lending capacity of one or both SRFs, but not to acquire the state match for either program, provided that revenues from the bonds are allocated to the purposes of the Safe Drinking Water Act and the Federal Water Pollution Control Act in the same portion as the funds are used as security for the bonds: Provided further, That, notwithstanding the matching requirement in Public Law 104–204 for funds appropriated under this heading for grants to the State of Texas for improving wastewater treatment for the Colonias, such funds that remain unobligated may also be used for improving water treatment for the Colonias, and shall be matched by State funds from State resources equal to 20 percent of such unobligated funds: Provided further, That, hereafter the Administrator is authorized to enter into assistance agreements with Federally recognized Indian tribes on such terms and conditions as the Administrator deems appropriate for the development and implementation of programs to manage hazardous waste, and underground storage tanks: Provided further, That beginning in fiscal year 1999 and thereafter, pesticide program implementation grants under section 23(a)(1) of the Federal Insecticide, Fungicide and Rodenticide Act, as amended, shall be available for pesticide program development and implementation, including enforcement and compliance activities: Provided further, That, notwithstanding section 603(d)(7) of the Federal Water Pollution Control Act, as amended, the limitation on the amounts in a State water pollution control revolving fund that may be used by a State to administer the fund shall not apply to amounts included as principal in loans made by such fund in fiscal year 1999 and prior years where such amounts represent costs of administering the fund, to the extent that such amounts are or were deemed reasonable by the Administrator, accounted for separately from other assets in the fund, and used for eligible purposes of the fund, including administration.

WORKING CAPITAL FUND

Under this heading in Public Law 104–204, after the phrase, "that such fund shall be paid in advance", insert "or reimbursed".

ADMINISTRATIVE PROVISION

Not later than March 31, 1999, the Administrator of the Environmental Protection Agency shall issue regulations amending 40 C.F.R. 112 to comply with the requirements of the Edible Oil Regulatory Reform Act (Public Law 104–55). Such regulations shall differentiate between and establish separate classes for animal fats and oils and greases, and fish and marine mammal oils (as described in that Act), and other oils and greases, and shall apply standards to such different classes of fats and oils based on differences in the physical, chemical, biological, and other properties, and in the environmental effects, of the classes. None of the funds made available by this Act or in subsequent Acts may be used by the Environmental Protection Agency to issue or to establish an interpretation or guidance relating to fats, oils, and greases (as described in Public Law 104–55) that does not comply with the requirements of the Edible Oil Regulatory Reform Act.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, not to exceed $2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, $5,026,000.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

For necessary expenses to continue functions assigned to the Council on Environmental Quality and Office of Environmental Quality pursuant to the National Environmental Policy Act of 1969, the Environmental Quality Improvement Act of 1970, and Reorganization Plan No. 1 of 1977, $2,675,000: Provided, That, notwithstanding any other provision of law, no funds other than those appropriated under this heading, shall be used for or by the Council on Environmental Quality and Office of Environmental Quality: Provided further, That notwithstanding section 202 of the National Environmental Policy Act of 1970, the Council shall consist of one member, appointed by the President, by and with the advice and consent of the Senate, serving as Chairman and exercising all powers, functions, and duties of the Council.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $34,666,000, to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $307,745,000, and, notwithstanding 42 U.S.C. 5203, to remain available until expended: Provided, That of the funds made available under this heading in this and prior Appropriations Acts which are eligible for grants to the State of California under section 404 of the Stafford Disaster Relief and Emergency Assistance Act, $5,000,000 shall be for a pilot project of seismic retrofit technology at California State University, San Bernardino, $5,000,000 shall be for seismic retrofit at the San Bernardino County Courthouse, and $30,000,000 shall be for a project at the Loma Linda University Medical Center hospital using laser technology demonstrating non-disruptive retrofitting.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

For the cost of direct loans, $1,355,000, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000.

In addition, for administrative expenses to carry out the direct loan program, $440,000.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles as authorized by 31 U.S.C. 1343; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500

for official reception and representation expenses, $171,138,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $5,400,000.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404–405), and Reorganization Plan No. 3 of 1978, $240,824,000: Provided, That for purposes of predisaster mitigation pursuant to 42 U.S.C. 5131 (b) and (c) and 42 U.S.C. 5196 (e) and (i), $25,000,000 of the funds made available under this heading shall be available until expended for project grants: Provided further, That the United States Fire Administration shall conduct a 12-month pilot project to promote the installation and maintenance of smoke detectors in the localities of highest risk for residential fires: Provided further, That the United States Fire Administration shall transmit the results of its pilot project to the Consumer Product Safety Commission and the Congress.

RADIOLOGICAL EMERGENCY PREPAREDNESS FUND

There is hereby established in the Treasury a Radiological Emergency Preparedness Fund, which shall be available under the Atomic Energy Act of 1954, as amended, and Executive Order 12657, for offsite radiological emergency planning, preparedness, and response. Beginning in fiscal year 1999 and thereafter, the Director of the Federal Emergency Management Agency (FEMA) shall promulgate through rulemaking fees to be assessed and collected, applicable to persons subject to FEMA's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section during fiscal year 1999 shall not be less than 100 percent of the amounts anticipated by FEMA necessary for its radiological emergency preparedness program for such fiscal year. The methodology for assessment and collection of fees shall be fair and equitable; and shall reflect costs of providing such services, including administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the Fund as offsetting collections and will become available for authorized purposes on October 1, 1999, and remain available until expended.

For necessary expenses of the Fund for fiscal year 1999, $12,849,000, to remain available until expended.

EMERGENCY FOOD AND SHELTER PROGRAM

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

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

For activities under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, as amended, not to exceed $22,685,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed $78,464,000 for flood mitigation, including up to $20,000,000 for expenses under section 1366 of the National Flood Insurance Act, which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, 2000. In fiscal year 1999, no funds in excess of: (1) $47,000,000 for operating expenses; (2) $343,989,000 for agents' commissions and taxes; and (3) $60,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations. For fiscal year 1999, flood insurance rates shall not exceed the level authorized by the National Flood Insurance Reform Act of 1994.

Section 1309(a)(2) of the National Flood Insurance Act (42 U.S.C. 4016(a)(2)), as amended by Public Law 104–208, is further amended by striking "1998" and inserting "1999".

Section 1319 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4026), is amended by striking "September 30, 1998" and inserting "September 30, 1999".

Section 1336 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4056), is amended by striking "September 30, 1998" and inserting "September 30, 1999".

The first sentence of section 1376(c) of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4127(c)), is amended by striking "September 30, 1998" and inserting "September 30, 1999".

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER FUND

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, $2,619,000, to be deposited into the Consumer Information Center Fund: Provided, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of $7,500,000. Appropriations, revenues, and collections accruing to this fund during fiscal year 1999 in excess of $7,500,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

For necessary expenses, not otherwise provided for, in the conduct and support of human space flight research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,480,000,000, to remain available until September 30, 2000.

SCIENCE, AERONAUTICS AND TECHNOLOGY

For necessary expenses, not otherwise provided for, in the conduct and support of science, aeronautics and technology research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,653,900,000, to remain available until September 30, 2000: Provided, That none of the funds provided under this heading may be utilized to support the development or operations of the International Space Station: Provided further, That this limitation shall not preclude the use of funds provided under this heading for the conduct of science, aeronautics, space transportation and technology activities utilizing or enabled by the International Space Station.

MISSION SUPPORT

For necessary expenses, not otherwise provided for, in carrying out mission support for human space flight programs and science, aeronautical, and technology programs, including research operations and support; space communications activities including operations, production and services; maintenance; construction of facilities including repair, rehabilitation, and modification of facilities, minor construction of new facilities and additions to existing facilities, facility planning and design, environmental compliance and restoration, and acquisition or condemnation of real property, as authorized by law; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; travel expenses; purchase, lease, charter, maintenance, and operation of mission and administrative aircraft; not to exceed $35,000 for official reception and representation expenses; and purchase (not to exceed 33 for replacement only) and hire of passenger motor vehicles, $2,511,100,000, to remain available until September 30, 2000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $20,000,000.

ADMINISTRATIVE PROVISIONS

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

Notwithstanding the limitation on the availability of funds appropriated for "Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, the amounts appropriated for construction of facilities shall remain available until September 30, 2001.

Notwithstanding the limitation on the availability of funds appropriated for "Mission support" and "Office of Inspector General", amounts made available by this Act for personnel and related costs and travel expenses of the National Aeronautics and Space Administration shall remain available until September 30, 1999 and may be used to enter into contracts for training, investigations, costs associated with personnel relocation, and for other services, to be provided during the next fiscal year.

NASA shall develop a revised appropriation structure for submission in the fiscal year 2000 budget request consisting of five appropriations accounts (International Space Station; Launch Vehicles and Payload Operations; Science, Aeronautics and Technology; Mission Support; and Office of Inspector General).

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During fiscal year 1999, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions, as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795), shall not exceed $600,000,000: Provided,

That administrative expenses of the Central Liquidity Facility in fiscal year 1999 shall not exceed $176,000: Provided further, That $2,000,000, together with amounts of principal and interest on loans repaid, to be available until expended, is available for loans to community development credit unions.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880–1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft, $2,770,000,000, of which not to exceed $257,460,000, shall remain available until expended for Polar research and operations support, and for reimbursement to other Federal agencies for operational and science support and logistical and other related activities for the United States Antarctic program; the balance to remain available until September 30, 2000: Provided, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: Provided further, That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: Provided further, That none of the funds appropriated or otherwise made available to the National Science Foundation in this or any prior Act may be obligated or expended by the National Science Foundation to enter into or extend a grant, contract, or cooperative agreement for the support of administering the domain name and numbering system of the Internet after September 30, 1998.

MAJOR RESEARCH EQUIPMENT

For necessary expenses of major construction projects pursuant to the National Science Foundation Act of 1950, as amended, $90,000,000, to remain available until expended.

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, $662,000,000, to remain available until September 30, 2000: Provided, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: Provided further, That the Alliances for Minority Participation Program is renamed the Louis Stokes Alliances for Minority Participation Program.

SALARIES AND EXPENSES

For salaries and expenses necessary in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed $9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; rental of conference rooms in the District of Columbia; reimbursement of the General Services Administration for security guard services; $144,000,000: Provided, That contracts may be entered into under "Salaries and expenses" in fiscal year 1999 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, as amended, $5,200,000, to remain available until September 30, 2000.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), $90,000,000: Provided, That $25,000,000 shall be for a pilot homeownership initiative, including an evaluation by an independent third party to determine its effectiveness.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by 5 U.S.C. 4101–4118 for civilian employees; and not to exceed $1,000 for official reception and representation expenses, $24,176,000: Provided, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: Provided further, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

TITLE IV—GENERAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 410. Except as otherwise provided under existing law, or under an existing Executive Order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are: (1) a matter of public record and available for public inspection; and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 411. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency: (1) has awarded and entered

into such contract in full compliance with such Act and the regulations promulgated thereunder; and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning: (A) the contract pursuant to which the report was prepared; and (B) the contractor who prepared the report pursuant to such contract.

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

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

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

SEC. 415. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

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

SEC. 417. Such sums as may be necessary for fiscal year 1999 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

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

SEC. 419. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1999 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 420. Notwithstanding section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)), funds made available pursuant to authorization under such section for fiscal year 1999 and prior fiscal years may be used for implementing comprehensive conservation and management plans.

SEC. 421. Notwithstanding any other provision of law, the term "qualified student loan" with respect to national service education awards shall mean any loan made directly to a student by the Alaska Commission on Postsecondary Education, in addition to other meanings under section 148(b)(7) of the National and Community Service Act.

SEC. 422. Notwithstanding any other law, funds made available by this or any other Act or previous Acts for the United States/Mexico Foundation for Science may be used for the endowment of such Foundation.

SEC. 423. (a) Within 90 days of enactment of this Act, the Consumer Product Safety Commission shall make all necessary arrangements for the Committee on Toxicology of the National Academy of Sciences (NAS) to conduct an independent 12-month study of the potential toxicologic risks of all flame-retardant chemicals identified by the NAS and the Commission as likely candidates for use in residential upholstered furniture for the purpose of meeting regulations proposed by the Commission for flame resistance of residential upholstered furniture.

(b) Upon completion of its report, the Academy shall send the report to the Commission, which shall provide it to the Congress.

(c) The Commission, before promulgating any notice of proposed rulemaking or final rulemaking setting flammability standards for residential upholstered furniture, shall consider fully the findings and conclusions of the Academy.

SEC. 424. None of the funds made available in this Act may be used for researching methods to reduce methane emissions from cows, sheep, or any other ruminant livestock.

SEC. 425. None of the funds made available in this Act may be used to carry out Executive Order No. 13083.

SEC. 426. Unless otherwise provided for in this Act, no part of any appropriation for the Department of Housing and Urban Development shall be available for any activity in excess of amounts set forth in the budget estimates submitted for the appropriations.

SEC. 427. NATIONAL FALLEN FIREFIGHTERS FOUNDATION. (a) ESTABLISHMENT AND PURPOSES.—Section 202 of the National Fallen Firefighters Foundation Act (36 U.S.C. 5201) is amended—

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

"(1) primarily—

"(A) to encourage, accept, and administer private gifts of property for the benefit of the National Fallen Firefighters' Memorial and the annual memorial service associated with the memorial; and

"(B) to, in coordination with the Federal Government and fire services (as that term is defined in section 4 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2203)), plan, direct, and manage the memorial service referred to in subparagraph (A) and related activities;";

(2) in paragraph (2), by inserting "and Federal" after "non-Federal";

(3) in paragraph (3)—

(A) by striking "State and local" and inserting "Federal, State, and local"; and

(B) by striking "and" at the end;

(4) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(5) by adding at the end the following:

"(5) to provide for a national program to assist families of fallen firefighters and fire departments in dealing with line-of-duty deaths of those firefighters; and

"(6) to promote national, State, and local initiatives to increase public awareness of fire and life safety.".

(b) BOARD OF DIRECTORS OF FOUNDATION.—Section 203(g)(1) of the National Fallen Firefighters Foundation Act (36 U.S.C. 5202(g)(1)) is amended by striking subparagraph (A) and inserting the following:

"(A) appointing officers or employees;".

(c) ADMINISTRATIVE SERVICES AND SUPPORT.—Section 205 of the National Fallen Firefighters Foundation Act (36 U.S.C. 5204) is amended to read as follows:

"SEC. 205. ADMINISTRATIVE SERVICES AND SUPPORT.

"(a) IN GENERAL.—During the 10-year period beginning on the date of enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, the Administrator may—

"(1) provide personnel, facilities, and other required services for the operation of the Foundation; and

"(2) accept reimbursement for the assistance provided under paragraph (1).

"(b) REIMBURSEMENT.—Any amounts received under subsection (a)(2) as reimbursement for assistance shall be deposited in the Treasury to the credit of the appropriations then current and chargeable for the cost of providing that assistance.

"(c) PROHIBITION.—Notwithstanding any other provision of law, no Federal personnel or stationery may be used to solicit funding for the Foundation.".

SEC. 428. INELIGIBILITY OF INDIVIDUALS CONVICTED OF MANUFACTURING OR PRODUCING METHAMPHETAMINE FOR CERTAIN HOUSING ASSISTANCE. Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended by adding at the end the following:

"(f) INELIGIBILITY OF INDIVIDUALS CONVICTED OF MANUFACTURING OR PRODUCING METHAMPHETAMINE ON THE PREMISES.—Notwithstanding any other provision of law, a public housing agency shall establish standards for occupancy in public housing dwelling units and assistance under section 8 that—

"(1) permanently prohibit occupancy in any public housing dwelling unit by, and assistance under section 8 for, any person who has been convicted of manufacturing or otherwise producing methamphetamine on the premises in violation of any Federal or State law; and

"(2) immediately and permanently terminate the tenancy in any public housing unit of, and the assistance under section 8 for, any person who is convicted of manufacturing or otherwise producing methamphetamine on the premises in violation of any Federal or State law.".

SEC. 429. (a) Not later than 90 days after the date of enactment of this Act, the Consumer Product Safety Commission shall propose for comment a revocation of the amendments to the standards for the flammability of children's sleepwear sizes 0 through 6X (contained in regulations published at 16 CFR part 1615) and 7 through 14 (contained in regulations published at 16 CFR part 1616) issued by the Commission on September 9, 1996 (61 FR 47634), and any subsequent amendments thereto.

(b) The General Accounting Office shall undertake a review of children's burn incident data relating to burns from the ignition of children's sleepwear from small open flame sources for the period July 1, 1997 through January 1, 1999. Such review shall be completed by April 1, 1999 and shall be submitted to the Congress and to the Consumer Product Safety Commission.

(c) Not later than July 1, 1999, the Consumer Product Safety Commission shall promulgate a final rule revoking, maintaining or modifying the amendments issued by the Commission on September 9, 1996 (61 FR 47634) and any subsequent amendments thereto amending the Flammable Fabrics Act standards for the flammability of children's sleepwear, considering and substantively addressing the findings of the General Accounting Office and other information available to the Commission.

(d) None of the following shall apply with respect to the promulgation of the amendment prescribed by subsection (a):

(1) The Consumer Product Safety Act (15 U.S.C. 2051 et seq.).

(2) The Flammable Fabrics Act (15 U.S.C. 1191 et seq.).

(3) Chapter 6 of title 5, United States Code.

(4) The National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(5) The Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121).

(6) Any other statute or Executive Order.

SEC. 430. COMPREHENSIVE ACCOUNTABILITY STUDY FOR FEDERALLY-FUNDED RESEARCH. (a) STUDY.—The Director of the Office of Science and Technology Policy, in consultation with the Director of the Office of Management and Budget, may enter into an agreement with the National Academy of Sciences for the Academy to conduct a comprehensive study to develop methods for evaluating federally-funded research and development programs. This study shall—

(1) recommend processes to determine an acceptable level of success for federally-funded research and development programs by—

(A) describing the research process in the various scientific and engineering disciplines;

(B) describing in the different sciences what measures and what criteria each community uses to evaluate the success or failure of a program, and on what time scales these measures are considered reliable—both for exploratory long-range work and for short-range goals; and

(C) recommending how these measures may be adapted for use by the Federal Government to evaluate federally-funded research and development programs;

(2) assess the extent to which agencies incorporate independent merit-based evaluation into the formulation of the strategic plans of funding agencies and if the quantity or quality of this type of input is unsatisfactory;

(3) recommend mechanisms for identifying federally-funded research and development programs which are unsuccessful or unproductive;

(4) evaluate the extent to which independent, merit-based evaluation of federally-funded research and development programs and projects achieves the goal of eliminating unsuccessful or unproductive programs and projects; and

(5) investigate and report on the validity of using quantitative performance goals for aspects of programs which relate to administrative management of the program and for which such goals would be appropriate, including aspects related to—

(A) administrative burden on contractors and recipients of financial assistance awards;

(B) administrative burdens on external participants in independent, merit-based evaluations;

(C) cost and schedule control for construction projects funded by the program;

(D) the ratio of overhead costs of the program relative to the amounts expended through the program for equipment and direct funding of research; and

(E) the timeliness of program responses to requests for funding, participation, or equipment use.

(b) INDEPENDENT MERIT-BASED EVALUATION DEFINED.—The term "independent merit-based evaluation" means review of the scientific or technical quality of research or development, conducted by experts who are chosen for their knowledge of scientific and technical fields relevant to the evaluation and who—

(1) in the case of the review of a program activity, do not derive long-term support from the program activity; or

(2) in the case of the review of a project proposal, are not seeking funds in competition with the proposal.

SEC. 431. INSURANCE; INDEMNIFICATION; LIABILITY. (a) IN GENERAL.—The Administrator may provide liability insurance for, or indemnification to, the developer of an experimental aerospace vehicle developed or used in execution of an agreement between the Administration and the developer.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Except as otherwise provided in this section, the insurance and indemnification provided by the Administration under subsection (a) to a developer shall be provided on the same terms and conditions as insurance and indemnification is provided by the Administration under section 308 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b) to the user of a space vehicle.

(2) INSURANCE.—

(A) IN GENERAL.—A developer shall obtain liability insurance or demonstrate financial responsibility in amounts to compensate for the maximum probable loss from claims by—

(i) a third party for death, bodily injury, or property damage, or loss resulting from an activity carried out in connection with the development or use of an experimental aerospace vehicle; and

(ii) the United States Government for damage or loss to Government property resulting from such an activity.

(B) MAXIMUM REQUIRED.—The Administrator shall determine the amount of insurance required, but, except as provided in subparagraph (C), that amount shall not be greater than the amount required under section 70112(a)(3) of title 49, United States Code, for a launch. The Administrator shall publish notice of the Administrator's determination and the applicable amount or amounts in the Federal Register within 10 days after making the determination.

(C) INCREASE IN DOLLAR AMOUNTS.—The Administrator may increase the dollar amounts set forth in section 70112(a)(3)(A) of title 49, United States Code, for the purpose of applying that section under this section to a developer after consultation with the Comptroller General and such experts and consultants as may be appropriate, and after publishing notice of the increase in the Federal Register not less than 180 days before the increase goes into effect. The Administrator shall make available for public inspection, not later than the date of publication of such notice, a complete record of any correspondence received by the Administration, and a transcript of any meetings in which the Administration participated, regarding the proposed increase.

(D) SAFETY REVIEW REQUIRED BEFORE ADMINISTRATOR PROVIDES INSURANCE.—The Administrator may not provide liability insurance or indemnification under subsection (a) unless the developer establishes to the satisfaction of the Administrator that appropriate safety procedures and practices are being followed in the development of the experimental aerospace vehicle.

(3) NO INDEMNIFICATION WITHOUT CROSS-WAIVER.—Notwithstanding subsection (a), the Administrator may not indemnify a developer of an experimental aerospace vehicle under this section unless there is an agreement between the Administration and the developer described in subsection (c).

(4) APPLICATION OF CERTAIN PROCEDURES.—If the Administrator requests additional appropriations to make payments under this section, like the payments that may be made under section 308(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b(b)), then the request for those appropriations shall be made in accordance with the procedures established by subsections (d) and (e) of section 70113 of title 49, United States Code.

(c) CROSS-WAIVERS.—

(1) ADMINISTRATOR AUTHORIZED TO WAIVE.—The Administrator, on behalf of the United States, and its departments, agencies, and related entities, may reciprocally waive claims with a developer and with the related entities of that developer under which each party to the waiver agrees to be responsible, and agrees to ensure that its own related entities are responsible, for damage or loss to its property for which it is responsible, or for losses resulting from any injury or death sustained by its own employees or agents, as a result of activities connected to the agreement or use of the experimental aerospace vehicle.

(2) LIMITATIONS.—

(A) CLAIMS.—A reciprocal waiver under paragraph (1) may not preclude a claim by any natural person (including, but not limited to, a natural person who is an employee of the United States, the developer, or the developer's subcontractors) or that natural person's estate, survivors, or subrogees for injury or death, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(B) LIABILITY FOR NEGLIGENCE.—A reciprocal waiver under paragraph (1) may not absolve any party of liability to any natural person (including, but not limited to, a natural person who is an employee of the United States, the developer, or the developer's subcontractors) or such a natural person's estate, survivors, or subrogees for negligence, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(C) INDEMNIFICATION FOR DAMAGES.—A reciprocal waiver under paragraph (1) may not be used as the basis of a claim by the Administration or the developer for indemnification against the other for damages paid to a natural person, or that natural person's estate, survivors, or subrogees, for injury or death sustained by that natural person as a result of activities connected to the agreement or use of the experimental aerospace vehicle.

(3) EFFECT ON PREVIOUS WAIVERS.—Subsection (c) applies to any waiver of claims entered into by the Administration without regard to whether it was entered into before, on, or after the date of enactment of this Act.

(d) DEFINITIONS.—In this section:

(1) ADMINISTRATION.—The term "Administration" means the National Aeronautics and Space Administration.

(2) ADMINISTRATOR.—The term "Administrator" means the Administrator of the National Aeronautics and Space Administration.

(3) COMMON TERMS.—Any term used in this section that is defined in the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.) has the same meaning in this section as when it is used in that Act.

(4) DEVELOPER.—The term "developer" means a United States person (other than a natural person) who—

(A) is a party to an agreement that was in effect before the date of enactment of this Act with the Administration for the purpose of developing new technology for an experimental aerospace vehicle;

(B) owns or provides property to be flown or situated on that vehicle; or

(C) employs a natural person to be flown on that vehicle.

(5) EXPERIMENTAL AEROSPACE VEHICLE.—The term "experimental aerospace vehicle" means an object intended to be flown in, or launched into, suborbital flight for the purpose of demonstrating technologies necessary for a reusable launch vehicle, developed under an agreement between the Administration and a developer that was in effect before the date of enactment of this Act.

(6) RELATED ENTITY.—The term "related entity" includes a contractor or subcontractor at any tier, a supplier, a grantee, and an investigator or detailee.

(e) RELATIONSHIP TO OTHER LAWS.—

(1) SECTION 308 OF NATIONAL AERONAUTICS AND SPACE ACT OF 1958.—This section does not apply to any object, transaction, or operation to which section 308 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b) applies.

(2) CHAPTER 701 OF TITLE 49, UNITED STATES CODE.—The Administrator may not provide indemnification to a developer under this section for launches subject to license under section 70117(g)(1) of title 49, United States Code.

(f) TERMINATION.—

(1) IN GENERAL.—The provisions of this section shall terminate on December 31, 2002, except that the Administrator may extend the termination date to a date not later than September 30, 2005, if the Administrator determines that such an extension is necessary to cover the operation of an experimental aerospace vehicle.

(2) EFFECT OF TERMINATION ON AGREEMENTS.—The termination of this section does not terminate or otherwise affect a cross-waiver agreement, insurance agreement, indemnification agreement, or any other agreement entered into under this section except as may be provided in that agreement.

SEC. 432. VIETNAM VETERANS ALLOTMENT. The Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) is amended by adding at the end:

"OPEN SEASON FOR CERTAIN ALASKA NATIVE VETERANS FOR ALLOTMENTS

"SEC. 41. (a) IN GENERAL.—(1) During the eighteen month period following promulgation of implementing rules pursuant to subsection (e), a person described in subsection (b) shall be eligible for an allotment of not more than two parcels of federal land totaling 160 acres or less under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as such Act was in effect before December 18, 1971.

"(2) Allotments may be selected only from lands that were vacant, unappropriated, and unreserved on the date when the person eligible for the allotment first used and occupied those lands.

"(3) The Secretary may not convey allotments containing any of the following—

"(A) lands upon which a native or non-native campsite is located, except for a campsite used primarily by the person selecting the allotment;

"(B) lands selected by, but not conveyed to, the State of Alaska pursuant to the Alaska Statehood Act or any other provision of law;

"(C) lands selected by, but not conveyed to, a Village or Regional Corporation;

"(D) lands designated as wilderness by statute;

"(E) acquired lands;

"(F) lands containing a building, permanent structure, or other development owned or controlled by the United States, another unit of government, or a person other than the person selecting the allotment;

"(G) lands withdrawn or reserved for national defense purposes other than National Petroleum Reserve-Alaska;

"(H) National Forest Lands; and

"(I) lands selected or claimed, but not conveyed, under a public land law, including but not limited to the following:

"(1) Lands within a recorded mining claim.

"(2) Home sites.

"(3) Trade and Manufacturing sites.

"(4) Reindeer sites and Reindeer headquarters sites.

"(5) Cemetery sites.

"(4) A person who qualifies for an allotment on lands prohibited from conveyance by a provision of subsection (a)(3) may select an alternative allotment from the following lands located within the geographic boundaries of the same Regional Corporation as the excluded allotment—

"(A) lands withdrawn pursuant to section 11(a)(1) of this Act which were not selected, or were relinquished after selection;

"(B) lands contiguous to the outer boundary of lands withdrawn pursuant to section 11(a)(1)(C) of this Act, except lands excluded from selection by a provision of subsection (a)(3) and lands within a National Park; and

"(C) vacant, unappropriated and unreserved lands.

"(5) After consultation with a person entitled to an allotment within a Conservation System Unit, the Secretary may convey alternative lands of equal acreage, including lands within a Conservation System Unit, to that person if the Secretary determines that the allotment would be incompatible with a purpose for which the Conservation System Unit was established.

"(6) All conveyances under this section shall—

"(A) be subject to valid existing rights, including any right of the United States to income derived, directly or indirectly, from a lease, license, permit, right-of-way or easement; and

"(B) reserve to the United States deposits of oil, gas and coal, together with the right to explore, mine, and remove these minerals, on lands which the Secretary determines to be prospectively valuable for development.

"(b) ELIGIBLE PERSON.—(1) A person is eligible to select an allotment under this section if that person—

"(A) would have been eligible for an allotment under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as that Act was in effect before December 18, 1971; and

"(B) is a veteran who served during the period between January 1, 1969 and December 31, 1971 and—

"(i) served at least 6 months between January 1, 1969 and June 2, 1971; or

"(ii) enlisted or was drafted into military service after June 2, 1971 but before December 3, 1971.

"(2) The personal representative of the estate of a decedent who was eligible under subsection (b)(1) may, for the benefit of the heirs, select an allotment if, during the period specified in subsection (b)(1)(B), the decedent—

"(A) was killed in action;

"(B) was wounded in action and subsequently died as a direct consequence of that wound, as determined by the Department of Veterans Affairs; or

"(C) died while a prisoner of war.

"(3) No person who received an allotment or has a pending allotment under the Act of May 17, 1906 may receive an allotment under this section.

"(c) STUDY AND REPORT.—(1) The Secretary of the Interior shall conduct a study to identify and assess the circumstances of veterans of the Vietnam era who—

"(A) served during a period other than that specified in subsection (b)(1)(B);

"(B) were eligible for an allotment under the Act of May 17, 1906; and

"(C) did not apply for an allotment under that Act.

"(2) The Secretary shall, within one year of enactment of this section, issue a written report on the study, including findings and recommendations, to the Committee on Appropriations and the Committee on Energy and Natural Resources in the Senate and the Committee on Appropriations and the Committee on Resources in the House of Representatives.

"(d) DEFINITIONS.—For the purposes of this section, the terms 'veteran' and 'Vietnam era' have the meanings given those terms by paragraphs (2) and (29), respectively, of section 101 of title 38, United States Code.

"(e) REGULATIONS.—No later than 18 months after enactment of this section, the Secretary of the Interior shall promulgate, after consultation with Alaska Natives groups, rules to carry out this section.".

SEC. 433. The Administrator of the National Aeronautics and Space Administration shall develop and deliver to the House and Senate Committees on Appropriations, no later than 60 days after the date of enactment of this Act, a study of alternative approaches whereby NASA could contract with a Russian entity or entities for goods and services related to the International Space Station. The study shall evaluate, at a minimum, government-to-government, government-to-industry, and industry-to-industry arrangements. The study shall evaluate the pros and cons of each possible approach, addressing the following requirements: (1) ensure that NASA receives value for each dollar spent; (2) ensure that the funds provided can be audited; (3) define appropriate milestones; and, (4) adhere to all relevant technology transfer and export control laws.

SEC. 434. The National Aeronautics and Space Administration Lewis Research Center in Cleveland, Ohio, shall be redesignated as the "National Aeronautics and Space Administration John H. Glenn Research Center at Lewis Field". Any reference in a law, map, regulation, document, paper, or other record of the United States to the National Aeronautics and Space Administration Lewis Research Center in Ohio shall be deemed to be a reference to the "National Aeronautics and Space Administration John H. Glenn Research Center at Lewis Field".

SEC. 435. The proposed Amendments to Accounting for Property, Plant, and Equipment (February 1998) (Amending Statements of Federal Financial Accounting Standards Nos. 6 and 8, "Accounting for Property, Plant, and Equipment" and "Supplementary Stewardship Reporting") may be adopted without the prior notification and waiting period required by section 307 of the Chief Financial Officers Act of 1990 (Public Law 101–576).

TITLE V—PUBLIC HOUSING AND TENANT-BASED ASSISTANCE REFORM

SEC. 501. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Quality Housing and Work Responsibility Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

TITLE V—PUBLIC HOUSING AND TENANT-BASED ASSISTANCE REFORM

Sec. 501. Short title and table of contents.
Sec. 502. Findings and purposes.
Sec. 503. Effective date and regulations.

Subtitle A—General Provisions

Sec. 505. Declaration of policy and public housing agency organization.
Sec. 506. Definitions.
Sec. 507. Minimum rent.
Sec. 508. Determination of adjusted income and median income.
Sec. 509. Family self-sufficiency program.
Sec. 510. Prohibition on use of funds.
Sec. 511. Public housing agency plan.
Sec. 512. Community service and family self-sufficiency requirements.
Sec. 513. Income targeting.

Sec. 514. Repeal of Federal preferences.
Sec. 515. Joint ventures and consortia of public housing agencies; repeal of energy conservation provisions.
Sec. 516. Public housing agency mortgages and security interests.
Sec. 517. Mental health action plan.

Subtitle B—Public Housing

PART 1—CAPITAL AND OPERATING ASSISTANCE

Sec. 518. Contributions for lower income housing projects.
Sec. 519. Public housing capital and operating funds.
Sec. 520. Total development costs.
Sec. 521. Sanctions for improper use of amounts.
Sec. 522. Repeal of modernization fund.

PART 2—ADMISSIONS AND OCCUPANCY REQUIREMENTS

Sec. 523. Family choice of rental payment.
Sec. 524. Occupancy by police officers and over-income families.
Sec. 525. Site-based waiting lists.
Sec. 526. Pet ownership.

PART 3—MANAGEMENT, HOMEOWNERSHIP, AND DEMOLITION AND DISPOSITION

Sec. 529. Contract provisions.
Sec. 530. Housing quality requirements.
Sec. 531. Demolition and disposition of public housing.
Sec. 532. Resident councils and resident management corporations.
Sec. 533. Conversion of public housing to vouchers; repeal of family investment centers.
Sec. 534. Transfer of management of certain housing to independent manager at request of residents.
Sec. 535. Demolition, site revitalization, replacement housing, and tenant-based assistance grants for projects.
Sec. 536. Homeownership.
Sec. 537. Required conversion of distressed public housing to tenant-based assistance.
Sec. 538. Linking services to public housing residents.
Sec. 539. Mixed-finance public housing.

Subtitle C—Section 8 Rental and Homeownership Assistance

Sec. 545. Merger of certificate and voucher programs.
Sec. 546. Public housing agencies.
Sec. 547. Administrative fees.
Sec. 548. Law enforcement and security personnel in assisted housing.
Sec. 549. Advance notice to tenants of expiration, termination, or owner non-renewal of assistance contract.
Sec. 550. Technical and conforming amendments.
Sec. 551. Funding and allocation.
Sec. 552. Treatment of common areas.
Sec. 553. Portability.
Sec. 554. Leasing to voucher holders.
Sec. 555. Homeownership option.
Sec. 556. Renewals.
Sec. 557. Manufactured housing demonstration program.
Sec. 558. Authorizations of appropriations.
Sec. 559. Rulemaking and implementation.

Subtitle D—Home Rule Flexible Grant Demonstration

Sec. 561. Home rule flexible grant demonstration program.

Subtitle E—Accountability and Oversight of Public Housing Agencies

Sec. 563. Study of alternative methods for evaluating public housing agencies.
Sec. 564. Public housing management assessment program.
Sec. 565. Expansion of powers for dealing with public housing agencies in substantial default.
Sec. 566. Audits.
Sec. 567. Advisory council for housing authority of New Orleans.
Sec. 568. Treatment of troubled PHA's.

Subtitle F—Safety and Security in Public and Assisted Housing

Sec. 575. Provisions applicable only to public housing and section 8 assistance.
Sec. 576. Screening of applicants for federally assisted housing.
Sec. 577. Termination of tenancy and assistance for illegal drug users and alcohol abusers in federally assisted housing.
Sec. 578. Ineligibility of dangerous sex offenders for admission to public housing.
Sec. 579. Definitions.

Subtitle G—Repeals and Related Provisions

Sec. 581. Annual report.
Sec. 582. Repeals relating to public housing and section 8 programs.
Sec. 583. Public housing flexibility in CHAS.
Sec. 584. Use of American products.
Sec. 585. GAO study on housing assistance program costs.
Sec. 586. Amendments to Public and Assisted Housing Drug Elimination Act of 1990.
Sec. 587. Review of drug elimination program contracts.
Sec. 588. Prohibition on use of assistance for employment relocation activities.
Sec. 589. Treatment of occupancy standards.
Sec. 590. Income eligibility for HOME and CDBG programs.
Sec. 591. Report on single family and multifamily homes.
Sec. 592. Use of assisted housing by aliens.
Sec. 593. Protection of senior homeowners under reverse mortgage program.
Sec. 594. Housing counseling.
Sec. 595. Native American housing assistance.
Sec. 596. CDBG public services cap.
Sec. 597. Moderate rehabilitation program.
Sec. 598. National cities in schools program.
Sec. 599. Tenant participation in multifamily housing projects.
Sec. 599A. Clarification regarding recreational vehicles.
Sec. 599B. Determination of low-income eligibility for homeownership assistance.
Sec. 599C. Amendments to rural housing programs.
Sec. 599D. Reauthorization of national flood insurance program.
Sec. 599E. Assistance for self-help housing providers
Sec. 599F. Special mortgage insurance assistance.
Sec. 599G. Rehabilitation demonstration grant program.
Sec. 599H. Assistance for certain localities.

SEC. 502. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

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

(2) the inventory of public housing units owned, assisted, or operated by public housing agencies, an asset in which the Federal Government has invested over $90,000,000,000, has traditionally provided rental housing that is affordable to low-income persons;

(3) despite serving this critical function, the public housing system is plagued by a series of problems, including the concentration of very poor people in very poor neighborhoods and disincentives for economic self-sufficiency;

(4) the Federal method of overseeing every aspect of public housing by detailed and complex statutes and regulations has aggravated the problem and has placed excessive administrative burdens on public housing agencies; and

(5) the interests of low-income persons, and the public interest, will best be served by a reformed public housing program that—

(A) consolidates many public housing programs into programs for the operation and capital needs of public housing;

(B) streamlines program requirements;

(C) vests in public housing agencies that perform well the maximum feasible authority, discretion, and control with appropriate accountability to public housing residents, localities, and the general public; and

(D) rewards employment and economic self-sufficiency of public housing residents.

(b) PURPOSES.—The purpose of this title is to promote homes that are affordable to low-income families in safe and healthy environments, and thereby contribute to the supply of affordable housing, by—

(1) deregulating and decontrolling public housing agencies, thereby enabling them to perform as property and asset managers;

(2) providing for more flexible use of Federal assistance to public housing agencies, allowing the authorities to leverage and combine assistance amounts with amounts obtained from other sources;

(3) facilitating mixed income communities and decreasing concentrations of poverty in public housing;

(4) increasing accountability and rewarding effective management of public housing agencies;

(5) creating incentives and economic opportunities for residents of dwelling units assisted by public housing agencies to work, become self-sufficient, and transition out of public housing and federally assisted dwelling units;

(6) consolidating the voucher and certificate programs for rental assistance under section 8 of the United States Housing Act of 1937 into a single market-driven program that will assist in making tenant-based rental assistance under such section more successful at helping low-income families obtain affordable housing and will increase housing choice for low-income families; and

(7) remedying the problems of troubled public housing agencies and replacing or revitalizing severely distressed public housing projects.

SEC. 503. EFFECTIVE DATE AND REGULATIONS.

(a) IN GENERAL.—The amendments under this title are made on the date of the enactment of this Act, but this title shall take effect, and the amendments made by this title shall apply beginning upon, October 1, 1999, except—

(1) as otherwise specifically provided in this title; or

(2) as otherwise specifically provided in any amendment made by this title.

The Secretary may, by notice, implement any provision of this title or any amendment made by this title before such date, except to the extent that such provision or amendment specifically provides otherwise.

(b) SAVINGS PROVISION.—Notwithstanding any amendment under this title that is made (in accordance with subsection (a)) on the date of the enactment of this Act but applies beginning on October 1, 1999, the provisions of law amended by such amendment, as such provisions were in effect immediately before the making of such amendment, shall continue to apply during the period beginning on the date of the enactment of this Act and ending upon October 1, 1999, unless otherwise specifically provided by this title.

(c) TECHNICAL RECOMMENDATIONS.—Not later than 9 months after the date of the enactment of this Act, the Secretary shall submit to the

Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives, recommended technical and conforming legislative changes necessary to carry out this title and the amendments made by this title.

(d) LIST OF OBSOLETE DOCUMENTS.—Not later than October 1, 1999, the Secretary of Housing and Urban Development shall cause to be published in the Federal Register a list of all rules, regulations, and orders (including all handbooks, notices, and related requirements) pertaining to public housing or section 8 tenant-based programs issued or promulgated under the United States Housing Act of 1937 before the date of the enactment of this Act that are or will be obsolete because of the enactment of this Act or are otherwise obsolete.

(e) PROTECTION OF CERTAIN REGULATIONS.—No provision of this title may be construed to repeal the regulations of the Secretary regarding tenant participation and tenant opportunities in public housing (24 C.F.R. 964).

(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

Subtitle A—General Provisions

SEC. 505. DECLARATION OF POLICY AND PUBLIC HOUSING AGENCY ORGANIZATION.

Section 2 of the United States Housing Act of 1937 (42 U.S.C. 1437) is amended to read as follows:

"SEC. 2. DECLARATION OF POLICY AND PUBLIC HOUSING AGENCY ORGANIZATION.

"(a) DECLARATION OF POLICY.—It is the policy of the United States—

"(1) to promote the general welfare of the Nation by employing the funds and credit of the Nation, as provided in this Act—

"(A) to assist States and political subdivisions of States to remedy the unsafe housing conditions and the acute shortage of decent and safe dwellings for low-income families;

"(B) to assist States and political subdivisions of States to address the shortage of housing affordable to low-income families; and

"(C) consistent with the objectives of this title, to vest in public housing agencies that perform well, the maximum amount of responsibility and flexibility in program administration, with appropriate accountability to public housing residents, localities, and the general public;

"(2) that the Federal Government cannot through its direct action alone provide for the housing of every American citizen, or even a majority of its citizens, but it is the responsibility of the Government to promote and protect the independent and collective actions of private citizens to develop housing and strengthen their own neighborhoods;

"(3) that the Federal Government should act where there is a serious need that private citizens or groups cannot or are not addressing responsibly; and

"(4) that our Nation should promote the goal of providing decent and affordable housing for all citizens through the efforts and encouragement of Federal, State, and local governments, and by the independent and collective actions of private citizens, organizations, and the private sector.

"(b) PUBLIC HOUSING AGENCY ORGANIZATION.—

"(1) REQUIRED MEMBERSHIP.—Except as provided in paragraph (2), the membership of the board of directors or similar governing body of each public housing agency shall contain not less than 1 member—

"(A) who is directly assisted by the public housing agency; and

"(B) who may, if provided for in the public housing agency plan, be elected by the residents directly assisted by the public housing agency.

"(2) EXCEPTION.—Paragraph (1) shall not apply to any public housing agency—

"(A) that is located in a State that requires the members of the board of directors or similar governing body of a public housing agency to be salaried and to serve on a full-time basis; or

"(B) with less than 300 public housing units, if—

"(i) the agency has provided reasonable notice to the resident advisory board of the opportunity of not less than 1 resident described in paragraph (1) to serve on the board of directors or similar governing body of the public housing agency pursuant to such paragraph; and

"(ii) within a reasonable time after receipt by the resident advisory board established by the agency pursuant to section 5A(e) of notice under clause (i), the public housing agency has not been notified of the intention of any resident to participate on the board of directors.

"(3) NONDISCRIMINATION.—No person shall be prohibited from serving on the board of directors or similar governing body of a public housing agency because of the residence of that person in a public housing project or status as assisted under section 8.".

SEC. 506. DEFINITIONS.

Section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) is amended as follows:

(1) PUBLIC HOUSING.—In paragraph (1), by inserting after the second sentence the following new sentence: "The term 'public housing' includes dwelling units in a mixed finance project that are assisted by a public housing agency with capital or operating assistance.".

(2) SINGLE PERSONS.—In paragraph (3)—

(A) in subparagraph (A), by striking the third sentence; and

(B) in subparagraph (B), in the second sentence, by striking "regulations of the Secretary" and inserting "public housing agency plan".

(3) PERSON WITH DISABILITIES.—In paragraph (3)(E), by adding after the period at the end the following new sentences: "Notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for purposes of eligibility for low-income housing under this title, solely on the basis of any drug or alcohol dependence. The Secretary shall consult with other appropriate Federal agencies to implement the preceding sentence.".

(4) NEW TERMS.—Section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) is amended by adding at the end the following new paragraphs:

"(9) DRUG-RELATED CRIMINAL ACTIVITY.—The term 'drug-related criminal activity' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as such term is defined in section 102 of the Controlled Substances Act).

"(10) MIXED-FINANCE PROJECT.—The term 'mixed-finance project' means a public housing project that meets the requirements of section 35.

"(11) PUBLIC HOUSING AGENCY PLAN.—The term 'public housing agency plan' means the plan of a public housing agency prepared in accordance with section 5A.

"(12) CAPITAL FUND.—The term 'Capital Fund' means the fund established under section 9(d).

"(13) OPERATING FUND.—The term 'Operating Fund' means the fund established under section 9(e).".

SEC. 507. MINIMUM RENT.

(a) IN GENERAL.—Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)) is amended by adding at the end the following new paragraph:

"(3) MINIMUM RENTAL AMOUNT.—

"(A) REQUIREMENT.—Notwithstanding paragraph (1) of this subsection, the method for rent determination elected pursuant to paragraph (2)(A) of this subsection by a family residing in public housing, section 8(o)(2) of this Act, or section 206(d) of the Housing and Urban-Rural Recovery Act of 1983 (including paragraph (5) of such section), the following entities shall require the following families to pay a minimum monthly rental amount (which amount shall include any amount allowed for utilities) of not more than $50 per month, as follows:

"(i) Each public housing agency shall require the payment of such minimum monthly rental amount, which amount shall be determined by the agency, by—

"(I) each family residing in a dwelling unit in public housing by the agency;

"(II) each family who is assisted under the certificate or moderate rehabilitation program under section 8; and

"(III) each family who is assisted under the voucher program under section 8, and the agency shall reduce the monthly assistance payment on behalf of such family as may be necessary to ensure payment of such minimum monthly rental amount.

"(ii) The Secretary shall require each family who is assisted under any other program for rental assistance under section 8 to pay such minimum monthly rental amount, which amount shall be determined by the Secretary.

"(B) EXCEPTION FOR HARDSHIP CIRCUMSTANCES.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A), a public housing agency (or the Secretary, in the case of a family described in subparagraph (A)(ii)) shall immediately grant an exemption from application of the minimum monthly rental under such subparagraph 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, 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; (II) the family would be evicted as a result of the imposition of the minimum rent requirement under subparagraph (A); (III) the income of the family has decreased because of changed circumstance, including loss of employment; (IV) a death in the family has occurred; and (V) other situations as may be determined by the agency (or the Secretary, in the case of a family described in subparagraph (A)(ii)).

"(ii) WAITING PERIOD.—If a resident requests a hardship exemption under this subparagraph and the public housing agency (or the Secretary, in the case of a family described in subparagraph (A)(ii)) 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 (or the Secretary) shall retroactively exempt the resident from the applicability of the minimum rent requirement for such 90-day period.".

(b) REPEAL OF DUPLICATIVE PROVISIONS.—Section 402 of the Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 40) is amended by striking subsection (a).

(c) CONFORMING AMENDMENT.—The third sentence of section 3(a)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(1)) is amended by inserting "and subject to the requirement under paragraph (3)" before the first comma.

(d) EFFECTIVE DATE.—The amendments under this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 508. DETERMINATION OF ADJUSTED INCOME AND MEDIAN INCOME.

(a) ADJUSTED INCOME.—Paragraph (5) of section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5) is amended to read as follows:

"(5) ADJUSTED INCOME.—The term 'adjusted income' means, with respect to a family, the amount (as determined by the public housing agency) of the income of the members of the family residing in a dwelling unit or the persons on a lease, after any income exclusions as follows:

"(A) MANDATORY EXCLUSIONS.—In determining adjusted income, a public housing agency shall exclude from the annual income of a family the following amounts:

"(i) ELDERLY AND DISABLED FAMILIES.—$400 for any elderly or disabled family.

"(ii) MEDICAL EXPENSES.—The amount by which 3 percent of the annual family income is exceeded by the sum of—

"(I) unreimbursed medical expenses of any elderly family or disabled family;

"(II) unreimbursed medical expenses of any family that is not covered under subclause (I), except that this subclause shall apply only to the extent approved in appropriation Acts; and

"(III) unreimbursed reasonable attendant care and auxiliary apparatus expenses for each handicapped member of the family, to the extent necessary to enable any member of such family (including such handicapped member) to be employed.

"(iii) CHILD CARE EXPENSES.—Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

"(iv) MINORS, STUDENTS, AND PERSONS WITH DISABILITIES.—$480 for each member of the family residing in the household (other than the head of the household or his or her spouse) who is less than 18 years of age or is attending school or vocational training on a full-time basis, or who is 18 years of age or older and is a person with disabilities.

"(v) CHILD SUPPORT PAYMENTS.—Any payment made by a member of the family for the support and maintenance of any child who does not reside in the household, except that the amount excluded under this clause may not exceed $480 for each child for whom such payment is made; except that this clause shall apply only to the extent approved in appropriations Acts.

"(vi) SPOUSAL SUPPORT EXPENSES.—Any payment made by a member of the family for the support and maintenance of any spouse or former spouse who does not reside in the household, except that the amount excluded under this clause shall not exceed the lesser of (I) the amount that such family member has a legal obligation to pay, or (II) $550 for each individual for whom such payment is made; except that this clause shall apply only to the extent approved in appropriations Acts.

"(vii) EARNED INCOME OF MINORS.—The amount of any earned income of a member of the family who is not—

"(I) 18 years of age or older; and

"(II) the head of the household (or the spouse of the head of the household).

"(B) PERMISSIVE EXCLUSIONS FOR PUBLIC HOUSING.—In determining adjusted income, a public housing agency may, in the discretion of the agency, establish exclusions from the annual income of a family residing in a public housing dwelling unit. Such exclusions may include the following amounts:

"(i) EXCESSIVE TRAVEL EXPENSES.—Excessive travel expenses in an amount not to exceed $25 per family per week, for employment- or education-related travel.

"(ii) EARNED INCOME.—An amount of any earned income of the family, established at the discretion of the public housing agency, which may be based on—

"(I) all earned income of the family,

"(II) the amount earned by particular members of the family;

"(III) the amount earned by families having certain characteristics; or

"(IV) the amount earned by families or members during certain periods or from certain sources.

"(iii) OTHERS.—Such other amounts for other purposes, as the public housing agency may establish.". .

(b) DISALLOWANCE OF EARNED INCOME FROM PUBLIC HOUSING RENT DETERMINATIONS.—

(1) IN GENERAL.—Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a) is amended—

(A) by striking the undesignated paragraph that follows subsection (c)(3) (as added by section 515(b) of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625; 104 Stat. 4199)); and

(B) by adding at the end the following new subsections:

"(d) DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the rent payable under subsection (a) by a family described in paragraph (3) of this subsection may not be increased as a result of the increased income due to such employment during the 12-month period beginning on the date on which the employment is commenced.

"(2) PHASE-IN OF RENT INCREASES.—Upon the expiration of the 12-month period referred to in paragraph (1), the rent payable by a family described in paragraph (3) may be increased due to the continued employment of the family member described in paragraph (3)(B), except that during the 12-month period beginning upon such expiration the amount of the increase may not be greater than 50 percent of the amount of the total rent increase that would be applicable but for this paragraph.

"(3) ELIGIBLE FAMILIES.—A family described in this paragraph is a family—

"(A) that—

"(i) occupies a dwelling unit in a public housing project; or

"(ii) receives assistance under section 8; and

"(B)(i) whose income increases as a result of employment of a member of the family who was previously unemployed for 1 or more years;

"(ii) whose earned income increases during the participation of a family member in any family self-sufficiency or other job training program; or

"(iii) who is or was, within 6 months, assisted under any State program for temporary assistance for needy families funded under part A of title IV of the Social Security Act and whose earned income increases.

"(4) APPLICABILITY.—This subsection and subsection (e) shall apply beginning upon October 1, 1999, except that this subsection and subsection (e) shall apply with respect to any family described in paragraph 3(A)(ii) only to the extent provided in advance in appropriations Acts.

"(e) INDIVIDUAL SAVINGS ACCOUNTS.—

"(1) IN GENERAL.—In lieu of a disallowance of earned income under subsection (d), upon the request of a family that qualifies under subsection (d), a public housing agency may establish an individual savings account in accordance with this subsection for that family.

"(2) DEPOSITS TO ACCOUNT.—The public housing agency shall deposit in any savings account established under this subsection an amount equal to the total amount that otherwise would be applied to the family's rent payment under subsection (a) as a result of employment.

"(3) WITHDRAWAL FROM ACCOUNT.—Amounts deposited in a savings account established under this subsection may only be withdrawn by the family for the purpose of—

"(A) purchasing a home;

"(B) paying education costs of family members;

"(C) moving out of public or assisted housing; or

"(D) paying any other expense authorized by the public housing agency for the purpose of promoting the economic self-sufficiency of residents of public and assisted housing.".

(2) SAVINGS PROVISION.—Notwithstanding the amendment made by paragraph (1), the provisions of the undesignated paragraph at the end of section 3(c)(3) of the United States Housing Act of 1937, as such section was in effect immediately before the enactment of this Act, shall continue to apply until the effective date under section 503 of this Act. Notwithstanding the amendment made by subsection (a) of this section, nor the applicability under section 402(f) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note) of the amendments made by such section 402, nor any repeal of such section 402(f), the provisions of section 3(b)(5)(G) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)(G)), as such section was in effect immediately before the date of the enactment of this Act, shall continue to apply until the effective date under section 503 of this Act.

(c) MEDIAN INCOME.—

(1) IN GENERAL.—Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is amended—

(A) in the 4th sentence—

(i) by striking "County" and inserting "and Rockland Counties"; and

(ii) by inserting "each" before "such county";

(B) in the last sentence—

(i) by striking "County" the 1st place it appears and inserting "or Rockland Counties"; and

(ii) by striking "County" the 2d place it appears and inserting "and Rockland Counties"; and

(C) by adding at the end the following new sentences: "In determining areas that are designated as difficult development areas for purposes of the low-income housing tax credit, the Secretary shall include Westchester and Rockland Counties, New York, in the New York City metropolitan area.".

(2) APPLICABILITY.—The amendments made by this paragraph are made on, and shall apply beginning upon, the date of the enactment of this Act.

(d) AVAILABILITY OF INCOME MATCHING INFORMATION.—

(1) AVAILABILITY.—Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(f) AVAILABILITY OF INCOME MATCHING INFORMATION.—

"(1) DISCLOSURE TO PHA.—A public housing agency shall require any family described in paragraph (2) who receives information regarding income, earnings, wages, or unemployment compensation from the Department of Housing and Urban Development pursuant to income verification procedures of the Department to disclose such information, upon receipt of the information, to the public housing agency that owns or operates the public housing dwelling unit in which such family resides or that provides the housing assistance under this Act on behalf of such family, as applicable.

"(2) FAMILIES COVERED.—A family described in this paragraph is a family that resides in a dwelling unit—

"(A) that is a public housing dwelling unit; or

"(B) for which tenant-based assistance is provided under section 8.".

(2) PROTECTION OF APPLICANTS AND PARTICIPANTS.—Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended—

(A) in subsection (b)—

(i) in paragraph (2), by striking "and" at the end;

(ii) in paragraph (3), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following new paragraph:

"(4) only in the case of an applicant or participant that is a member of a family described in section 3(f)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(f)(2)), sign an agreement under which the applicant or participant agrees to provide to the appropriate public housing agency the information required under section 3(f)(1) of such Act for the sole purpose of the public housing agency verifying income information pertinent to the applicant's or participant's eligibility or level of benefits, and comply with such agreement."; and

(B) in subsection (c)—

(i) in paragraph (2)(A), in the matter preceding clause (i)—

(I) by inserting before "or" the first place it appears the following: ", pursuant to section 3(d)(1) of the United States Housing Act of 1937 from the applicant or participant,"; and

(II) by inserting "or 3(d)(1)" after "such section 303(i)"; and

(ii) in paragraph (3)—

(I) in subparagraph (A), by inserting ", section 3(d)(1) of the United States Housing Act of 1937," after "Social Security Act";

(II) in subparagraph (A), by inserting "or agreement, as applicable," after "consent";

(III) in subparagraph (B), by inserting "section 3(d)(1) of the United States Housing Act of 1937," after "Social Security Act,"; and

(IV) in subparagraph (B), by inserting "such section 3(d)(1)," after "such section 303(i)," each place it appears.

SEC. 509. FAMILY SELF-SUFFICIENCY PROGRAM.

(a) IN GENERAL.—Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u(b)) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "and" at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting ", subject to the limitations in paragraph (4); and"; and

(iii) by adding at the end the following new subparagraph:

"(C) effective on the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, to the extent an agency is not required to carry out a program pursuant to subparagraph (B) of this paragraph and paragraph (4), may carry out a local Family Self-Sufficiency program under this section.";

(B) in paragraph (3), by striking "Each" and inserting "Subject to paragraph (4), each";

(C) by redesignating paragraph (4) as paragraph (5); and

(D) by inserting after paragraph (3) the following new paragraph:

"(4) TERMINATION OF REQUIREMENT TO EXPAND PROGRAM.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency that receives incremental assistance under subsection (b) or (o) of section 8 or that makes available new public housing dwelling units shall not be required, after the enactment of the Quality Housing and Work Responsibility Act of 1998, to provide assistance under a local Family Self-Sufficiency program under this section to any families not required to be assisted under subparagraph (B) of this paragraph.

"(B) CONTINUATION OF EXISTING OBLIGATIONS.—

"(i) IN GENERAL.—Each public housing agency that, before the enactment of the Quality Housing and Work Responsibility Act of 1998, was required under this section to carry out a local Family Self-Sufficiency program shall continue to operate such local program for the number of families determined under paragraph (3), subject only to the availability under appropriations Acts of sufficient amounts for housing assistance.

"(ii) REDUCTION.—The number of families for which an agency is required under clause (i) to operate such local program shall be decreased by one for each family that, after enactment of the Quality Housing and Work Responsibility Act of 1998, fulfills its obligations under the contract of participation.";

(2) in subsection (d), by striking the second paragraph that is designated as paragraph (3) (relating to use of escrow savings accounts for section 8 homeownership; as added by section 185(b) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3747)); and

(3) in subsection (f)(1), by inserting "carrying out a local program under this section" after "Each public housing agency".

(b) APPLICABILITY.—The amendments made by this subsection are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 510. PROHIBITION ON USE OF FUNDS.

Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c)) is amended by adding at the end the following new subsection:

"(l) PROHIBITION ON USE OF FUNDS.—None of the funds made available to the Department of Housing and Urban Development to carry out this Act, which are obligated to State or local governments, public housing agencies, housing finance agencies, or other public or quasi-public housing agencies, shall be used to indemnify contractors or subcontractors of the government or agency against costs associated with judgments of infringement of intellectual property rights.".

SEC. 511. PUBLIC HOUSING AGENCY PLAN.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by inserting after section 5 the following new section:

"SEC. 5A. PUBLIC HOUSING AGENCY PLANS.

"(a) 5-YEAR PLAN.—

"(1) IN GENERAL.—Subject to paragraph (2), not less than once every 5 fiscal years, each public housing agency shall submit to the Secretary a plan that includes, with respect to the 5 fiscal years immediately following the date on which the plan is submitted—

"(A) a statement of the mission of the public housing agency for serving the needs of low-income and very low-income families in the jurisdiction of the public housing agency during such fiscal years; and

"(B) a statement of the goals and objectives of the public housing agency that will enable the public housing agency to serve the needs identified pursuant to subparagraph (A) during those fiscal years.

"(2) INITIAL PLAN.—The initial 5-year plan submitted by a public housing agency under this subsection shall be submitted for the 5-year period beginning on October 1, 1999, or the first fiscal year thereafter for which the public housing agency initially receives assistance under this Act.

"(b) ANNUAL PLAN.—

"(1) IN GENERAL.—Effective beginning upon October 1, 1999, each public housing agency shall submit to the Secretary an annual public housing agency plan under this subsection for each fiscal year for which the public housing agency receives assistance under section 8(o) or 9.

"(2) UPDATES.—For each fiscal year after the initial submission of an annual plan under this subsection by a public housing agency, the public housing agency may comply with requirements for submission of a plan under this subsection by submitting an update of the plan for the fiscal year.

"(c) PROCEDURES.—

"(1) IN GENERAL.—The Secretary shall establish requirements and procedures for submission and review of plans, including requirements for timing and form of submission, and for the contents of such plans.

"(2) CONTENTS.—The procedures established under paragraph (1) shall provide that a public housing agency shall—

"(A) in developing the plan consult with the resident advisory board established under subsection (e); and

"(B) ensure that the plan under this section is consistent with the applicable comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the jurisdiction in which the public housing agency is located, in accordance with title I of the Cranston-Gonzalez National Affordable Housing Act, and contains a certification by the appropriate State or local official that the plan meets the requirements of this paragraph and a description of the manner in which the applicable contents of the public housing agency plan are consistent with the comprehensive housing affordability strategy.

"(d) CONTENTS.—An annual public housing agency plan under subsection (b) for a public housing agency shall contain the following information relating to the upcoming fiscal year for which the assistance under this Act is to be made available:

"(1) NEEDS.—A statement of the housing needs of low-income and very low-income families residing in the jurisdiction served by the public housing agency, and of other low-income and very low-income families on the waiting list of the agency (including housing needs of elderly families and disabled families), and the means by which the public housing agency intends, to the maximum extent practicable, to address those needs.

"(2) FINANCIAL RESOURCES.—A statement of financial resources available to the agency and the planned uses of those resources.

"(3) ELIGIBILITY, SELECTION, AND ADMISSIONS POLICIES.—A statement of the policies governing eligibility, selection, admissions (including any preferences), assignment, and occupancy of families with respect to public housing dwelling units and housing assistance under section 8(o), including—

"(A) the procedures for maintaining waiting lists for admissions to public housing projects of the agency, which may include a system of site-based waiting lists under section 6(r); and

"(B) the admissions policy under section 16(a)(3)(B) for deconcentration of lower-income families.

"(4) RENT DETERMINATION.—A statement of the policies of the public housing agency governing rents charged for public housing dwelling units and rental contributions of families assisted under section 8(o).

"(5) OPERATION AND MANAGEMENT.—A statement of the rules, standards, and policies of the public housing agency governing maintenance and management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including by cockroaches), and management of the public housing agency and programs of the public housing agency.

"(6) GRIEVANCE PROCEDURE.—A statement of the grievance procedures of the public housing agency.

"(7) CAPITAL IMPROVEMENTS.—With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects.

"(8) DEMOLITION AND DISPOSITION.—With respect to public housing projects owned by the public housing agency—

"(A) a description of any housing for which the PHA will apply for demolition or disposition under section 18; and

"(B) a timetable for the demolition or disposition.

"(9) DESIGNATION OF HOUSING FOR ELDERLY AND DISABLED FAMILIES.—With respect to public housing projects owned, assisted, or operated by the public housing agency, a description of any projects (or portions thereof) that the public housing agency has designated or will apply for designation for occupancy by elderly and disabled families in accordance with section 7.

"(10) CONVERSION OF PUBLIC HOUSING.—With respect to public housing owned by a public housing agency—

"(A) a description of any building or buildings that the public housing agency is required to convert to tenant-based assistance under section 33 or that the public housing agency plans to voluntarily convert under section 22;

"(B) an analysis of the projects or buildings required to be converted under section 33; and

"(C) a statement of the amount of assistance received under this Act to be used for rental assistance or other housing assistance in connection with such conversion.

"(11) HOMEOWNERSHIP.—A description of any homeownership programs of the agency under section 8(y) or for which the public housing agency has applied or will apply for approval under section 32.

"(12) COMMUNITY SERVICE AND SELF-SUFFICIENCY.—A description of—

"(A) any programs relating to services and amenities provided or offered to assisted families;

"(B) any policies or programs of the public housing agency for the enhancement of the economic and social self-sufficiency of assisted families;

"(C) how the public housing agency will comply with the requirements of subsections (c) and (d) of section 12 (relating to community service and treatment of income changes resulting from welfare program requirements).

"(13) SAFETY AND CRIME PREVENTION.—A plan established by the public housing agency, which shall be subject to the following requirements:

"(A) SAFETY MEASURES.—The plan shall provide, on a project-by-project or jurisdiction-wide basis, for measures to ensure the safety of public housing residents.

"(B) ESTABLISHMENT.—The plan shall be established in consultation with the police officer or officers in command for the appropriate precinct or police department.

"(C) CONTENT.—The plan shall describe the need for measures to ensure the safety of public housing residents and for crime prevention measures, describe any such activities conducted or to be conducted by the agency, and provide for coordination between the agency and the appropriate police precincts for carrying out such measures and activities.

"(D) SECRETARIAL ACTION.—If the Secretary determines, at any time, that the security needs of a project are not being adequately addressed by the plan, or that the local police precinct is not complying with the plan, the Secretary may mediate between the public housing agency and the local precinct to resolve any issues of conflict.

"(14) PETS.—The requirements of the agency, pursuant to section 31, relating to pet ownership in public housing.

"(15) CIVIL RIGHTS CERTIFICATION.—A certification by the public housing agency that the public housing agency will carry out the public housing agency plan in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

"(16) ANNUAL AUDIT.—The results of the most recent fiscal year audit of the public housing agency under section 5(h)(2).

"(17) ASSET MANAGEMENT.—A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.

"(18) OTHER.—Any other information required by law to be included in a public housing agency plan.

"(e) RESIDENT ADVISORY BOARD.—

"(1) IN GENERAL.—Except as provided in paragraph (3), each public housing agency shall establish 1 or more resident advisory boards in accordance with this subsection, the membership of which shall adequately reflect and represent the residents assisted by the public housing agency.

"(2) FUNCTIONS.—Each resident advisory board established under this subsection by a public housing agency shall assist and make recommendations regarding the development of the public housing agency plan for the agency. The agency shall consider the recommendations of the resident advisory boards in preparing the final public housing agency plan, and shall include, in the public housing agency plan submitted to the Secretary under this section, a copy of the recommendations and a description of the manner in which the recommendations were addressed.

"(3) WAIVER.—The Secretary may waive the requirements of this subsection with respect to the establishment of resident advisory boards for a public housing agency if the agency demonstrates to the satisfaction of the Secretary that there exist resident councils or other resident organizations of the public housing agency that—

"(A) adequately represent the interests of the residents of the public housing agency; and

"(B) have the ability to perform the functions described in paragraph (2).

"(1) IN GENERAL.—In developing a public housing agency plan under this section, the board of directors or similar governing body of a public housing agency shall conduct a public hearing to discuss the public housing agency plan and to invite public comment regarding that plan. The hearing shall be conducted at a location that is convenient to residents.

"(2) AVAILABILITY OF INFORMATION AND NOTICE.—Not later than 45 days before the date of a hearing conducted under paragraph (1), the public housing agency shall—

"(A) make the proposed public housing agency plan and all information relevant to the hearing and proposed plan available for inspection by the public at the principal office of the public housing agency during normal business hours; and

"(B) publish a notice informing the public that—

"(i) that the information is available as required under subparagraph (A); and

"(ii) that a public hearing under paragraph (1) will be conducted.

"(3) ADOPTION OF PLAN.—A public housing agency may adopt a public housing agency plan and submit the plan to the Secretary in accordance with this section only after—

"(A) conducting a public hearing under paragraph (1);

"(B) considering all public comments received; and

"(C) making any appropriate changes in the public housing agency plan, in consultation with the resident advisory board.

"(4) ADVISORY BOARD CONSULTATION ENFORCEMENT.—Pursuant to a written request made by the resident advisory board for a public housing agency that documents a failure on the part of the agency to provide adequate notice and opportunity for comment under this subsection and a finding by the Secretary of good cause within the time period provided for in subsection (i)(4), the Secretary may require the public housing agency to adequately remedy such failure before final approval of the public housing agency plan under this section.

"(g) AMENDMENTS AND MODIFICATIONS TO PLANS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall preclude a public housing agency, after submitting a plan to the Secretary in accordance with this section, from amending or modifying any policy, rule, regulation, or plan of the public housing agency, except that a significant amendment or modification may not—

"(A) be adopted, other than at a duly called meeting of board of directors (or similar governing body) of the public housing agency that is open to the public; and

"(B) be implemented, until notification of the amendment or modification is provided to the Secretary and approved in accordance with subsection (i).

"(2) CONSISTENCY AND NOTICE.—Each significant amendment or modification to a public housing agency plan submitted to the Secretary under this section shall—

"(A) meet the requirements under subsection (c)(2) (relating to consultation with resident advisory board and consistency with comprehensive housing affordability strategies); and

"(B) be subject to the notice and public hearing requirements of subsection (f).

"(h) SUBMISSION OF PLANS.—

"(1) INITIAL SUBMISSION.—Each public housing agency shall submit the initial plan required by this section, and any amendment or modification to the initial plan, to the Secretary at such time and in such form as the Secretary shall require.

"(2) ANNUAL SUBMISSION.—Not later than 75 days before the start of the fiscal year of the public housing agency, after submission of the initial plan required by this section in accordance with subparagraph (A), each public housing agency shall annually submit to the Secretary a plan update, including any amendments or modifications to the public housing agency plan.

"(i) REVIEW AND DETERMINATION OF COMPLIANCE.—

"(1) REVIEW.—Subject to paragraph (2), after submission of the public housing agency plan or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make determinations under this paragraph, the Secretary shall review the public housing agency plan (including any amendments or modifications thereto) and determine whether the contents of the plan—

"(A) set forth the information required by this section and this Act to be contained in a public housing agency plan;

"(B) are consistent with information and data available to the Secretary, including the approved comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act for the jurisdiction in which the public housing agency is located; and

"(C) are not prohibited by or inconsistent with any provision of this title or other applicable law.

"(2) ELEMENTS EXEMPTED FROM REVIEW.—The Secretary may, by regulation, provide that one or more elements of a public housing agency plan shall be reviewed only if the element is challenged, except that the Secretary shall review the information submitted in each plan pursuant to paragraphs (3)(B), (8), and (15) of subsection (d).

"(3) DISAPPROVAL.—The Secretary may disapprove a public housing agency plan (or any amendment or modification thereto) only if Secretary determines that the contents of the plan (or amendment or modification) do not comply with the requirements under subparagraph (A) through (C) of paragraph (1).

"(4) DETERMINATION OF COMPLIANCE.—

"(A) IN GENERAL.—Except as provided in subsection (j)(2), not later than 75 days after the date on which a public housing agency plan is submitted in accordance with this section, the Secretary shall make the determination under paragraph (1) and provide written notice to the public housing agency if the plan has been disapproved. If the Secretary disapproves the plan, the notice shall state with specificity the reasons for the disapproval.

"(B) FAILURE TO PROVIDE NOTICE OF DISAPPROVAL.—In the case of a plan disapproved, if the Secretary does not provide notice of disapproval under subparagraph (A) before the expiration of the period described in subparagraph (A), the Secretary shall be considered, for purposes of this Act, to have made a determination that the plan complies with the requirements under this section and the agency shall be considered to have been notified of compliance upon the expiration of such period. The preceding sentence shall not preclude judicial review regarding such compliance pursuant to chapter 7 of title 5, United States Code, or an action regarding such compliance under section 1979 of the Revised Statutes of the United States (42 U.S.C. 1983).

"(5) PUBLIC AVAILABILITY.—A public housing agency shall make the approved plan of the agency available to the general public.

"(j) TROUBLED AND AT-RISK PHAS.—

"(1) IN GENERAL.—The Secretary may require, for each public housing agency that is at risk of being designated as troubled under section 6(j)(2) or is designated as troubled under section 6(j)(2), that the public housing agency plan for such agency include such additional information as the Secretary determines to be appropriate, in accordance with such standards as the Secretary may establish or in accordance with such determinations as the Secretary may make on an agency-by-agency basis.

"(2) TROUBLED AGENCIES.—The Secretary shall provide explicit written approval or disapproval, in a timely manner, for a public housing agency plan submitted by any public housing agency designated by the Secretary as a troubled public housing agency under section 6(j)(2).

"(k) STREAMLINED PLAN.—In carrying out this section, the Secretary may establish a streamlined public housing agency plan for—

"(A) public housing agencies that are determined by the Secretary to be high performing public housing agencies;

"(B) public housing agencies with less than 250 public housing units that have not been designated as troubled under section 6(j)(2); and

"(C) public housing agencies that only administer tenant-based assistance and that do not own or operate public housing.

"(l) COMPLIANCE WITH PLAN.—

"(1) IN GENERAL.—In providing assistance under this title, a public housing agency shall comply with the rules, standards, and policies established in the public housing agency plan of the public housing agency approved under this section.

"(2) INVESTIGATION AND ENFORCEMENT.—In carrying out this title, the Secretary shall—

"(A) provide an appropriate response to any complaint concerning noncompliance by a public housing agency with the applicable public housing agency plan; and

"(B) if the Secretary determines, based on a finding of the Secretary or other information available to the Secretary, that a public housing agency is not complying with the applicable public housing agency plan, take such actions as the Secretary determines to be appropriate to ensure such compliance.".

(b) IMPLEMENTATION.—

(1) INTERIM RULE.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall issue an interim rule to require the submission of an interim public housing agency plan by each public housing agency, as required by section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section). The interim rule shall provide for a public comment period of not less than 60 days.

(2) FINAL REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall issue final regulations implementing section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section).

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

(A) seek recommendations on the implementation of section 5A of the United States Housing Act of 1937 (as added by this subsection (a) of this section) from organizations representing—

(i) State or local public housing agencies;

(ii) residents, including resident management corporations; and

(iii) other appropriate parties; and

(B) convene not less than 2 public forums at which the persons or organizations making recommendations under subparagraph (A) may express views concerning the proposed disposition of the recommendations.

The Secretary shall publish in the final rule a summary of the recommendations made and public comments received and the Department of Housing and Urban Development's response to such recommendations and comments.

(c) AUDIT AND REVIEW; REPORT.—

(1) AUDIT AND REVIEW.—Not later than 1 year after the effective date of final regulations issued under subsection (b)(2), in order to determine the degree of compliance, by public housing agencies, with public housing agency plans approved under section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section), the Comptroller General of the United States shall conduct—

(A) a review of a representative sample of the public housing agency plans approved under such section 5A before such date; and

(B) an audit and review of the public housing agencies submitting such plans.

(2) REPORT.—Not later than 2 years after the date on which public housing agency plans are initially required to be submitted under section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section) the Comptroller General of the United States shall submit to the Congress a report, which shall include—

(A) a description of the results of each audit and review under paragraph (1); and

(B) any recommendations for increasing compliance by public housing agencies with their public housing agency plans approved under section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section).

(d) CONTRACT PROVISIONS.—Section 6(a) of the United States Housing Act of 1937 (42 U.S.C. 1437d(a)) is amended—

(1) in the first sentence, by inserting ", in a manner consistent with the public housing agency plan" before the period; and

(2) by striking the second sentence.

(e) APPLICABILITY.—This section shall take effect, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 512. COMMUNITY SERVICE AND FAMILY SELF-SUFFICIENCY REQUIREMENTS.

(a) IN GENERAL.—Section 12 of the United States Housing Act of 1937 (42 U.S.C. 1437j) is amended—

(1) in the section heading, by inserting "AND COMMUNITY SERVICE REQUIREMENT" after "LABOR STANDARDS"; and

(2) by adding at the end the following new subsections:

"(c) COMMUNITY SERVICE REQUIREMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, each adult resident of a public housing project shall—

"(A) contribute 8 hours per month of community service (not including political activities) within the community in which that adult resides; or

"(B) participate in an economic self-sufficiency program (as that term is defined in subsection (g)) for 8 hours per month.

"(2) EXEMPTIONS.—The Secretary shall provide an exemption from the applicability of paragraph (1) for any individual who—

"(A) is 62 years of age or older;

"(B) is a blind or disabled individual, as defined under section 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. 416(i)(1); 1382c), and who is unable to comply with this section, or is a primary caretaker of such individual;

"(C) is engaged in a work activity (as such term is defined in section 407(d) of the Social Security Act (42 U.S.C. 607(d)), as in effect on and after July 1, 1997));

"(D) meets the requirements for being exempted from having to engage in a work activity under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency is located, including a State-administered welfare-to-work program; or

"(E) is in a family receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency is located, including a State-administered welfare-to-work program, and has not been found by the State or other administering entity to be in noncompliance with such program.

"(3) ANNUAL DETERMINATIONS.—

"(A) REQUIREMENT.—For each public housing resident subject to the requirement under paragraph (1), the public housing agency shall, 30 days before the expiration of each lease term of the resident under section 6(l)(1), review and determine the compliance of the resident with the requirement under paragraph (1) of this subsection.

"(B) DUE PROCESS.—Such determinations shall be made in accordance with the principles of due process and on a nondiscriminatory basis.

"(C) NONCOMPLIANCE.—If an agency determines that a resident subject to the requirement under paragraph (1) has not complied with the requirement, the agency—

"(i) shall notify the resident—

"(I) of such noncompliance;

"(II) that the determination of noncompliance is subject to the administrative grievance procedure under subsection (k); and

"(III) that, unless the resident enters into an agreement under clause (ii) of this subparagraph, the resident's lease will not be renewed; and

"(ii) may not renew or extend the resident's lease upon expiration of the lease term and shall take such action as is necessary to terminate the tenancy of the household, unless the agency enters into an agreement, before the expiration of the lease term, with the resident providing for the resident to cure any noncompliance with the requirement under paragraph (1), by participating in an economic self-sufficiency program for or contributing to community service as many additional hours as the resident needs to comply in the aggregate with such requirement over the 12-month term of the lease.

"(4) INELIGIBILITY FOR OCCUPANCY FOR NONCOMPLIANCE.—A public housing agency may not renew or extend any lease, or provide any new lease, for a dwelling unit in public housing for any household that includes an adult member who was subject to the requirement under paragraph (1) and failed to comply with the requirement.

"(5) INCLUSION IN PLAN.—Each public housing agency shall include in its public housing agency plan a detailed description of the manner in which the agency intends to implement and administer this subsection.

"(6) GEOGRAPHIC LOCATION.—The requirement under paragraph (1) may include community service or participation in an economic self-sufficiency program performed at a location not owned by the public housing agency.

"(7) PROHIBITION AGAINST REPLACEMENT OF EMPLOYEES.—In carrying out this subsection, a public housing agency may not—

"(A) substitute community service or participation in an economic self-sufficiency program, as described in paragraph (1), for work performed by a public housing employee; or

"(B) supplant a job at any location at which community work requirements are fulfilled.

"(8) THIRD-PARTY COORDINATING.—A public housing agency may administer the community service requirement under this subsection directly, through a resident organization, or through a contractor having experience in administering volunteer-based community service programs within the service area of the public housing agency. The Secretary may establish qualifications for such organizations and contractors.

"(d) TREATMENT OF INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS.—

"(1) COVERED FAMILY.—For purposes of this subsection, the term 'covered family' means a family that (A) receives benefits for welfare or public assistance from a State or other public agency under a program for which the Federal, State, or local law relating to the program requires, as a condition of eligibility for assistance under the program, participation of a member of the family in an economic self-sufficiency program, and (B) resides in a public housing dwelling unit or is provided tenant-based assistance under section 8.

"(2) DECREASES IN INCOME FOR FAILURE TO COMPLY.—

"(A) IN GENERAL.—Notwithstanding the provisions of section 3(a) (relating to family rental contributions) or paragraph (4) or (5) of section 3(b) (relating to definition of income and adjusted income), if the welfare or public assistance benefits of a covered family are reduced under a Federal, State, or local law regarding such an assistance program because of any failure of any member of the family to comply with the conditions under the assistance program requiring participation in an economic self-sufficiency program or imposing a work activities requirement, the amount required to be paid by the family as a monthly contribution toward rent may not be decreased, during the period of the reduction, as a result of any decrease in the income of the family (to the extent that the decrease in income is a result of the benefits reduction).

"(B) NO REDUCTION BASED ON TIME LIMIT FOR ASSISTANCE.—For purposes of this paragraph, a reduction in benefits as a result of the expiration of a lifetime time limit for a family receiving welfare or public assistance benefits shall not be considered to be a failure to comply with the conditions under the assistance program requiring participation in an economic self-sufficiency program or imposing a work activities requirement. This paragraph shall apply beginning upon the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.

"(3) EFFECT OF FRAUD.—Notwithstanding the provisions of section 3(a) (relating to family rental contributions) or paragraph (4) or (5) of section 3(b) (relating to definition of income and adjusted income), if the welfare or public assistance benefits of a covered family are reduced because of an act of fraud by a member of the family under the law or program, the amount required to be paid by the covered family as a monthly contribution toward rent may not be decreased, during the period of the reduction, as a result of any decrease in the income of the family (to the extent that the decrease in income is a result of the benefits reduction). This paragraph shall apply beginning upon the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.

"(4) NOTICE.—Paragraphs (2) and (3) shall not apply to any covered family before the public housing agency providing assistance under this Act on behalf of the family obtains written notification from the relevant welfare or public assistance agency specifying that the family's benefits have been reduced because of noncompliance with economic self-sufficiency program or work activities requirements or fraud, and the level of such reduction.

"(5) OCCUPANCY RIGHTS.—This subsection may not be construed to authorize any public housing agency to establish any time limit on tenancy in a public housing dwelling unit or on receipt of tenant-based assistance under section 8.

"(6) REVIEW.—Any covered family residing in public housing that is affected by the operation of this subsection shall have the right to review the determination under this subsection through the administrative grievance procedure established pursuant to section 6(k) for the public housing agency.

"(7) COOPERATION AGREEMENTS FOR ECONOMIC SELF-SUFFICIENCY ACTIVITIES.—

"(A) REQUIREMENT.—A public housing agency providing public housing dwelling units or tenant-based assistance under section 8 for covered families shall make its best efforts to enter into such cooperation agreements, with State, local, and other agencies providing assistance to covered families under welfare or public assistance programs, as may be necessary, to provide for such agencies to transfer information to facilitate administration of subsection (c) and paragraphs (2), (3), and (4) of this subsection and other information regarding rents, income, and assistance that may assist a public housing agency or welfare or public assistance agency in carrying out its functions.

"(B) CONTENTS.—A public housing agency shall seek to include in a cooperation agreement under this paragraph requirements and provisions designed to target assistance under welfare and public assistance programs to families residing in public housing projects and families receiving tenant-based assistance under section 8, which may include providing for economic self-sufficiency services within such housing, providing for services designed to meet the unique employment-related needs of residents of such housing and recipients of such assistance, providing for placement of workfare positions on-site in such housing, and such other elements as may be appropriate.

"(C) CONFIDENTIALITY.—This paragraph may not be construed to authorize any release of information prohibited by, or in contravention of, any other provision of Federal, State, or local law.

"(e) LEASE PROVISIONS.—A public housing agency shall incorporate into leases under section 6(l) and into agreements for the provision of tenant-based assistance under section 8, provisions incorporating the conditions under subsection (d).

"(f) TREATMENT OF INCOME.—Notwithstanding any other provision of this section, in determining the income of a family who resides in public housing or receives tenant-based assistance under section 8, a public housing agency shall consider any decrease in the income of a family that results from the reduction of any welfare or public assistance benefits received by the family under any Federal, State, or local law regarding a program for such assistance if the family (or a member thereof, as applicable) has complied with the conditions for receiving such assistance and is unable to obtain employment notwithstanding such compliance.

"(g) DEFINITION.—For purposes of this section, the term 'economic self-sufficiency program' means any program designed to encourage, assist, train, or facilitate the economic independence of participants and their families or to provide work for participants, including programs for job training, employment counseling, work placement, basic skills training, education, workfare, financial or household management, apprenticeship, or other activities as the Secretary may provide.".

(b) 1-YEAR LEASES.—Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

(1) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(2) by redesignating paragraph (7) as paragraph (9); and

(3) by inserting before paragraph (2) the following new paragraph:

"(1) have a term of 12 months and shall be automatically renewed for all purposes except for noncompliance with the requirements under section 12(c) (relating to community service requirements); except that nothing in this title shall prevent a resident from seeking timely redress in court for failure to renew based on such noncompliance;".

SEC. 513. INCOME TARGETING.

(a) IN GENERAL.—Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended by striking the section designation and all that follows through the end of subsection (d) and inserting the following:

"SEC. 16. (a) INCOME ELIGIBILITY FOR PUBLIC HOUSING.—

"(1) INCOME MIX WITHIN PROJECTS.—A public housing agency may establish and utilize income-mix criteria for the selection of residents for dwelling units in public housing projects, subject to the requirements of this section.

"(2) PHA INCOME MIX.—

"(A) TARGETING.—Except as provided in paragraph (4), of the public housing dwelling units of a public housing agency made available for occupancy in any fiscal year by eligible families, not less than 40 percent shall be occupied by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

"(3) PROHIBITION OF CONCENTRATION OF LOW-INCOME FAMILIES.—

"(A) PROHIBITION.—A public housing agency may not, in complying with the requirements

under paragraph (2), concentrate very low-income families (or other families with relatively low incomes) in public housing dwelling units in certain public housing projects or certain buildings within projects. The Secretary shall review the income and occupancy characteristics of the public housing projects and the buildings of such projects of such agencies to ensure compliance with the provisions of this paragraph and paragraph (2).

"(B) DECONCENTRATION.—

"(i) IN GENERAL.—A public housing agency shall submit with its annual public housing agency plan under section 5A an admissions policy designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. This clause may not be construed to impose or require any specific income or racial quotas for any project or projects.

"(ii) INCENTIVES.—In implementing the policy under clause (i), a public housing agency may offer incentives for eligible families having higher incomes to occupy dwelling unit in projects predominantly occupied by eligible families having lower incomes, and provide for occupancy of eligible families having lower incomes in projects predominantly occupied by eligible families having higher incomes.

"(iii) FAMILY CHOICE.—Incentives referred to in clause (ii) may be made available by a public housing agency only in a manner that allows for the eligible family to have the sole discretion in determining whether to accept the incentive and an agency may not take any adverse action toward any eligible family for choosing not to accept an incentive and occupancy of a project described in clause (i)(II), Provided, That the skipping of a family on a waiting list to reach another family to implement the policy under clause (i) shall not be considered an adverse action. An agency implementing an admissions policy under this subparagraph shall implement the policy in a manner that does not prevent or interfere with the use of site-based waiting lists authorized under section 6(s).

"(4) FUNGIBILITY WITH TENANT-BASED ASSISTANCE.—

"(A) AUTHORITY.—Except as provided under subparagraph (D), the number of public housing dwelling units that a public housing agency shall otherwise make available in accordance with paragraph (2)(A) to comply with the percentage requirement under such paragraph for a fiscal year shall be reduced by the credit number for the agency under subparagraph (B).

"(B) CREDIT FOR EXCEEDING TENANT-BASED ASSISTANCE TARGETING REQUIREMENT.—Subject to subparagraph (C), the credit number under this subparagraph for a public housing agency for a fiscal year shall be the number by which—

"(i) the aggregate number of qualified families who, in such fiscal year, are initially provided tenant-based assistance under section 8 by the agency; exceeds

"(ii) the number of qualified families that is required for the agency to comply with the percentage requirement under subsection (b)(1) for such fiscal year.

"(C) LIMITATIONS ON CREDIT NUMBER.—The credit number under subparagraph (B) for a public housing agency for a fiscal year may not in any case exceed the lesser of—

"(i) the number of dwelling units that is equivalent to 10 percent of the aggregate number of families initially provided tenant-based assistance under section 8 by the agency in such fiscal year; or

"(ii) the number of public housing dwelling units of the agency that—

"(I) are in projects that are located in census tracts having a poverty rate of 30 percent or more; and

"(II) are made available for occupancy during such fiscal year and are actually filled only by families whose incomes at the time of commencement of such occupancy exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

"(D) FUNGIBILITY FLOOR.—Notwithstanding any authority under subparagraph (A), of the public housing dwelling units of a public housing agency made available for occupancy in any fiscal year by eligible families, not less than 30 percent shall be occupied by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

"(E) QUALIFIED FAMILY.—For purposes of this paragraph, the term 'qualified family' means a family having an income described in subsection (b)(1).

"(b) INCOME ELIGIBILITY FOR TENANT-BASED SECTION 8 ASSISTANCE.—

"(1) IN GENERAL.—Of the families initially provided tenant-based assistance under section 8 by a public housing agency in any fiscal year, not less than 75 percent shall be families whose incomes do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families; except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

"(2) JURISDICTIONS SERVED BY MULTIPLE PHA'S.—In the case of any 2 or more public housing agencies that administer tenant-based assistance under section 8 with respect solely to identical geographical areas, such agencies shall be treated as a single public housing agency for purposes of paragraph (1).

"(c) INCOME ELIGIBILITY FOR PROJECT-BASED SECTION 8 ASSISTANCE.—

"(1) PRE-1981 ACT PROJECTS.—Not more than 25 percent of the dwelling units that were available for occupancy under section 8 housing assistance payments contracts under this Act before the effective date of the Housing and Community Development Amendments of 1981, and which will be leased on or after such effective date shall be available for leasing by low-income families other than very low-income families.

"(2) POST-1981 ACT PROJECTS.—Not more than 15 percent of the dwelling units which become available for occupancy under section 8 housing assistance payments contracts under this Act on or after the effective date of the Housing and Community Development Amendments of 1981 shall be available for leasing by low-income families other than very low-income families.

"(3) TARGETING.—For each project assisted under a contract for project-based assistance, of the dwelling units that become available for occupancy in any fiscal year that are assisted under the contract, not less than 40 percent

"(4) PROHIBITION OF SKIPPING.—In developing admission procedures implementing paragraphs (1), (2), and (3), the Secretary shall prohibit project owners from selecting families for residence in an order different from the order on the waiting list for the purpose of selecting relatively higher income families for residence. Nothing in this paragraph or this subsection may be construed to prevent an owner of housing assisted under a contract for project-based assistance from establishing a preference for occupancy in such housing for families containing a member who is employed.

"(5) EXCEPTION.—The limitations established in paragraphs (1), (2), and (3) shall not apply to dwelling units made available under project-based contracts under section 8 for the purpose of preventing displacement, or ameliorating the effects of displacement.

"(6) DEFINITION.—For purposes of this subsection, the term 'project-based assistance' means assistance under any of the following programs:

"(A) The new construction or substantial rehabilitation program under section 8(b)(2) (as in effect before October 1, 1983).

"(B) The property disposition program under section 8(b) (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998).

"(C) The loan management set-aside program under subsections (b) and (v) of section 8.

"(D) The project-based certificate program under section 8(d)(2).

"(E) The moderate rehabilitation program under section 8(e)(2) (as in effect before October 1, 1991).

"(F) The low-income housing preservation program under Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the provisions of the Emergency Low Income Housing Preservation Act of 1987 (as in effect before November 28, 1990).

"(G) Section 8 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998), following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965 or section 236(f)(2) of the National Housing Act.

"(d) ESTABLISHMENT OF DIFFERENT STANDARDS.—Notwithstanding subsection (a)(2) or (b)(1), if approved by the Secretary, a public housing agency may for good cause establish and implement, in accordance with the public housing agency plan, an admission standard other than the standard under such subsection.".

(b) EFFECTIVE DATE.—This section shall take effect on, and the amendments under this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 514. REPEAL OF FEDERAL PREFERENCES.

(a) PUBLIC HOUSING.—

(1) IN GENERAL.—Subparagraph (A) of section 6(c)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437d)(c)(4)) is amended to read as follows:

"(A) making dwelling units in public housing available for occupancy, which shall provide that the public housing agency may establish a system for making dwelling units available that provides preference for such occupancy to families having certain characteristics; each system of preferences established pursuant to this subparagraph 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 5A(f) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction;".

(2) CONFORMING AMENDMENTS.—

(A) PUBLIC HOUSING ASSISTANCE FOR FOSTER CARE CHILDREN.—Section 6(o) of the United States Housing Act of 1937 (42 U.S.C. 1437d(o)) is amended by striking "Subject" and all that follows through ", in" and inserting "In".

(B) YOUTHBUILD PROGRAM.—Section 455(a)(2)(D)(iii) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899d(a)(2)(D)(iii) is amended striking "section 6(c)(4)(A)" and inserting "any system of preferences established under section 6(c)(1)".

(b) SECTION 8 EXISTING AND MODERATE REHABILITATION.—

(1) IN GENERAL.—Subparagraph (A) of section 8(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

"(A) the selection of tenants shall be the function of the owner, subject to the annual contributions contract between the Secretary and the agency, except that with respect to the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may establish local preferences, consistent with the public housing agency plan submitted under section 5A by the public housing agency;".

(2) CONFORMING AMENDMENTS.—

(A) LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT OF 1990.—The second sentence of section 226(b)(6)(B) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4116(b)(6)(B)) is amended by striking "The requirement for giving preferences to certain categories of eligible families under sections 8(d)(1)(A) and 8(o)(3)" and inserting "Any system for preferences established under section 8(d)(1)(A) or 8(o)(6)(A)".

(B) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking "shall be given" and all that follows through the period at the end and inserting the following: "shall be given to disabled families according to any preferences established under any system established under section 8(d)(1)(A) by the public housing agency.".

(C) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203(g)(2) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11(g)(2)) is amended by striking "the preferences for assistance under sections 6(c)(4)(A)(i), 8(d)(1)(A)(i), and 8(o)(3)(B)" and inserting "any system of preferences established pursuant to section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(6)(A)".

(D) OTHER REFERENCES.—Subparagraph (D) of section 402(d)(6) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437d note) is hereby repealed.

(c) SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

(1) PERMANENT REPEAL.—Subsection (c) of section 545 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is hereby repealed.

(2) PROHIBITION.—Notwithstanding any other provision of law (including subsection (f) of this section), section 402(d)(4)(B) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note) shall apply to fiscal year 1999 and thereafter.

(d) RENT SUPPLEMENTS.—Subsection (k) of section 1010 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s(k)) is hereby repealed.

(e) SENSE OF CONGRESS REGARDING PREFERENCE FOR ASSISTANCE FOR VICTIMS OF DOMESTIC VIOLENCE.—It is the sense of Congress that, each public housing agency involved in the selection of eligible families for assistance under the United States Housing Act of 1937 (including residency in public housing and tenant-based assistance under section 8 of such Act) should, consistent with the public housing agency plan of the agency, consider preferences for individuals who are victims of domestic violence.

(f) TERMINATION OF TEMPORARY PROVISIONS.—Section 402 of The Balanced Budget Downpayment Act, I, and the amendments made by such section shall cease to be effective on the date of the enactment of this Act. Notwithstanding the inclusion in this Act of any provision extending the effectiveness of such section or such amendments, such provision included in this Act shall not take effect.

(g) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 515. JOINT VENTURES AND CONSORTIA OF PUBLIC HOUSING AGENCIES; REPEAL OF ENERGY CONSERVATION PROVISIONS.

Section 13 of the United States Housing Act of 1937 (42 U.S.C. 1437k) is amended to read as follows:

"SEC. 13. CONSORTIA, JOINT VENTURES, AFFILIATES, AND SUBSIDIARIES OF PUBLIC HOUSING AGENCIES.

"(a) CONSORTIA.—

"(1) IN GENERAL.—Any 2 or more public housing agencies may participate in a consortium for the purpose of administering any or all of the housing programs of those public housing agencies in accordance with this section.

"(2) EFFECT.—With respect to any consortium described in paragraph (1)—

"(A) any assistance made available under this title to each of the public housing agencies participating in the consortium shall be paid to the consortium; and

"(B) all planning and reporting requirements imposed upon each public housing agency participating in the consortium with respect to the programs operated by the consortium shall be consolidated.

"(3) RESTRICTIONS.—

"(A) AGREEMENT.—Each consortium described in paragraph (1) shall be formed and operated in accordance with a consortium agreement, and shall be subject to the requirements of a joint public housing agency plan, which shall be submitted by the consortium in accordance with section 5A.

"(B) MINIMUM REQUIREMENTS.—The Secretary shall specify minimum requirements relating to the formation and operation of consortia and the minimum contents of consortium agreements under this paragraph.

"(b) JOINT VENTURES.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency, in accordance with the public housing agency plan, may—

"(A) form and operate wholly owned or controlled subsidiaries (which may be nonprofit corporations) and other affiliates, any of which may be directed, managed, or controlled by the same persons who constitute the board of directors or similar governing body of the public housing agency, or who serve as employees or staff of the public housing agency; or

"(B) enter into joint ventures, partnerships, or other business arrangements with, or contract with, any person, organization, entity, or governmental unit—

"(i) with respect to the administration of the programs of the public housing agency, including any program that is subject to this title; or

"(ii) for the purpose of providing or arranging for the provision of supportive or social services.

"(2) USE OF AND TREATMENT INCOME.—Any income generated under paragraph (1)—

"(A) shall be used for low-income housing or to benefit the residents assisted by the public housing agency; and

"(B) shall not result in any decrease in any amount provided to the public housing agency under this title, except as otherwise provided under the formulas established under section 9(d)(2) and 9(e)(2).

"(3) AUDITS.—The Comptroller General of the United States, the Secretary, or the Inspector General of the Department of Housing and Urban Development may conduct an audit of any activity undertaken under paragraph (1) at any time.".

SEC. 516. PUBLIC HOUSING AGENCY MORTGAGES AND SECURITY INTERESTS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following:

"SEC. 30. PUBLIC HOUSING MORTGAGES AND SECURITY INTERESTS.

"(a) GENERAL AUTHORIZATION.—The Secretary may, upon such terms and conditions as the Secretary may prescribe, authorize a public housing agency to mortgage or otherwise grant a security interest in any public housing project or other property of the public housing agency.

"(b) TERMS AND CONDITIONS.—In making any authorization under subsection (a), the Secretary may consider—

"(1) the ability of the public housing agency to use the proceeds of the mortgage or security interest for low-income housing uses;

"(2) the ability of the public housing agency to make payments on the mortgage or security interest; and

"(3) such other criteria as the Secretary may specify.

"(c) NO FEDERAL LIABILITY.—No action taken under this section shall result in any liability to the Federal Government.".

SEC. 517. MENTAL HEALTH ACTION PLAN.

The Secretary of Housing and Urban Development, in consultation with the Secretary of Health and Human Services, the Secretary of Labor, and appropriate State and local officials and representatives, shall—

(1) develop an action plan and list of recommendations for the improvement of means of providing severe mental illness treatment to families and individuals receiving housing assistance under the United States Housing Act of 1937, including public housing residents, residents of multifamily housing assisted with project-based assistance under section 8 of such Act, and recipients of tenant-based assistance under such section; and

(2) develop and disseminate a list of current practices among public housing agencies and owners of assisted housing that serve to benefit persons in need of mental health care.".

Subtitle B—Public Housing

PART I—CAPITAL AND OPERATING ASSISTANCE

SEC. 518. CONTRIBUTIONS FOR LOWER INCOME HOUSING PROJECTS.

(a) REPEALS.—

(1) IN GENERAL.—Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c) is amended—

(A) by striking subsections (h) through (k); and

(B) by redesignating subsection (l), as added by the preceding provisions of this Act, as subsection (i).

(2) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 is amended—

(A) in section 21(d) (42 U.S.C. 1437s(d)), by striking "section 5(h) or"; and

(C) in section 307 (42 U.S.C. 1437aaa–6), by striking "section 5(h) and".

(b) LOCAL NOTIFICATION.—Section 5(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437c(e)(2)) is amended by inserting before the period at the end the following: "; the Secretary shall require that each such agreement shall provide that, notwithstanding any order, judgment, or decree of any court (including any settlement order), before making any amounts that are provided pursuant to any contract for contributions under this title available for use for the development of any housing or other property not previously used as public housing, the public housing agency shall (A) 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, and (B) 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)".

SEC. 519. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

(a) IN GENERAL.—Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) is amended to read as follows:

"SEC. 9. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

"(a) MERGER INTO CAPITAL FUND.—Except as otherwise provided in the Quality Housing and Work Responsibility Act of 1998, any assistance made available for public housing under section 14 of this Act before October 1, 1999, shall be merged into the Capital Fund established under subsection (d).

"(b) MERGER INTO OPERATING FUND.—Except as otherwise provided in the Quality Housing and Work Responsibility Act of 1998, any assistance made available for public housing under section 9 of this Act before October 1, 1999, shall be merged into the Operating Fund established under subsection (e).

"(c) ALLOCATION AMOUNT.—

"(1) IN GENERAL.—For fiscal year 2000 and each fiscal year thereafter, the Secretary shall allocate amounts in the Capital Fund and Operating Funds for assistance for public housing agencies eligible for such assistance. The Secretary shall determine the amount of the allocation for each eligible agency, which shall be, for any fiscal year beginning after the effective date of the formulas described in subsections (d)(2) and (e)(2)—

"(A) for assistance from the Capital Fund, the amount determined for the agency under the formula under subsection (d)(2); and

"(B) for assistance from the Operating Fund, the amount determined for the agency under the formula under subsection (e)(2).

"(2) FUNDING.—There are authorized to be appropriated for assistance for public housing agencies under this section the following amounts:

"(A) CAPITAL FUND.—For allocations of assistance from the Capital Fund, $3,000,000,000 for fiscal year 1999, and such sums as may be necessary for fiscal years 2000, 2001, 2002, and 2003.

"(B) OPERATING FUND.—For allocations of assistance from the Operating Fund, $2,900,000,000 for fiscal year 1999, and such sums as may be necessary for each of fiscal years 2000, 2001, 2002, and 2003.

"(d) CAPITAL FUND.—

"(1) IN GENERAL.—The Secretary shall establish a Capital Fund for the purpose of making assistance available to public housing agencies to carry out capital and management activities, including—

"(A) the development, financing, and modernization of public housing projects, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings (including accessibility improvements) and the development of mixed-finance projects;

"(B) vacancy reduction;

"(C) addressing deferred maintenance needs and the replacement of obsolete utility systems and dwelling equipment;

"(D) planned code compliance;

"(E) management improvements;

"(F) demolition and replacement;

"(G) resident relocation;

"(H) capital expenditures to facilitate programs to improve the empowerment and economic self-sufficiency of public housing residents and to improve resident participation;

"(I) capital expenditures to improve the security and safety of residents; and

"(J) homeownership activities, including programs under section 32.

"(2) FORMULA.—The Secretary shall develop a formula for determining the amount of assistance provided to public housing agencies from the Capital Fund for a fiscal year, which shall include a mechanism to reward performance. The formula may take into account such factors as—

"(A) the number of public housing dwelling units owned, assisted, or operated by the public housing agency, the characteristics and locations of the projects, 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, replacement housing, and reconstruction, construction, and demolition activities related to public housing dwelling units owned, assisted, 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;

"(D) the need of the public housing agency to carry out activities that provide a safe and secure environment in public housing units owned, assisted, or operated by the public housing agency;

"(E) any record by the public housing agency of exemplary performance in the operation of public housing, as indicated by the system of performance indicators established pursuant to section 6(j); and

"(F) any other factors that the Secretary determines to be appropriate.

"(3) CONDITIONS ON USE FOR DEVELOPMENT AND MODERNIZATION.—

"(A) DEVELOPMENT.—Except as otherwise provided in this Act, any public housing developed using amounts provided under this subsection, or under section 14 as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, shall be operated under the terms and conditions applicable to public housing during the 40-year period that begins on the date on which the project (or stage of the project) becomes available for occupancy.

"(B) MODERNIZATION.—Except as otherwise provided in this Act, any public housing or portion thereof that is modernized using amounts provided under this subsection or under section 14 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998) shall be maintained and operated under the terms and conditions applicable to public housing during the 20-year period that begins on the latest date on which modernization is completed.

"(C) APPLICABILITY OF LATEST EXPIRATION DATE.—Public housing subject to this paragraph or to any other provision of law mandating the operation of the housing as public housing or under the terms and conditions applicable to public housing for a specified length of time, shall be maintained and operated as required until the latest such expiration date.

"(e) OPERATING FUND.—

"(1) IN GENERAL.—The Secretary shall establish an Operating Fund for the purpose of making assistance available to public housing agencies for the operation and management of public housing, including—

"(A) procedures and systems to maintain and ensure the efficient management and operation of public housing units (including amounts sufficient to pay for the reasonable costs of review by an independent auditor of the documentation or other information maintained pursuant to section 6(j)(6) by a public housing agency or resident management corporation to substantiate the performance of that agency or corporation);

"(B) activities to ensure a program of routine preventative maintenance;

"(C) anticrime and antidrug activities, including the costs of providing adequate security for public housing residents, including above-baseline police service agreements;

"(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 and policy making of public housing by public housing residents;

"(F) the costs of insurance;

"(G) the energy costs associated with public housing units, with an emphasis on energy conservation;

"(H) the costs of administering a public housing work program under section 12, including the costs of any related insurance needs;

"(I) the costs of repaying, together with rent contributions, debt incurred to finance the rehabilitation and development of public housing units, which shall be subject to such reasonable requirements as the Secretary may establish; and

"(J) the costs associated with the operation and management of mixed finance projects, to the extent appropriate.

"(2) FORMULA.—

"(A) IN GENERAL.—The Secretary shall establish a formula for determining the amount of assistance provided to public housing agencies from the Operating Fund for a fiscal year. The formula may take into account—

"(i) standards for the costs of operating and reasonable projections of income, taking into account the characteristics and locations of the public housing projects 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 project;

"(ii) the number of public housing dwelling units owned, assisted, or operated by the public housing agency;

"(iii) the number of public housing dwelling units owned, assisted, or operated by the public housing agency that are chronically vacant and the amount of assistance appropriate for those units;

"(iv) to the extent quantifiable, the extent to which the public housing agency provides programs and activities designed to promote the economic self-sufficiency and management skills of public housing residents;

"(v) the need of the public housing agency to carry out anti-crime and anti-drug activities, including providing adequate security for public housing residents;

"(vi) the amount of public housing rental income foregone by the public housing agency as a result of escrow savings accounts under section 23(d)(2) for families participating in a family self-sufficiency program of the agency under such section 23; and

"(vii) any other factors that the Secretary determines to be appropriate.

"(B) INCENTIVE TO INCREASE CERTAIN RENTAL INCOME.—The formula shall provide an incentive to encourage public housing agencies to facilitate increases in earned income by families in occupancy. Any such incentive shall provide that the agency shall benefit from increases in such rental income and that such amounts accruing to the agency pursuant to such benefit may be used only for low-income housing or to benefit the residents of the public housing agency.

"(C) TREATMENT OF SAVINGS.—The treatment of utility and waste management costs under the formula shall provide that a public housing agency shall receive the full financial benefit from any reduction in the cost of utilities or waste management resulting from any contract with a third party to undertake energy conservation improvements in one or more of its public housing projects.

"(3) CONDITION ON USE.—No portion of any public housing project operated using amounts provided under this subsection, or under this section as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, may be disposed of before the expiration of the 10-year period beginning upon the conclusion of the fiscal year for which such amounts were provided, except as otherwise provided in this Act.

"(f) NEGOTIATED RULEMAKING PROCEDURE.—The formulas under subsections (d)(2) and (e)(2) 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.

"(g) LIMITATIONS ON USE OF FUNDS.—

"(1) FLEXIBILITY FOR CAPITAL FUND AMOUNTS.—Of any amounts appropriated for fiscal year 2000 or any fiscal year thereafter that are allocated for fiscal year 2000 or any fiscal year thereafter from the Capital Fund for any public housing agency, the agency may use not more than 20 percent for activities that are eligible under subsection (e) for assistance with amounts from the Operating Fund, but only if the public housing agency plan for the agency provides for such use.

"(2) FULL FLEXIBILITY FOR SMALL PHA'S.—Of any amounts allocated for any fiscal year for any public housing agency that owns or operates less than 250 public housing dwelling units, is not designated pursuant to section 6(j)(2) as a troubled public housing agency, and (in the determination of the Secretary) is operating and maintaining its public housing in a safe, clean, and healthy condition, the agency may use any such amounts for any eligible activities under subsections (d)(1) and (e)(1), regardless of the fund from which the amounts were allocated and provided. This subsection shall take effect on the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.

"(3) LIMITATION ON NEW CONSTRUCTION.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a public housing agency may not use any of the amounts allocated for the agency from the Capital Fund or Operating Fund for the purpose of constructing any public housing unit, if such construction would result in a net increase from the number of public housing units owned, assisted, or operated by the public housing agency on October 1, 1999, including any public housing units demolished as part of any revitalization effort.

"(B) EXCEPTION REGARDING USE OF ASSISTANCE.—A public housing agency may use amounts allocated for the agency from the Capital Fund or Operating Fund for the construction and operation of housing units that are available and affordable to low-income families in excess of the limitations on new construction set forth in subparagraph (A), but the formulas established under subsections (d)(2) and (e)(2) shall not provide additional funding for the specific purpose of allowing construction and operation of housing in excess of those limitations (except to the extent provided in subparagraph (C)).

"(C) EXCEPTION REGARDING FORMULAS.—Subject to reasonable limitations set by the Secretary, the formulas established under subsections (d)(2) and (e)(2) may provide additional funding for the operation and modernization costs (but not the initial development costs) of housing in excess of amounts otherwise permitted under this paragraph, and such amounts may be so used, if—

"(i) such units are part of a mixed-finance project or otherwise leverage significant additional private or public investment; and

"(ii) the estimated cost of the useful life of the project is less than the estimated cost of providing tenant-based assistance under section 8(o) for the same period of time.

"(h) TECHNICAL ASSISTANCE.—To the extent amounts are provided in advance in appropriations Acts, the Secretary may make grants or enter into contracts or cooperative agreements in accordance with this subsection for purposes of providing, either directly or indirectly—

"(1) technical assistance to public housing agencies, resident councils, resident organizations, and resident management corporations, including assistance relating to monitoring and inspections;

"(2) training for public housing agency employees and residents;

"(3) data collection and analysis;

"(4) training, technical assistance, and education to public housing agencies that are—

"(A) at risk of being designated as troubled under section 6(j), to assist such agencies from being so designated; and

"(B) designated as troubled under section 6(j), to assist such agencies in achieving the removal of that designation;

"(5) contract expertise;

"(6) training and technical assistance to assist in the oversight and management of public housing or tenant-based assistance; and

"(7) clearinghouse services in furtherance of the goals and activities of this subsection.

As used in this subsection, the terms 'training' and 'technical assistance' shall include training or technical assistance and the cost of necessary travel for participants in such training or technical assistance, by or to officials and employees of the Department and of public housing agencies, and to residents and to other eligible grantees.

"(i) 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 32 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 no case longer than 5 years.

"(j) PENALTY FOR SLOW EXPENDITURE OF CAPITAL FUNDS.—

"(1) OBLIGATION OF AMOUNTS.—Except as provided in paragraph (4) and subject to paragraph (2), a public housing agency shall obligate any assistance received under this section not later than 24 months after, as applicable—

"(A) the date on which the funds become available to the agency for obligation in the case of modernization; or

"(B) the date on which the agency accumulates adequate funds to undertake modernization, substantial rehabilitation, or new construction of units.

"(2) EXTENSION OF TIME PERIOD FOR OBLIGATION.—The Secretary—

"(A) may, extend the time period under paragraph (1) for a public housing agency, for such period as the Secretary determines to be necessary, if the Secretary determines that the failure of the agency to obligate assistance in a timely manner is attributable to—

"(i) litigation;

"(ii) obtaining approvals of the Federal Government or a State or local government;

"(iii) complying with environmental assessment and abatement requirements;

"(iv) relocating residents;

"(v) an event beyond the control of the public housing agency; or

"(vi) any other reason established by the Secretary by notice published in the Federal Register;

"(B) shall disregard the requirements of paragraph (1) with respect to any unobligated amounts made available to a public housing agency, to the extent that the total of such amounts does not exceed 10 percent of the original amount made available to the public housing agency; and

"(C) may, with the prior approval of the Secretary, extend the time period under paragraph (1), for an additional period not to exceed 12 months, based on—

"(i) the size of the public housing agency;

"(ii) the complexity of capital program of the public housing agency;

"(iii) any limitation on the ability of the public housing agency to obligate the amounts allocated for the agency from the Capital Fund in a timely manner as a result of State or local law; or

"(iv) such other factors as the Secretary determines to be relevant.

"(3) EFFECT OF FAILURE TO COMPLY.—

"(A) PROHIBITION OF NEW ASSISTANCE.—A public housing agency shall not be awarded assistance under this section for any month during any fiscal year in which the public housing agency has funds unobligated in violation of paragraph (1) or (2).

"(B) WITHHOLDING OF ASSISTANCE.—During any fiscal year described in subparagraph (A), the Secretary shall withhold all assistance that would otherwise be provided to the public housing agency. If the public housing agency cures its failure to comply during the year, it shall be provided with the share attributable to the months remaining in the year.

"(C) REDISTRIBUTION.—The total amount of any funds not provided public housing agencies by operation of this paragraph shall be allocated for agencies determined under section 6(j) to be high-performing.

"(4) EXCEPTION TO OBLIGATION REQUIREMENTS.—

"(A) IN GENERAL.—Subject to subparagraph (B), if the Secretary has consented, before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, to an obligation period for any agency longer than provided under paragraph (1), a public housing agency that obligates its funds before the expiration of that period shall not be considered to be in violation of paragraph (1).

"(B) PRIOR FISCAL YEARS.—Notwithstanding subparagraph (A), any funds appropriated to a public housing agency for fiscal year 1997 or prior fiscal years shall be fully obligated by the public housing agency not later than September 30, 1999.

"(5) EXPENDITURE OF AMOUNTS.—

"(A) IN GENERAL.—A public housing agency shall spend any assistance received under this section not later than 4 years (plus the period of any extension approved by the Secretary under paragraph (2)) after the date on which funds become available to the agency for obligation.

"(B) ENFORCEMENT.—The Secretary shall enforce the requirement of subparagraph (A) through default remedies up to and including withdrawal of the funding.

"(6) RIGHT OF RECAPTURE.—Any obligation entered into by a public housing agency shall be subject to the right of the Secretary to recapture the obligated amounts for violation by the public housing agency of the requirements of this subsection.

"(k) EMERGENCY RESERVE AND USE OF AMOUNTS.—

"(1) SET-ASIDES.—In each fiscal year after fiscal year 1999, the Secretary shall set aside, for use in accordance with this subsection, not more than 2 percent of the total amount made available to carry out this section for such fiscal year. In addition to amounts set aside under the preceding sentence, in each fiscal year the Secretary may set from the total amount made available to carry out this section for such fiscal year not more than $20,000,000 for 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.

"(2) USE OF FUNDS.—Amounts set aside under paragraph (1) shall be available to the Secretary for use for assistance, as provided in paragraph (3), in connection with—

"(A) emergencies and other disasters; and

"(C) housing needs resulting from any settlement of litigation; and

"(3) ELIGIBLE USES.—In carrying out this subsection, the Secretary may use amounts set aside under this subsection to provide—

"(A) assistance for any eligible use under the Operating Fund or the Capital Fund established by this section; or

"(B) tenant-based assistance in accordance with section 8.

"(4) LIMITATION.—With respect to any fiscal year, the Secretary may carry over not more than a total of $25,000,000 in unobligated amounts set aside under this subsection for use in connection with the activities described in paragraph (2) during the succeeding fiscal year.

"(5) PUBLICATION.—The Secretary shall publish the use of any amounts allocated under this subsection relating to emergencies (other than disasters and housing needs resulting from any settlement of litigation) in the Federal Register.

"(l) TREATMENT OF NONRENTAL INCOME.—A public housing agency that receives income from nonrental sources (as determined by the Secretary) may retain and use such amounts without any decrease in the amounts received under this section from the Capital or Operating Fund. Any such nonrental amounts retained shall be used only for low-income housing or to benefit the residents assisted by the public housing agency.

"(m) PROVISION OF ONLY CAPITAL OR OPERATING ASSISTANCE.—

"(1) AUTHORITY.—In appropriate circumstances, as determined by the Secretary, a public housing agency may commit capital assistance only, or operating assistance only, for public housing units, which assistance shall be subject to all of the requirements applicable to public housing except as otherwise provided in this subsection.

"(2) EXEMPTIONS.—In the case of any public housing unit assisted pursuant to the authority under paragraph (1), the Secretary may, by regulation, reduce the period under subsection (d)(3) or (e)(3), as applicable, during which such units must be operated under requirements applicable to public housing. In cases in which there is commitment of operating assistance but no commitment of capital assistance, the Secretary may make section 8 requirements applicable, as appropriate, by regulation.

"(n) TREATMENT OF PUBLIC HOUSING.—

"(1) CERTAIN STATE AND CITY FUNDED HOUSING.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section—

"(i) for purposes of determining the allocations from the Operating and Capital Funds pursuant to the formulas under subsections (d)(2) and (e)(2) and determining assistance pursuant to section 519(e) of the Quality Housing and Work Responsibility Act of 1998 and under section 9 or 14 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act), for any period before the implementation of such formulas, the Secretary shall deem any covered locally developed public housing units as public housing units developed under this title and such units shall be eligible for such assistance; and

"(ii) assistance provided under this section, under such section 518(d)(3), or under such section 9 or 14 to any public housing agency may be used with respect to any covered locally developed public housing units.

"(B) COVERED UNITS.—For purposes of this paragraph, the term 'covered locally developed public housing units' means—

"(i) not more than 7,000 public housing units developed pursuant to laws of the State of New York and that received debt service and operating subsidies pursuant to such laws; and

"(ii) not more than 5,000 dwelling units developed pursuant to section 34 of chapter 121B of the General Laws of the State of Massachusetts.

"(2) REDUCTION OF ASTHMA INCIDENCE.—Notwithstanding any other provision of this section, the New York City Housing Authority may, in its sole discretion, from amounts provided from the Operating and Capital Funds, or from amounts provided for public housing before amounts are made available from such Funds, use not more than exceeding $500,000 per year for the purpose of initiating, expanding or continuing a program for the reduction of the incidence of asthma among residents. The Secretary shall consult with the Administrator of the Environmental Protection Agency and the Secretary of Health and Human Services to identify and consider sources of funding for the reduction of the incidence of asthma among recipients of assistance under this title.

"(3) SERVICES FOR ELDERLY RESIDENTS.—Notwithstanding any other provision of this section, the New York City Housing Authority may, in its sole discretion, from amounts provided from the Operating and Capital Funds, or from amounts provided for public housing before the amounts are made available from such Funds, use not more than $600,000 per year for the purpose of developing a comprehensive plan to address the need for services for elderly residents. Such plan may be developed by a partnership created by such Housing Authority and may include the creation of a model project for assisted living at one or more developments. The model project may provide for contracting with private parties for the delivery of services.

"(4) EFFECTIVE DATE.—This subsection shall apply to fiscal year 1999 and each fiscal year thereafter.".

(b) ALLOCATION OF ASSISTANCE.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by striking subsection (p).

(c) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 303(b)(10) (42 U.S.C. 1437aaa-2(b)(10)), by striking "under section 9" the first place it appears and inserting "from the Operating Fund"; and

(2) in section 305(e) (42 U.S.C. 1437aaa-4(e)), by striking "Operating subsidies" and inserting "Amounts from an allocation from the Operating Fund".

(d) TRANSITIONAL CEILING RENTS.—Notwithstanding section 3(a)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(1)), during the period ending upon the later of the implementation of the formulas established pursuant to subsections (d)(2) and (e)(2) of such Act (as amended by this section) and October 1, 1999, a public housing agency may take any of the following actions with respect to public housing:

(1) NEW PROVISIONS.—An agency may—

(A) adopt and apply ceiling rents that reflect the reasonable market value of the housing, but that are not less than—

(i) for housing other than housing predominantly for elderly or disabled families (or both), 75 percent of the monthly cost to operate the housing of the agency;

(ii) for housing predominantly for elderly or disabled families (or both), 100 percent of the monthly cost to operate the housing of the agency; and

(iii) the monthly cost to make a deposit to a replacement reserve (in the sole discretion of the public housing agency); and

(B) allow families to pay ceiling rents referred to in subparagraph (A), unless, with respect to any family, the ceiling rent established under this paragraph would exceed the amount payable as rent by that family under paragraph (1).

(2) CEILING RENTS FROM BALANCED BUDGET ACT, I.—An agency may utilize the authority under section 3(a)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)), as in effect immediately before the enactment of this Act, notwithstanding any amendment to such section made by this Act.

(3) TRANSITIONAL CEILING RENTS FOR BALANCED BUDGET ACT, I.—An agency may utilize the authority with respect to ceiling rents under section 402(b)(2) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note), notwithstanding any other provision of law (including the expiration of the applicability of such section or the repeal of such section).

(e) TRANSITIONAL PROVISION OF ASSISTANCE.—

(1) IN GENERAL.—Subject to paragraph (2), before the implementation of formulas pursuant to sections 9(d)(2) and 9(e)(2) of the United States Housing Act of 1937 (as amended by subsection (a) of this section), the Secretary shall provide that each public housing agency shall receive funding under sections 9 and 14 of the United States Housing Act of 1937, as those sections existed immediately before the enactment of this Act (except that such sections shall be subject to any amendments to such sections that may be contained in title II of this Act).

(2) QUALIFICATIONS.—Before the implementation of formulas pursuant to sections 9(d)(2) and 9(e)(2) of the United States Housing Act of 1937 (as amended by subsection (a) of this section)—

(A) if a public housing agency establishes a rental amount that is based on a ceiling rent established pursuant to subsection (d)(1) of this section, the Secretary shall take into account any reduction of the per unit dwelling rental income of the public housing agency resulting from the use of that rental amount in calculating the contributions for the public housing agency for the operation of the public housing under section 9 of the United States Housing Act of 1937;

(B) if a public housing agency establishes a rental amount that is based on an adjustment to income under section 3(b)(5)(G) of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act), the Secretary shall not take into account any reduction of or any increase in the per unit dwelling rental income of the public housing agency resulting from the use of that rental amount in calculating the contributions for the public housing agency for the operation of the public housing under section 9 of the United States Housing Act of 1937; and

(C) if a public housing agency establishes a rental amount other than as provided under subparagraph (A) or (B) that is less than the greatest of the amounts determined under subparagraphs (A), (B), and (C) of section 3(a)(1) of the United States Housing Act of 1937, the Secretary shall not take into account any reduction of the per unit dwelling rental income of the public housing agency resulting from the use of that rental amount in calculating the contributions for the public housing agency for the operation of the public housing under section 9 of the United States Housing Act of 1937.

(f) EFFECTIVE DATE OF OPERATING FORMULA.—Notwithstanding the effective date under section 503(a), the Secretary may extend the effective date of the formula under section 9(e)(2) of the United States Housing Act of 1937 (as amended by subsection (a) of this section) for up to 6 months if such additional time is necessary to implement such formula.

(g) EFFECTIVE DATE.—Subsections (d), (e), and (f) shall take effect upon the date of the enactment of this Act.

SEC. 520. TOTAL DEVELOPMENT COSTS.

(a) DEFINITION.—Section 3(c)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(c)(1)) is amended by inserting before the period at the end of the second sentence the following: ', but does not include the costs costs associated with the demolition of or remediation of environmental hazards associated with public housing units that will not be replaced on the project site, or other extraordinary site costs as determined by the Secretary".

(b) DETERMINATION.—Section 6(b) of the United States Housing Act of 1937 (42 U.S.C. 1437d(b)) is amended by adding at the end the following new paragraphs:

"(3) In calculating the total development cost of a project under paragraph (2), the Secretary shall consider only capital assistance provided by the Secretary to a public housing agency that are authorized for use in connection with the development of public housing, and shall exclude all other amounts, including amounts provided under—

"(A) the HOME investment partnerships program authorized under title II of the Cranston-Gonzalez National Affordable Housing Act; or

"(B) the community development block grants program under title I of the Housing and Community Development Act of 1974.

"(4) The Secretary may restrict the amount of capital funds that a public housing agency may use to pay for housing construction costs. For purposes of this paragraph, housing construction costs include the actual hard costs for the construction of units, builders' overhead and profit, utilities from the street, and finish landscaping.".

SEC. 521. SANCTIONS FOR IMPROPER USE OF AMOUNTS.

Section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) SANCTIONS FOR IMPROPER USE OF AMOUNTS.—

"(A) IN GENERAL.—In addition to any other actions authorized under this Act, if the Secretary finds that a public housing agency receiving assistance amounts under section 9 for public housing has failed to comply substantially with any provision of this Act relating to the public housing program, the Secretary may—

"(i) terminate assistance payments under this section 9 to the agency;

"(ii) withhold from the agency amounts from the total allocations for the agency pursuant to section 9;

"(iii) reduce the amount of future assistance payments under section 9 to the agency by an amount equal to the amount of such payments that were not expended in accordance with this Act;

"(iv) limit the availability of assistance amounts provided to the agency under section 9 to programs, projects, or activities not affected by such failure to comply;

"(v) withhold from the agency amounts allocated for the agency under section 8; or

"(vi) order other corrective action with respect to the agency.

"(B) TERMINATION OF COMPLIANCE ACTION.—If the Secretary takes action under subparagraph (A) with respect to a public housing agency, the Secretary shall—

"(i) in the case of action under subparagraph (A)(i), resume payments of assistance amounts under section 9 to the agency in the full amount of the total allocations under section 9 for the agency at the time that the Secretary first determines that the agency will comply with the provisions of this Act relating to the public housing program;

"(ii) in the case of action under clause (ii) or (v) of subparagraph (A), make withheld amounts available as the Secretary considers appropriate to ensure that the agency complies with the provisions of this Act relating to such program;

"(iii) in the case of action under subparagraph (A)(iv), release such restrictions at the time that the Secretary first determines that the agency will comply with the provisions of this Act relating to such program; or

"(iv) in the case of action under subparagraph (vi), cease such action at the time that the Secretary first determines that the agency will comply with the provisions of this Act relating to such program.".

SEC. 522. REPEAL OF MODERNIZATION FUND.

(a) IN GENERAL.—Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) FUNDS FOR PUBLIC HOUSING DEVELOPMENT.—Section 5(c)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)(5)) is amended by striking "for use under section 14 or" and inserting "for use under section 9 or".

(2) ALLOCATION OF ASSISTANCE.—Section 213(d)(1)(B)(ii) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(d)(1)(B)(i)) is amended by striking "or 14".

(3) MOVING TO WORK DEMONSTRATION.—Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996; 42 U.S.C. 1437f) is amended by adding at the end the following new subsection:

"(j) CAPITAL AND OPERATING FUND ASSISTANCE.—With respect to any public housing agency participating in the demonstration under this section that receives assistance from the Capital or Operating Fund under section 9 of the United States Housing Act of 1937 (as amended by the Quality Housing and Work Responsibility Act of 1998), for purposes of this section—

"(1) any reference to assistance under section 9 of the United States Housing Act of 1937 shall be considered to refer also to assistance provided from the Operating Fund under section 9(e) of such Act (as so amended); and

"(2) any reference to assistance under section 14 of the United States Housing Act of 1937 shall be considered to refer also to assistance provided from the Capital Fund under section 9(d) of such Act (as so amended).".

(4) LEAD-BASED PAINT POISONING PREVENTION ACT.—Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822) is amended—

(A) in subsection (d)(1)—

(i) by striking "assisted under section 14" and inserting "assisted with capital assistance provided under section 9"; and

(ii) by striking "assistance under section 14" and inserting "capital assistance provided under section 9"; and

(B) in subsection (f), by striking "for comprehensive improvement assistance under section 14" and inserting "under the Capital Fund under section 9".

(5) HOME PROGRAM ASSISTANCE.—Section 212(d)(5) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(d)(5)) is amended by striking "section 14" and inserting "section 9(d)(1)".

(c) SAVINGS PROVISIONS.—

(1) IN GENERAL.—Section 14 of the United States Housing Act of 1937 shall apply as provided in section 519(e) of this Act.

(2) EXPANSION OF USE OF MODERNIZATION FUNDING.—Before the implementation of formulas pursuant to sections 9(d)(2) and 9(e)(2) of the United States Housing Act of 1937 (as amended by section 519(a) of this Act) an agency may utilize any authority provided under or pursuant to section 14(q) of such Act (including the authority under section 201(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (Public Law 104–134; 110 Stat. 1321–277)), as such provisions (including such section 201(a)) may be amended thereafter, including any amendment made by title II of this Act), notwithstanding any other provision of law (including the repeal made under this section, the expiration of the applicability of such section 201, or any repeal of such section 201).

(3) EFFECTIVE DATE.—This subsection shall take effect on the date of the enactment of this Act.

PART 2—ADMISSIONS AND OCCUPANCY REQUIREMENTS

SEC. 523. FAMILY CHOICE OF RENTAL PAYMENT.

Paragraph (2) of section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)) is amended to read as follows:

"(2) RENTAL PAYMENTS FOR PUBLIC HOUSING FAMILIES.—

"(A) AUTHORITY FOR FAMILY TO SELECT.—

"(i) IN GENERAL.—A family residing in a public housing dwelling shall pay as monthly rent for the unit the amount determined under clause (i) or (ii) of subparagraph (B), subject to the requirement under paragraph (3) (relating to minimum rents). Each public housing agency shall provide for each family residing in a public housing dwelling unit owned, assisted, or operated by the agency to elect annually whether the rent paid by such family shall be determined under clause (i) or (ii) of subparagraph (B). A public housing agency may not at any time fail to provide both such rent options for any public housing dwelling unit owned, assisted, or operated by the agency.

"(ii) AUTHORITY TO RETAIN FLAT AND CEILING RENTS.—Notwithstanding clause (i) or any other provision of law, any public housing agency that is administering flat rents or ceiling rents pursuant to any authority referred to in section 519(d) of the Quality Housing and Work Responsibility Act of 1998 before the effective day of such Act may continue to charge rent in accordance with such rent provisions after such effective date, except that the agency shall provide for families residing in public housing dwelling units owned or operated by the agency to elect annually whether to pay rent under such provisions or in accordance with one of the rent options referred to in subparagraph (A).

"(B) ALLOWABLE RENT STRUCTURES.—

"(i) FLAT RENTS.—Except as otherwise provided under this clause, each public housing agency shall establish, for each dwelling unit in public housing owned or operated by the agency, a flat rental amount for the dwelling unit, which shall—

"(I) be based on the rental value of the unit, as determined by the public housing agency; and

"(II) be designed in accordance with subparagraph (D) 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 clause 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 clause in any other manner that may comply with this clause.

"(ii) INCOME-BASED RENTS.—

"(I) IN GENERAL.—The monthly rental amount determined under this clause for a family shall be an amount, determined by the public housing agency, that does not exceed the greatest of the amounts (rounded to the nearest dollar) determined under subparagraphs (A), (B), and (C) of paragraph (1). This clause may not be construed to require a public housing agency to charge a monthly rent in the maximum amount permitted under this clause.

"(II) DISCRETION.—Subject to the limitation on monthly rental amount under subclause (I), a public housing agency may, in its discretion, implement a rent structure under this clause requiring that a portion of the rent be deposited to an escrow or savings account, imposing ceiling rents, or adopting income exclusions (such as those set forth in section 3(b)(5)(B)), or may establish another reasonable rent structure or amount.

"(C) SWITCHING RENT DETERMINATION METHODS BECAUSE OF HARDSHIP CIRCUMSTANCES.—Notwithstanding subparagraph (A), in the case of a family that has elected to pay rent in the amount determined under subparagraph (B)(i), a public housing agency shall immediately provide for the family to pay rent in the amount determined under subparagraph (B)(ii) during the period for which such election was made upon a determination that the family is unable to pay the amount determined under subparagraph (B)(i) because of financial hardship, including—

"(i) situations in which the income of the family has decreased because of changed circumstances, loss of reduction of employment, death in the family, and reduction in or loss of income or other assistance;

"(ii) an increase, because of changed circumstances, in the family's expenses for medical costs, child care, transportation, education, or similar items; and

"(iii) such other situations as may be determined by the agency.

"(D) ENCOURAGEMENT OF SELF-SUFFICIENCY.—The rental policy developed by each public housing agency shall encourage and reward employment and economic self-sufficiency.

"(E) INCOME REVIEWS.—Notwithstanding the second sentence of paragraph (1), in the case of families that are paying rent in the amount determined under subparagraph (B)(i), the agency shall review the income of such family not less than once every 3 years.".

SEC. 524. OCCUPANCY BY POLICE OFFICERS AND OVER-INCOME FAMILIES.

(a) IN GENERAL.—Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraphs:

"(4) OCCUPANCY BY POLICE OFFICERS.—

"(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any other provision of law, a public housing agency may, in accordance with the public housing agency plan for the agency, allow a police officer who is not otherwise eligible for residence in public housing to reside in a public housing dwelling unit. The number and location of units occupied by police officers under this paragraph and the terms and conditions of their tenancies shall be determined by the public housing agency.

"(B) INCREASED SECURITY.—A public housing agency may take the actions authorized in subparagraph (A) only for the purpose of increasing security for the residents of a public housing project.

"(C) DEFINITION.—In this paragraph, the term 'police officer' means any person determined by a public housing agency to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a Federal, State, or local government or by any agency thereof (including a public housing agency having an accredited police force).

"(5) OCCUPANCY BY OVER-INCOME FAMILIES IN CERTAIN PUBLIC HOUSING.—

"(A) AUTHORITY.—Notwithstanding any other provision of law, a public housing agency that owns or operates less than 250 units may, on a month-to-month basis, lease a dwelling unit in a public housing project to an over-income family in accordance with this paragraph, but only if there are no eligible families applying for housing assistance from the public housing agency for that month and the agency provides not less than 30-day public notice of the availability of such assistance.

"(B) TERMS AND CONDITIONS.—The number and location of dwelling units of a public housing agency occupied under this paragraph by over-income families, and the terms and conditions of those tenancies, shall be determined by the public housing agency, except that—

"(i) notwithstanding paragraph (2), rent for a unit shall be in an amount that is not less than the costs to operate the unit;

"(ii) if an eligible family applies for residence after an over-income family moves in to the last available unit, the over-income family shall vacate the unit in accordance with notice of termination of tenancy provided by the agency, which shall be provided not less than 30 days before such termination; and

"(iii) if a unit is vacant and there is no one on the waiting list, the public housing agency may allow an over-income family to gain immediate occupancy in the unit, while simultaneously providing reasonable public notice and outreach with regard to availability of the unit.

"(C) DEFINITION.—For purposes of this paragraph, the term 'over-income family' means an individual or family that is not a low-income family at the time of initial occupancy.".

(b) APPLICABILITY.—The amendment made by this paragraph is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 525. SITE-BASED WAITING LISTS.

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following new subsection:

"(s) SITE-BASED WAITING LISTS.—

"(1) AUTHORITY.—A public housing agency may establish procedures for maintaining waiting lists for admissions to public housing projects of the agency, which may include (notwithstanding any other law, regulation, handbook, or notice to the contrary) a system of site-based waiting lists under which applicants may apply directly at or otherwise designate the project or projects 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.

"(2) NOTICE.—Any system described in paragraph (1) shall provide for the full disclosure by the public housing agency to each applicant of any option available to the applicant in the selection of the project in which to reside.".

SEC. 526. PET OWNERSHIP.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 31. PET OWNERSHIP IN PUBLIC HOUSING.

"(a) OWNERSHIP CONDITIONS.—A resident of a dwelling unit in public housing (as such term is defined in subsection (c)) may own 1 or more common household pets or have 1 or more common household pets present in the dwelling unit of such resident, subject to the reasonable requirements of the public housing agency, if the resident maintains each pet responsibly and in accordance with applicable State and local public health, animal control, and animal anti-cruelty laws and regulations and with the policies established in the public housing agency plan for the agency.

"(b) REASONABLE REQUIREMENTS.—The reasonable requirements referred to in subsection (a) may include—

"(1) requiring payment of a nominal fee, a pet deposit, or both, by residents owning or having pets present, to cover the reasonable operating costs to the project relating to the presence of pets and to establish an escrow account for additional costs not otherwise covered, respectively;

"(2) limitations on the number of animals in a unit, based on unit size;

"(3) prohibitions on—

"(A) types of animals that are classified as dangerous; and

"(B) individual animals, based on certain factors, including the size and weight of the animal; and

"(4) restrictions or prohibitions based on size and type of building or project, or other relevant conditions.

"(c) PET OWNERSHIP IN PUBLIC HOUSING DESIGNATED FOR OCCUPANCY BY ELDERLY OR HANDICAPPED FAMILIES.—For purposes of this section, the term 'public housing' has the meaning given the term in section 3(b), except that such term does not include any public housing that is federally assisted rental housing for the elderly or handicapped, as such term is defined in section 227(d) of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701r-1(d)).

"(d) REGULATIONS.—This section shall take effect upon the date of the effectiveness of regulations issued by the Secretary to carry out this section. Such regulations shall be issued after notice and opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).".

PART 3—MANAGEMENT, HOMEOWNERSHIP, AND DEMOLITION AND DISPOSITION

SEC. 529. CONTRACT PROVISIONS.

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended—

(1) in subsection (c)(4)(E), by striking "except in the case of agencies not receiving operating assistance under section 9" and inserting "for each agency that receives assistance under this title"; and

(2) by striking subsection (e).

SEC. 530. HOUSING QUALITY REQUIREMENTS.

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by inserting after subsection (e) the following new subsection:

"(f) HOUSING QUALITY REQUIREMENTS.—

"(1) IN GENERAL.—Each contract for contributions for a public housing agency shall require that the agency maintain its public housing in a condition that complies with standards which meet or exceed the housing quality standards established under paragraph (2).

"(2) FEDERAL STANDARDS.—The Secretary shall establish housing quality standards under this paragraph that ensure that public housing dwelling units are safe and habitable. 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 8(o)(8)(B)(i). The Secretary may determine whether the laws, regulations, standards, or codes of any State or local jurisdiction meet or exceed these standards, for purposes of this subsection.

"(3) ANNUAL INSPECTIONS.—Each public housing agency that owns or operates public housing shall make an annual inspection of each public housing project to determine whether units in the project are maintained in accordance with the requirements under paragraph (1). 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 5(h), shall make such results available.".

SEC. 531. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

(a) IN GENERAL.—Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) is amended to read as follows:

"SEC. 18. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

"(a) APPLICATIONS FOR DEMOLITION AND DISPOSITION.—Except as provided in subsection (b), upon receiving an application by a public housing agency for authorization, with or without financial assistance under this title, to demolish or dispose of a public housing project or a portion of a public housing project (including any transfer to a resident-supported nonprofit entity), the Secretary shall approve the application, if the public housing agency certifies—

"(1) in the case of—

"(A) an application proposing demolition of a public housing project or a portion of a public housing project, that—

"(i) the project or portion of the public housing project is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes; and

"(ii) no reasonable program of modifications is cost-effective to return the public housing project or portion of the project to useful life; and

"(B) an application proposing the demolition of only a portion of a public housing project, that the demolition will help to ensure the viability of the remaining portion of the project;

"(2) in the case of an application proposing disposition by sale or other transfer of a public housing project or other real property subject to this title—

"(A) the retention of the property is not in the best interests of the residents or the public housing agency because—

"(i) conditions in the area surrounding the public housing project adversely affect the health or safety of the residents or the feasible operation of the project by the public housing agency; or

"(ii) disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as low-income housing;

"(B) the public housing agency has otherwise determined the disposition to be appropriate for reasons that are—

"(i) in the best interests of the residents and the public housing agency;

"(ii) consistent with the goals of the public housing agency and the public housing agency plan; and

"(iii) otherwise consistent with this title; or

"(C) for property other than dwelling units, the property is excess to the needs of a public housing project or the disposition is incidental to, or does not interfere with, continued operation of a public housing project;

"(3) that the public housing agency has specifically authorized the demolition or disposition in the public housing agency plan, and has certified that the actions contemplated in the public housing agency plan comply with this section;

"(4) that the public housing agency—

"(A) will notify each family residing in a project subject to demolition or disposition 90 days prior to the displacement date, except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(i) the public housing project will be demolished or disposed of;

"(ii) the demolition of the building in which the family resides will not commence until each resident of the building is relocated; and

"(iii) each family displaced by such action will be offered comparable housing—

"(I) that meets housing quality standards;

"(II) that is located in an area that is generally not less desirable than the location of the displaced person's housing; and

"(III) which may include—

"(aa) tenant-based assistance, except that the requirement under this clause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such family into such housing;

"(bb) project-based assistance; or

"(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated;

"(B) will provide for the payment of the actual and reasonable relocation expenses of each resident to be displaced;

"(C) will ensure that each displaced resident is offered comparable housing in accordance with the notice under subparagraph (A); and

"(D) will provide any necessary counseling for residents who are displaced; and

"(E) will not commence demolition or complete disposition until all residents residing in the building are relocated;

"(5) that the net proceeds of any disposition will be used—

"(A) unless waived by the Secretary, for the retirement of outstanding obligations issued to finance the original public housing project or modernization of the project; and

"(B) to the extent that any proceeds remain after the application of proceeds in accordance with subparagraph (A), for—

"(i) the provision of low-income housing or to benefit the residents of the public housing agency; or

"(ii) leveraging amounts for securing commercial enterprises, on-site in public housing projects of the public housing agency, appropriate to serve the needs of the residents; and

"(6) that the public housing agency has complied with subsection (c).

"(b) DISAPPROVAL OF APPLICATIONS.—The Secretary shall disapprove an application submitted under subsection (a) if the Secretary determines that—

"(1) any certification made by the public housing agency under that subsection is clearly inconsistent with information and data available to the Secretary or information or data requested by the Secretary; or

"(2) the application was not developed in consultation with—

"(A) residents who will be affected by the proposed demolition or disposition;

"(B) each resident advisory board and resident council, if any, of the project (or portion thereof) that will be affected by the proposed demolition or disposition; and

"(C) appropriate government officials.

"(c) RESIDENT OPPORTUNITY TO PURCHASE IN CASE OF PROPOSED DISPOSITION.—

"(1) IN GENERAL.—In the case of a proposed disposition of a public housing project or portion of a project, the public housing agency shall, in appropriate circumstances, as determined by the Secretary, initially offer the property to any eligible resident organization, eligible resident management corporation, or nonprofit organization acting on behalf of the residents, if that entity has expressed an interest, in writing, to the public housing agency in a timely manner, in purchasing the property for continued use as low-income housing.

"(2) TIMING.—

"(A) EXPRESSION OF INTEREST.—A resident organization, resident management corporation, or other resident-supported nonprofit entity referred to in paragraph (1) may express interest in purchasing property that is the subject of a disposition, as described in paragraph (1), during the 30-day period beginning on the date of notification of a proposed sale of the property.

"(B) OPPORTUNITY TO ARRANGE PURCHASE.—If an entity expresses written interest in purchasing a property, as provided in subparagraph (A), no disposition of the property shall occur during the 60-day period beginning on the date of receipt of that written notice (other than to the entity providing the notice), during which time that entity shall be given the opportunity to obtain a firm commitment for financing the purchase of the property.

"(d) REPLACEMENT UNITS.—Notwithstanding any other provision of law, replacement public housing units for public housing units demolished in accordance with this section may be built on the original public housing location or in the same neighborhood as the original public housing location if the number of the replacement public housing units is significantly fewer than the number of units demolished.

"(e) 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 project, or among projects, or with other housing for the purpose of improving living conditions of, or providing more efficient services to, residents.

"(f) 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 by the public housing agency, 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.

"(g) UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT.—The Uniform Relocation and Real Property Acquisition Policies Act of 1970 shall not apply to activities under this section.

"(h) RELOCATION AND REPLACEMENT.—Of the amounts appropriated for tenant-based assistance under section 8 in any fiscal year, the Secretary may use such sums as are necessary for relocation and replacement housing for dwelling units that are demolished and disposed of from the public housing inventory (in addition to other amounts that may be available for such purposes).".

(b) HOMEOWNERSHIP REPLACEMENT PLAN.—

(1) IN GENERAL.—Notwithstanding subsections (b) and (c) of section 1002 of the Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred At Oklahoma City, and Rescissions Act, 1995 (Public Law 104–19; 109 Stat. 236), subsection (g) of section 304 of the United States Housing Act of 1937 (42 U.S.C. 1437aaa–3(g)) is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective with respect to any plan for the demolition, disposition, or

conversion to homeownership of public housing that is approved by the Secretary after September 30, 1995.

(c) TREATMENT OF FROST-LELAND PROVISIONS.—Notwithstanding any other provision of law, on and after the date of enactment of this Act, the public housing projects described in section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1988 (Public Law 100–202; 101 Stat. 1329–213), as in effect on April 25, 1996, shall be eligible for demolition under—

(1) section 9 of the United States Housing Act of 1937, as amended by this Act; and

(2) section 14 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act.

(c) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 532. RESIDENT COUNCILS AND RESIDENT MANAGEMENT CORPORATIONS.

(a) RESIDENT MANAGEMENT.—Section 20 of the United States Housing Act of 1937 (42 U.S.C. 1437r) is amended—

(1) in subsection (b)(4), by inserting after "materials" the following: ", rent determination, community service requirements,";

(2) by striking subsection (c) and inserting the following new subsection:

"(c) ASSISTANCE AMOUNTS.—A contract under this section for management of a public housing project by a resident management corporation shall provide for—

"(1) the public housing agency to provide a portion of the assistance to agency from the Capital and Operating Funds to the resident management corporation in accordance with subsection (e) for purposes of operating the public housing project covered by the contract and performing such other eligible activities with respect to the project as may be provided under the contract;

"(2) the amount of income expected to be derived from the project itself (from sources such as rents and charges);

"(3) the amount of income to be provided to the project 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 project that exceeds the income estimated under the contract shall be used for eligible activities under subsections (d)(1) and (e)(1) of section 9.";

(3) in subsection (d), by striking paragraph (3) and redesignating paragraph (4) as paragraph (3);

(4) in subsection (e)—

(A) by redesignating paragraph (4) as paragraph (6);

(B) by striking the subsection designation and heading and all that follows through the end of paragraph (3) and inserting the following:

"(e) DIRECT PROVISION OF OPERATING AND CAPITAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall directly provide assistance from the Operating and Capital Funds to a resident management corporation managing a public housing development pursuant to a contract under this section, but only if—

"(A) the resident management corporation petitions the Secretary for the release of the funds;

"(B) the contract provides for the resident management corporation to assume the primary management responsibilities of the public housing agency; and

"(C) the Secretary determines that the corporation has the capability to effectively discharge such responsibilities.

"(2) USE OF ASSISTANCE.—Any assistance from the Operating and Capital Funds provided to a resident management corporation pursuant to this subsection shall be used for purposes of operating the public housing developments of the agency and performing such other eligible activities with respect to public housing as may be provided under the contract.

"(3) RESPONSIBILITY OF PUBLIC HOUSING AGENCY.—If the Secretary provides direct funding to a resident management corporation under this subsection, the public housing agency shall not be responsible for the actions of the resident management corporation.

"(4) CALCULATION OF OPERATING FUND ALLOCATION.—Notwithstanding any provision of section 9 or any regulation under such section, and subject to the exception provided in paragraph (3), the portion of the amount received by a public housing agency under section 9 that is due to an allocation from the Operating Fund and that is allocated to a public housing project managed by a resident management corporation shall not be less than the public housing agency per unit monthly amount provided in the previous year as determined on an individual project basis.

"(5) CALCULATION OF TOTAL INCOME.—

"(A) Subject to subparagraph (B), the amount of funds provided by a public housing agency to a public housing project managed by a resident management corporation may not be reduced during the 3-year period beginning on the date of enactment of the Housing and Community Development Act of 1987 or on any later date on which a resident management corporation is first established for the project.

"(B) If the total income of a public housing agency (including any amounts from the Capital or Operating Funds provided to the public housing agency under section 9) is reduced or increased, the income provided by the public housing agency to a public housing project managed by a resident management corporation shall be reduced or increased in proportion to the reduction or increase in the total income of the public housing agency, except that any reduction in amounts from the Operating Fund that occurs as a result of fraud, waste, or mismanagement by the public housing agency shall not affect the funds provided to the resident management corporation."; and

(C) in paragraph (6)(A) (as so redesignated by subparagraph (A) of this paragraph), by striking "the operating subsidies provided to" and inserting "the allocations from the Operating Fund for"; and

(5) by striking subsections (f) and (g).

(b) PURCHASE BY RESIDENT MANAGEMENT CORPORATIONS.—Section 21 of the United States Housing Act of 1937 (42 U.S.C. 1437s) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(A), by striking "comprehensive improvement assistance under section 14" and inserting "assistance from the Capital Fund";

(B) in paragraph (3)(A)(v), by striking "minimum safety and livability standards applicable under section 14" and inserting "housing quality standards applicable under section 6(f)";

(C) in paragraph (7)—

(i) by striking "ANNUAL CONTRIBUTIONS" and inserting "CAPITAL AND OPERATING ASSISTANCE";

(ii) in the first sentence, by striking "pay annual contributions" and inserting "provide assistance under section 9"; and

(iii) by striking the last sentence and inserting the following: "Such assistance may not exceed the allocation for the project under section 9."; and

(D) in paragraph (8), by striking "OPERATING SUBSIDIES.—Operating subsidies" and inserting "OPERATING FUND ALLOCATION.—Amounts from the Operating Fund";

(2) in subsection (b)(3)—

(A) by striking "a certificate under section 8(b)(1) or a housing voucher" and inserting "tenant-based assistance"; and

(B) by striking "fair market rent for such certificate" and inserting "payment standard for such assistance"; and

(3) in subsection (d), by inserting ", as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998," after "section 6(c)(4)(D)".

SEC. 533. CONVERSION OF PUBLIC HOUSING TO VOUCHERS; REPEAL OF FAMILY INVESTMENT CENTERS.

(a) IN GENERAL.—Section 22 of the United States Housing Act of 1937 (42 U.S.C. 1437t) is amended to read as follows:

"SEC. 22. AUTHORITY TO CONVERT PUBLIC HOUSING TO VOUCHERS.

"(a) AUTHORITY.—A public housing agency may convert any public housing project (or portion thereof) owned by the public housing agency to tenant-based assistance, but only in accordance with the requirements of this section.

"(b) CONVERSION ASSESSMENT.—

"(1) IN GENERAL.—To convert public housing under this section, a public housing agency shall conduct an assessment of the public housing that includes—

"(A) a cost analysis that demonstrates whether or not the cost (both on a net present value basis and in terms of new budget authority requirements) of providing tenant-based assistance under section 8 for the same families in substantially similar dwellings over the same period of time is less expensive than continuing public housing assistance in the public housing project for the remaining useful life of the project;

"(B) an analysis of the market value of the public housing project both before and after rehabilitation, and before and after conversion;

"(C) an analysis of the rental market conditions with respect to the likely success of the use of tenant-based assistance under section 8 in that market for the specific residents of the public housing project, including an assessment of the availability of decent and safe dwellings renting at or below the payment standard established for tenant-based assistance under section 8 by the agency;

"(D) the impact of the conversion to tenant-based assistance under this section on the neighborhood in which the public housing project is located; and

"(E) a plan that identifies actions, if any, that the public housing agency would take with regard to converting any public housing project or projects (or portions thereof) of the public housing agency to tenant-based assistance.

"(2) TIMING.—Not later than 2 years after the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, each public housing agency shall conduct an assessment under paragraph (1) or (3) of the status of each public housing project owned by such agency and shall submit to the Secretary such assessment. A public housing agency may otherwise undertake an assessment under this subsection at any time and for any public housing project (or portion thereof) owned by the agency. A public housing agency may update a previously conducted assessment for a project (or portion thereof) for purposes of compliance with the one-year limitation under subsection (c).

"(3) STREAMLINED ASSESSMENT.—At the discretion of the Secretary or at the request of a public housing agency, the Secretary may waive any or all of the requirements of paragraph (1) or (3) or otherwise require a streamlined assessment with respect to any public housing project or class of public housing projects.

"(c) CRITERIA FOR IMPLEMENTATION OF CONVERSION PLAN.—A public housing agency may

convert a public housing project (or portion thereof) owned by the agency to tenant-based assistance only pursuant to a conversion assessment under subsection (b) that one year and that demonstrates that the conversion—

"(1) will not be more expensive than continuing to operate the public housing project (or portion thereof) as public housing;

"(2) will principally benefit the residents of the public housing project (or portion thereof) to be converted, the public housing agency, and the community; and

"(3) will not adversely affect the availability of affordable housing in such community.

"(d) CONVERSION PLAN REQUIREMENT.—A public housing project may be converted under this section to tenant-based assistance only as provided in a conversion plan under this subsection, which has not been disapproved by the Secretary pursuant to subsection (e). Each conversion plan shall—

"(1) be developed by the public housing agency, in consultation with the appropriate public officials, with significant participation by the residents of the project (or portion thereof) to be converted;

"(2) be consistent with and part of the public housing agency plan;

"(3) describe the conversion and future use or disposition of the project (or portion thereof) and include an impact analysis on the affected community;

"(4) provide that the public housing agency shall—

"(A) notify each family residing in a public housing project (or portion) to be converted under the plan 90 days prior to the displacement date except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(i) the public housing project (or portion) will be removed from the inventory of the public housing agency; and

"(ii) each family displaced by such action will be offered comparable housing—

"(I) that meets housing quality standards;

"(II) that is located in an area that is generally not less desirable than the location of the displaced person's housing; and

"(III) which may include—

"(aa) tenant-based assistance, except that the requirement under this clause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such family into such housing;

"(bb) project-based assistance; or

"(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated;

"(B) provide any necessary counseling for families displaced by such action;

"(C) ensure that, if the project (or portion) converted is used as housing after such conversion, each resident may choose to remain in their dwelling unit in the project and use the tenant-based assistance toward rent for that unit; and

"(D) provide any actual and reasonable relocation expenses for families displaced by the conversion; and

"(5) provide that any proceeds to the agency from the conversion will be used subject to the limitations that are applicable under section 18(a)(5) to proceeds resulting from the disposition or demolition of public housing.

"(e) REVIEW AND APPROVAL OF CONVERSION PLANS.—The Secretary shall disapprove a conversion plan only if—

"(1) the plan is plainly inconsistent with the conversion assessment for the agency developed under subsection (b);

"(2) there is reliable information and data available to the Secretary that contradicts that conversion assessment; or

"(3) the plan otherwise fails to meet the requirements of this section.

"(f) TENANT-BASED ASSISTANCE.—To the extent approved by the Secretary, the funds used by the public housing agency to provide tenant-based assistance under section 8 shall be added to the annual contribution contract administered by the public housing agency.".

(b) SAVINGS PROVISION.—The amendment made by subsection (a) shall not affect any contract or other agreement entered into under section 22 of the United States Housing Act of 1937, as such section existed immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998.

SEC. 534. TRANSFER OF MANAGEMENT OF CERTAIN HOUSING TO INDEPENDENT MANAGER AT REQUEST OF RESIDENTS.

The United States Housing Act of 1937 is amended by striking section 25 (42 U.S.C. 1437w) and inserting the following new section:

"SEC. 25. 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) a request for transfer of management of such housing is made and approved in accordance with subsection (b); and

"(2) the Secretary or the public housing agency, as appropriate pursuant to subsection (b), determines that—

"(A) due to the mismanagement of the agency, 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 located in an area such that the housing is subject to recurrent vandalism and criminal activity (including drug-related criminal activity); and

"(C) the residents can demonstrate that the elements of distress for such housing specified in subparagraphs (A) and (B) can be remedied by an entity or entities, identified by the residents, that has or have a demonstrated capacity to manage, with reasonable expenses for modernization.

"(b) REQUEST FOR TRANSFER.—The responsibility and authority for managing specified housing may be transferred only pursuant to a request made by a majority vote of the residents for the specified housing that—

"(1) in the case of specified housing that is owned by a public housing agency that is designated as a troubled agency under section 6(j)(2)—

"(A) is made to the public housing agency or the Secretary; and

"(B) is approved by the agency or the Secretary; or

"(2) in the case of specified housing that is owned by a public housing agency that is not designated as a troubled agency under section 6(j)(2)—

"(A) is made to and approved by the public housing agency; or

"(B) if a request is made to the agency pursuant to subparagraph (A) and is not approved, is subsequently made to and approved by the Secretary.

"(c) CAPITAL AND OPERATING ASSISTANCE.—Pursuant to a contract under subsection (d), the Secretary shall require the public housing agency for specified housing to provide to the manager for the housing, from any assistance from the Capital and Operating Funds under section 9 for the agency, fair and reasonable amounts for the housing for eligible capital and operating activities under subsection (d)(1) and (e)(1) of section 9. 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 aggregate amount of assistance from such Funds 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 public housing agency plan of such agency.

"(d) 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 projects.

"(e) COMPLIANCE WITH PUBLIC HOUSING AGENCY PLAN.—A manager of specified housing under this section shall comply with the approved public housing agency 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 public housing agency plan.

"(f) 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 public housing agency plan for the agency transferring management of the housing.

"(g) 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.

"(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 project, any of the following entities:

"(A) NONPROFIT ORGANIZATION.—A public or private nonprofit organization, which may—

"(i) include a resident management corporation; and

"(ii) not include the public housing agency that owns or operates the project.

"(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 or operates the project).

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 NONPROFIT ORGANIZATION.—The term 'public nonprofit organization' means any public entity that is nonprofit in character.

"(6) SPECIFIED HOUSING.—The term 'specified housing' means a public housing project or projects, or a portion of a project or projects, 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 project of which it is part to make transfer of the management of the building feasible for purposes of this section.".

SEC. 535. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR PROJECTS.

(a) IN GENERAL.—Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) is amended to read as follows:

"SEC. 24. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR PROJECTS.

"(a) PURPOSES.—The purpose of this section is to provide assistance to public housing agencies for the purposes of—

"(1) improving the living environment for public housing residents of severely distressed public housing projects through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof);

"(2) revitalizing sites (including remaining public housing dwelling units) on which such public housing projects are located and contributing to the improvement of the surrounding neighborhood;

"(3) providing housing that will avoid or decrease the concentration of very low-income families; and

"(4) building sustainable communities.

"(b) GRANT AUTHORITY.—The Secretary may make grants as provided in this section to applicants whose applications for such grants are approved by the Secretary under this section.

"(c) CONTRIBUTION REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make any grant under this section to any applicant unless the applicant certifies to the Secretary that the applicant will—

"(A) supplement the aggregate 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; and

"(B) in addition to supplemental amounts provided in accordance with subparagraph (A), if the applicant uses more than 5 percent of the amount of assistance provided under this section for services under subsection (d)(1)(L), provide supplemental funds from sources other than this section in an amount equal to the amount so used in excess of 5 percent.

"(2) SUPPLEMENTAL FUNDS.—In calculating the amount of supplemental funds provided by a grantee for purposes of paragraph (1), the grantee may include amounts from other Federal sources, any State or local government sources, any private contributions, the value of any donated material or building, the value of any lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services or administrative costs provided.

"(3) EXEMPTION.—If assistance provided under this title will be used only for providing tenant-based assistance under section 8 or demolition of public housing (without replacement), the Secretary may exempt the applicant from the requirements under paragraph (1)(A).

"(d) ELIGIBLE ACTIVITIES.—

"(1) IN GENERAL.—Grants under this section may be used for activities to carry out revitalization programs for severely distressed public housing, including—

"(A) architectural and engineering work;

"(B) redesign, rehabilitation, or reconfiguration of a severely distressed public housing project, including the site on which the project is located;

"(C) the demolition, sale, or lease of the site, in whole or in part;

"(D) 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;

"(E) payment of reasonable legal fees;

"(F) providing reasonable moving expenses for residents displaced as a result of the revitalization of the project;

"(G) economic development activities that promote the economic self-sufficiency of residents under the revitalization program;

"(H) necessary management improvements;

"(I) leveraging other resources, including additional housing resources, retail supportive services, jobs, and other economic development uses on or near the project that will benefit future residents of the site;

"(J) replacement housing (including appropriate homeownership downpayment assistance for displaced residents or other appropriate replacement homeownership activities) and rental assistance under section 8;

"(K) transitional security activities; and

"(L) necessary supportive services, except that not more than 15 percent of the amount of any grant may be used for activities under this paragraph.

"(2) ENDOWMENT TRUST FOR SUPPORTIVE SERVICES.—In using grant amounts under this section made available in fiscal year 2000 or thereafter for supportive services under paragraph (1)(L), a public housing agency may deposit such amounts in an endowment trust to provide supportive services over such period of time as the agency determines. Such amounts shall be provided to the agency by the Secretary in a lump sum when requested by the agency, shall be invested in a wise and prudent manner, and shall be used (together with any interest thereon earned) only for eligible uses pursuant to paragraph (1)(L). A public housing agency may use amounts in an endowment trust under this paragraph in conjunction with other amounts donated or otherwise made available to the trust for similar purposes.

"(e) APPLICATION AND SELECTION.—

"(1) APPLICATION.—An application for a grant under this section shall demonstrate the appropriateness of the proposal in the context of the local housing market relative to other alternatives, and shall include such other information and 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 and shall include such factors as—

"(A) the relationship of the grant to the public housing agency plan for the applicant and how the grant will result in a revitalized site that will enhance the neighborhood in which the project is located and enhance economic opportunities for residents;

"(B) the capability and record of the applicant public housing agency, or any alternative management entity 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 applicant 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 project;

"(E) the need for affordable housing in the community;

"(F) the supply of other housing available and affordable to families receiving tenant-based assistance under section 8;

"(G) the amount of funds and other resources to be leveraged by the grant;

"(H) the extent of the need for, and the potential impact of, the revitalization program; and

"(I) such other factors as the Secretary considers appropriate.

"(3) APPLICABILITY OF SELECTION CRITERIA.—The Secretary may determine not to apply certain of the selection criteria established pursuant to paragraph (2) when awarding grants for demolition only, tenant-based assistance only, or other specific categories of revitalization activities. This section may not be construed to require any application for a grant under this section to include demolition of public housing or to preclude use of grant amounts for rehabilitation or rebuilding of any housing on an existing site.

"(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) DISPOSITION AND REPLACEMENT.—Any severely distressed public housing disposed of pursuant to a revitalization plan and any public housing developed in lieu of such severely distressed housing, shall be subject to the provisions of section 18. Severely distressed public housing demolished pursuant to a revitalization plan shall not be subject to the provisions of section 18.

"(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 purposes of this section.

"(i) WITHDRAWAL OF FUNDING.—If a grantee under this section does not proceed within a reasonable timeframe, 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 other applicants 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 6(j)(2);

"(B) any public housing agency for which a private housing management agent has been selected, or a receiver has been appointed, pursuant to section 6(j)(3); and

(C) any public housing agency that is designated as troubled pursuant to section 6(j)(2) and 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) SEVERELY DISTRESSED PUBLIC HOUSING.—The term 'severely distressed public housing' means a public housing project (or building in a project)—

"(A) that—

"(i) 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 project;

"(ii) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;

"(iii)(I) is occupied predominantly by families who are very low-income families with children, are unemployed, and dependent on various forms of public assistance; or

"(II) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area;

"(iv) cannot be revitalized through assistance under other programs, such as the program for capital and operating assistance for public housing under this Act, or the programs under sections 9 and 14 of the United States Housing Act of 1937 (as in effect before the effective date under under section 503(a) the Quality Housing and Work Responsibility Act of 1998), because of cost constraints and inadequacy of available amounts; and

"(v) in the case of individual buildings, is, in the Secretary's determination, sufficiently separable from the remainder of the project of which the building is part to make use of the building feasible for purposes of this section; or

"(B) that was a project described in subparagraph (A) that has been legally vacated or demolished, but for which the Secretary has not yet provided replacement housing assistance (other than tenant-based assistance).

"(3) 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 project involved, including literacy training, job training, day care, transportation, and economic development activities.

"(k) GRANTEE REPORTING.—The Secretary shall require grantees of assistance under this section to report the sources and uses of all amounts expended for revitalization plans.

"(l) 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 projects 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.

"(m) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section $600,000,000 for fiscal year 1999 and such sums as may be necessary for each of fiscal years 2000, 2001, and 2002.

"(2) TECHNICAL ASSISTANCE AND PROGRAM OVERSIGHT.—Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Secretary may use up to 2 percent for technical assistance or contract expertise. Such assistance or contract expertise 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.

"(n) SUNSET.—No assistance may be provided under this section after September 30, 2002.".

(b) APPLICABILITY.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 536. HOMEOWNERSHIP.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 32. RESIDENT HOMEOWNERSHIP PROGRAMS.

"(a) IN GENERAL.—A public housing agency may carry out a homeownership program in accordance with this section and the public housing agency plan of the agency to make public housing dwelling units, public housing projects, and other housing projects available for purchase by low-income families for use only as principal residences for such families. An agency may transfer a unit pursuant to a homeownership program only if the program is authorized under this section and approved by the Secretary.

"(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, assisted, or operated, 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 replacements.

"(d) RIGHT OF FIRST REFUSAL.—In making any sale under this section, the public housing agency shall initially offer the public housing unit at issue to the resident or residents occupying that unit, if any, or to an organization serving as a conduit for sales to any such resident.

"(e) PROTECTION OF NONPURCHASING RESIDENTS.—If a public housing resident does not exercise the right of first refusal under subsection (d) with respect to the public housing unit in which the resident resides, the public housing agency—

"(1) shall notify the resident residing in the unit 90 days prior to the displacement date except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(A) the public housing unit will be sold;

"(B) the transfer of possession of the unit will occur until the resident is relocated; and

"(C) each resident displaced by such action will be offered comparable housing—

"(i) that meets housing quality standards;

"(ii) that is located in an area that is generally not less desirable than the location of the displaced resident's housing; and

"(iii) which may include—

"(I) tenant-based assistance, except that the requirement under this subclause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such resident into such housing;

"(II) project-based assistance; or

"(III) occupancy in a unit owned, operated, or assisted by the public housing agency at a rental rate paid by the resident that is comparable to the rental rate applicable to the unit from which the resident is vacated;

"(2) shall provide for the payment of the actual and reasonable relocation expenses of the resident to be displaced;

"(3) shall ensure that the displaced resident is offered comparable housing in accordance with the notice under paragraph (1);

"(4) shall provide any necessary counseling for the displaced resident; and

"(5) shall not transfer possession of the unit until the resident is relocated.

"(f) FINANCING AND ASSISTANCE.—A homeownership program under this section may provide financing for acquisition of housing by families purchasing under the program, or for acquisition of housing by the public housing agency for sale under the program, in any manner considered appropriate by the agency (including sale to a resident management corporation).

"(g) 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.

"(h) 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.

"(i) 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) some or all of the economic gain derived from any such resale occurring during the 5-year period beginning upon purchase of the dwelling unit by 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)(A) 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 homeownership 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.

"(j) NET PROCEEDS.—The net proceeds of any sales under a homeownership program under this section remaining after payment of all costs of the sale shall be used for purposes relating to low-income housing and in accordance with the public housing agency plan of the agency carrying out the program.

"(k) HOMEOWNERSHIP ASSISTANCE.—From amounts distributed to a public housing agency under the Capital Fund under section 9(d), or from other income earned by the public housing agency, the public housing agency may provide assistance to public housing residents to facilitate the ability of those residents to purchase a principal residence, including a residence other than a residence located in a public housing project.

"(l) INAPPLICABILITY OF DISPOSITION REQUIREMENTS.—The provisions of section 18 shall not apply to disposition of public housing dwelling units under a homeownership program under this section.".

SEC. 537. REQUIRED CONVERSION OF DISTRESSED PUBLIC HOUSING TO TENANT-BASED ASSISTANCE.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 33. REQUIRED CONVERSION OF DISTRESSED PUBLIC HOUSING TO TENANT-BASED ASSISTANCE.

"(a) IDENTIFICATION OF UNITS.—Each public housing agency shall identify all public housing projects of the public housing agency that meet all of the following requirements:

"(1) The project is on the same or contiguous sites.

"(2) The project is determined by the public housing agency to be distressed, which determination shall be made in accordance with guidelines established by the Secretary, which guidelines shall take into account the criteria established in the Final Report of the National Commission on Severely Distressed Public Housing (August 1992).

"(3) The project—

"(A) is identified as distressed housing under paragraph (2) for which the public housing agency cannot assure the long-term viability as public housing through reasonable modernization expenses, density reduction, achievement of a broader range of family income, or other measures; or

"(B) has an estimated cost, during the remaining useful life of the project, of continued operation and modernization as public housing that exceeds the estimated cost, during the remaining useful life of the project, of providing tenant-based assistance under section 8 for all families in occupancy, based on appropriate indicators of cost (such as the percentage of total development costs required for modernization).

"(b) CONSULTATION.—Each public housing agency shall consult with the appropriate public housing residents and the appropriate unit of general local government in identifying any public housing projects under subsection (a).

"(c) PLAN FOR REMOVAL OF UNITS FROM INVENTORIES OF PHA'S.—

"(1) DEVELOPMENT.—Each public housing agency shall develop and carry out a 5-year plan in conjunction with the Secretary for the removal of public housing units identified under subsection (a) from the inventory of the public housing agency and the annual contributions contract.

"(2) APPROVAL.—Each plan required under paragraph (1) shall—

"(A) be included as part of the public housing agency plan;

"(B) be certified by the relevant local official to be in accordance with the comprehensive housing affordability strategy under title I of the Housing and Community Development Act of 1992; and

"(C) include a description of any disposition and demolition plan for the public housing units.

"(3) EXTENSIONS.—The Secretary may extend the 5-year deadline described in paragraph (1) by not more than an additional 5 years if the Secretary makes a determination that the deadline is impracticable.

"(4) REVIEW BY SECRETARY.—

"(A) FAILURE TO IDENTIFY PROJECTS.—If the Secretary determines, based on a plan submitted under this subsection, that a public housing agency has failed to identify 1 or more public housing projects that the Secretary determines should have been identified under subsection (a), the Secretary may designate the public housing projects to be removed from the inventory of the public housing agency pursuant to this section.

"(B) ERRONEOUS IDENTIFICATION OF PROJECTS.—If the Secretary determines, based on a plan submitted under this subsection, that a public housing agency has identified 1 or more public housing projects that should not have been identified pursuant to subsection (a), the Secretary shall—

"(i) require the public housing agency to revise the plan of the public housing agency under this subsection; and

"(ii) prohibit the removal of any such public housing project from the inventory of the public housing agency under this section.

"(d) CONVERSION TO TENANT-BASED ASSISTANCE.—

"(1) IN GENERAL.—To the extent approved in advance in appropriations Acts, the Secretary shall make budget authority available to a public housing agency to provide assistance under this Act to families residing in any public housing project that, pursuant to this section, is removed from the inventory of the agency and the annual contributions contract of the agency.

"(2) CONVERSION REQUIREMENTS.—Each agency carrying out a plan under subsection (c) for removal of public housing dwelling units from the inventory of the agency shall—

"(A) notify each family residing in a public housing project to be converted under the plan 90 days prior to the displacement date, except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(i) the public housing project will be removed from the inventory of the public housing agency; and

"(ii) each family displaced by such action will be offered comparable housing—

"(I) that meets housing quality standards; and

"(II) which may include—

"(aa) tenant-based assistance, except that the requirement under this clause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such family into such housing;

"(bb) project-based assistance; or

"(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated.

"(B) provide any necessary counseling for families displaced by such action;

"(C) ensure that, if the project (or portion) converted is used as housing after such conversion, each resident may choose to remain in their dwelling unit in the project and use the tenant-based assistance toward rent for that unit;

"(D) ensure that each displaced resident is offered comparable housing in accordance with the notice under subparagraph (A); and

"(E) provide any actual and reasonable relocation expenses for families displaced by such action.

"(e) CESSATION OF UNNECESSARY SPENDING.—Notwithstanding any other provision of law, if, in the determination of the Secretary, a project or projects of a public housing agency meet or are likely to meet the criteria set forth in subsection (a), the Secretary may direct the agency to cease additional spending in connection with such project or projects until the Secretary determines or approves an appropriate course of action with respect to such project or projects under this section, except to the extent that failure to expend such amounts would endanger the health or safety of residents in the project or projects.

"(f) USE OF BUDGET AUTHORITY.—Notwithstanding any other provision of law, if a project or projects are identified pursuant to subsection (a), the Secretary may authorize or direct the transfer, to the tenant-based assistance program of such agency or to appropriate site revitalization or other capital improvements approved by the Secretary, of—

"(1) 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 project or projects pursuant to section 14 of the United States Housing Act of 1937 (as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

"(2) 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 project or projects;

"(3) 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 project or projects pursuant to section 5(j)(2) of the United States Housing Act of 1937, as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998; and

"(4) in the case of an agency receiving assistance pursuant to the formulas under section 9, any amounts provided to the agency which are attributable pursuant to the formulas for allocating such assistance to such project or projects.

"(g) REMOVAL BY SECRETARY.—The Secretary shall take appropriate actions to ensure removal of any public housing project identified under subsection (a) from the inventory of a public housing agency, if the public housing agency fails to adequately develop a plan under subsection (c) with respect to that project, or fails to adequately implement such plan in accordance with the terms of the plan.

"(h) ADMINISTRATION.—

"(1) IN GENERAL.—The Secretary may require a public housing agency to provide to the Secretary or to public housing residents such information as the Secretary considers to be necessary for the administration of this section.

"(2) APPLICABILITY OF SECTION 18.—Section 18 shall not apply to the demolition of public housing projects removed from the inventory of the public housing agency under this section.".

(b) CONFORMING AMENDMENT.—Section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437l note) is repealed.

(c) TRANSITION.—

(1) USE OF AMOUNTS.—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 the 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 section 33 of the United States Housing Act of 1937 (as added by subsection (a) of this section).

(2) SAVINGS PROVISION.—Notwithstanding the amendments made by this section, section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437l note) and any regulations implementing such section, as in effect immediately before the enactment of this Act, shall continue to apply to public housing developments identified by the Secretary or a public housing agency for conversion pursuant to that section or for assessment of whether such conversion is required prior to enactment of this Act.

SEC. 538. LINKING SERVICES TO PUBLIC HOUSING RESIDENTS.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 34. SERVICES FOR PUBLIC HOUSING RESIDENTS.

"(a) IN GENERAL.—To the extent that amounts are provided in advance in appropriations Acts, the Secretary may make grants to public housing agencies on behalf of public housing residents, or directly to resident management corporations, resident councils, or resident organizations (including nonprofit entities supported by residents), for the purposes of providing a program of supportive services and resident empowerment activities to provide supportive services to public housing residents or assist such residents in becoming economically self-sufficient.

"(b) ELIGIBLE ACTIVITIES.—Grantees under this section may use such amounts only for activities on or near the property of the public housing agency or public housing project that are designed to promote the self-sufficiency of public housing residents or provide supportive services for such residents, including activities relating to—

"(1) physical improvements to a public housing project in order to provide space for supportive services for residents;

"(2) the provision of service coordinators or a congregate housing services program for elderly individuals, elderly disabled individuals, nonelderly disabled individuals, or temporarily disabled individuals;

"(3) the provision of services related to work readiness, including education, job training and counseling, job search skills, business development training and planning, tutoring, mentoring, adult literacy, computer access, personal and family counseling, health screening, work readiness health services, transportation, and child care;

"(4) economic and job development, including employer linkages and job placement, and the start-up of resident microenterprises, community credit unions, and revolving loan funds, including the licensing, bonding, and insurance needed to operate such enterprises;

"(5) resident management activities and resident participation activities; and

"(6) other activities designed to improve the economic self-sufficiency of residents.

"(c) FUNDING DISTRIBUTION.—

"(1) IN GENERAL.—Except for amounts provided under subsection (d), the Secretary may distribute amounts made available under this section on the basis of a competition or a formula, as appropriate.

"(2) FACTORS FOR DISTRIBUTION.—Factors for distribution under paragraph (1) shall include—

"(A) the demonstrated capacity of the applicant to carry out a program of supportive services or resident empowerment activities;

"(B) the ability of the applicant to leverage additional resources for the provision of services; and

"(C) the extent to which the grant will result in a high quality program of supportive services or resident empowerment activities.

"(d) MATCHING REQUIREMENT.—The Secretary may not make any grant under this section to any applicant unless the applicant supplements amounts made available under this section with funds from sources other than this section in an amount equal to not less than 25 percent of the grant amount. Such supplemental amounts may include—

"(1) funds from other Federal sources;

"(2) funds from any State or local government sources;

"(3) funds from private contributions; and

"(4) the value of any in-kind services or administrative costs provided to the applicant.

"(e) FUNDING FOR RESIDENT ORGANIZATIONS.—To the extent that there are a sufficient number of qualified applications for assistance under this section, not less than 25 percent of any amounts appropriated to carry out this section shall be provided directly to resident councils, resident organizations, and resident management corporations. In any case in which a resident council, resident organization, or resident management corporation lacks adequate expertise, the Secretary may require the council, organization, or corporation to utilize other qualified organizations as contract administrators with respect to financial assistance provided under this section.".

(b) ASSESSMENT AND REPORT BY SECRETARY.—Not later than 3 years after the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, the Secretary of Housing and Urban Development shall—

(1) conduct an evaluation and assessment of grants carried out by resident organizations, and particularly of the effect of the grants 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.

This subsection shall take effect on the date of the enactment of this Act.

SEC. 539. MIXED-FINANCE PUBLIC HOUSING.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 35. MIXED FINANCE PUBLIC HOUSING.

"(a) AUTHORITY.—A public housing agency may own, operate, assist, or otherwise participate in 1 or more mixed-finance projects in accordance with this section.

"(b) ASSISTANCE.—

"(1) FORMS.—A public housing agency may provide to a mixed-finance project assistance from the Operating Fund under section 9, assistance from the Capital Fund under such section, or both forms of assistance. A public housing agency may, in accordance with regulations established by the Secretary, provide capital assistance to a mixed-finance project in the form of a grant, loan, guarantee, or other form of investment in the project, which may involve drawdown of funds on a schedule commensurate with construction draws for deposit into an interest-bearing escrow account to serve as collateral or credit enhancement for bonds issued by a public agency, or for other forms of public or private borrowings, for the construction or rehabilitation of the development.

"(2) USE.—To the extent deemed appropriate by the Secretary, assistance used in connection with the costs associated with the operation and management of mixed-finance projects may be used for funding of an operating reserve to ensure affordability for low-income and very low-income families in lieu of the availability of operating funds for public housing units in a mixed-finance project.

"(c) COMPLIANCE WITH PUBLIC HOUSING REQUIREMENTS.—The units assisted with capital or operating assistance in a mixed-finance project shall be developed, operated, and maintained in accordance with the requirements of this Act relating to public housing during the period required by under this Act, unless otherwise specified in this section. For purposes of this Act, any reference to public housing owned or operated by a public housing agency shall include dwelling units in a mixed finance project that are assisted by the agency with capital or operating assistance.

"(d) MIXED-FINANCE PROJECTS.—

"(1) IN GENERAL.—For purposes of this section, the term 'mixed-finance project' means a project that meets the requirements of paragraph (2) and is financially assisted by private resources, which may include low-income housing tax credits, in addition to amounts provided under this Act.

"(2) TYPES OF PROJECTS.—The term includes a project that is developed—

"(A) by a public housing agency or by an entity affiliated with a public housing agency;

"(B) by a partnership, a limited liability company, or other entity in which the public housing agency (or an entity affiliated with a public housing agency) is a general partner, managing member, or otherwise participates in the activities of that entity;

"(C) by any entity that grants to the public housing agency the right of first refusal and first option to purchase, after the close of the compliance period, of the qualified low-income building in which the public housing units exist in accordance with section 42(i)(7) of the Internal Revenue Code of 1986; or

"(D) in accordance with such other terms and conditions as the Secretary may prescribe by regulation.

"(e) STRUCTURE OF PROJECTS.—Each mixed-finance project shall be developed—

"(1) in a manner that ensures that public housing units are made available in the project, by regulatory and operating agreement, master contract, individual lease, condominium or cooperative agreement, or equity interest;

"(2) in a manner that ensures that the number of public housing units bears approximately the same proportion to the total number of units in the mixed-finance project as the value of the total financial commitment provided by the public housing agency bears to the value of the total financial commitment in the project, or shall not be less than the number of units that could have been developed under the conventional public housing program with the assistance, or as may otherwise be approved by the Secretary; and

"(3) in accordance with such other requirements as the Secretary may prescribe by regulation.

"(f) TAXATION.—

"(1) IN GENERAL.—A public housing agency may elect to exempt all public housing units in a mixed-finance project—

"(A) from the provisions of section 6(d), and instead subject such units to local real estate taxes; and

"(B) from the finding of need and cooperative agreement provisions under section 5(e)(1)(ii) and 5(e)(2), but only if the development of the units is not inconsistent with the jurisdiction's comprehensive housing affordability strategy.

"(2) LOW-INCOME HOUSING TAX CREDIT.—With respect to any unit in a mixed-finance project that is assisted pursuant to the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986, the rents charged to the residents may be set at levels not to exceed the amounts allowable under that section, provided that such levels for public housing residents do not exceed the amounts allowable under section 3.

"(g) USE OF SAVINGS.—Notwithstanding any other provision of this Act, to the extent deemed appropriate by the Secretary, to facilitate the establishment of socioeconomically mixed communities, a public housing agency that uses assistance from the Capital Fund for a mixed-finance project, to the extent that income from such a project reduces the amount of assistance used for operating or other costs relating to public housing, may use such resulting savings to rent privately developed dwelling units in the neighborhood of the mixed-finance project. Such units shall be made available for occupancy only by low-income families eligible for residency in public housing.

"(h) EFFECT OF CERTAIN CONTRACT TERMS.—If an entity that owns or operates a mixed-finance project, that includes a significant number of units other than public housing units enters into a contract with a public housing agency, the terms of which obligate the entity to operate and maintain a specified number of units in the project as public housing units in accordance with the requirements of this Act for the period required by law, such contractual terms may provide that, if, as a result of a reduction in appropriations under section 9 or any other change in applicable law, the public housing agency is unable to fulfill its contractual obligations with respect to those public housing units, that entity may deviate, under procedures and requirements developed through regulations by the Secretary, from otherwise applicable restrictions under this Act regarding rents, income eligibility, and other areas of public housing management with respect to a portion or all of those public housing units, to the extent necessary to preserve the viability of those units while maintaining the low-income character of the units to the maximum extent practicable.".

(b) REGULATIONS.—The Secretary shall issue such regulations as may be necessary to promote the development of mixed-finance projects, as that term is defined in section 3(b) of the United States Housing Act of 1937 (as amended by this Act).

Subtitle C—Section 8 Rental and Homeownership Assistance

SEC. 545. MERGER OF CERTIFICATE AND VOUCHER PROGRAMS.

(a) IN GENERAL.—Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended to read as follows:

"(o) VOUCHER PROGRAM.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—The Secretary may provide assistance to public housing agencies for tenant-based assistance using a payment standard established in accordance with subparagraph (B). The payment standard shall be used to determine the monthly assistance that may be paid for any family, as provided in paragraph (2).

"(B) ESTABLISHMENT OF PAYMENT STANDARD.—Except as provided under subparagraph (D), the payment standard for each size of dwelling unit in a market area shall not exceed 110 percent of the fair market rental established under subsection (c) for the same size of dwelling unit in the same market area and shall be not less than 90 percent of that fair market rental.

"(C) SET-ASIDE.—The Secretary may set aside not more than 5 percent of the budget authority made available for assistance under this subsection as an adjustment pool. The Secretary shall use amounts in the adjustment pool to make adjusted payments to public housing agencies under subparagraph (A), to ensure continued affordability, if the Secretary determines that additional assistance for such purpose is necessary, based on documentation submitted by a public housing agency.

"(D) APPROVAL.—The Secretary may require a public housing agency to submit the payment standard of the public housing agency to the Secretary for approval, if the payment standard is less than 90 percent of the fair market rental or exceeds 110 percent of the fair market rental.

"(E) REVIEW.—The Secretary—

"(i) shall monitor rent burdens and review any payment standard that results in a significant percentage of the families occupying units of any size paying more than 30 percent of adjusted income for rent; and

"(ii) may require a public housing agency to modify the payment standard of the public housing agency based on the results of that review.

"(2) AMOUNT OF MONTHLY ASSISTANCE PAYMENT.—Subject to the requirement under section 3(a)(3) (relating to minimum rental amount), the monthly assistance payment for a family receiving assistance under this subsection shall be determined as follows:

"(A) TENANT-BASED ASSISTANCE; RENT NOT EXCEEDING PAYMENT STANDARD.—For a family receiving tenant-based assistance, if the rent for the family (including the amount allowed for tenant-paid utilities) does not exceed the applicable payment standard established under paragraph (1), the monthly assistance payment for the family shall be equal to the amount by which the rent (including the amount allowed for tenant-paid utilities) exceeds the greatest of the following amounts, rounded to the nearest dollar:

"(i) 30 percent of the monthly adjusted income of the family.

"(ii) 10 percent of the monthly income of the family.

"(iii) If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

"(B) TENANT-BASED ASSISTANCE; RENT EXCEEDING PAYMENT STANDARD.—For a family receiving tenant-based assistance, if the rent for the family (including the amount allowed for tenant-paid utilities) exceeds the applicable payment standard established under paragraph (1), the monthly assistance payment for the family shall be equal to the amount by which the applicable payment standard exceeds the greatest of amounts under clauses (i), (ii), and (iii) of subparagraph (A).

"(C) FAMILIES RECEIVING PROJECT-BASED ASSISTANCE.—For a family receiving project-based assistance, the rent that the family is required to pay shall be determined in accordance with section 3(a)(1), and the amount of the housing assistance payment shall be determined in accordance with subsection (c)(3) of this section.

"(3) 40 PERCENT LIMIT.—At the time a family initially receives tenant-based assistance under this section with respect to any dwelling unit, the total amount that a family may be required to pay for rent may not exceed 40 percent of the monthly adjusted income of the family.

"(4) ELIGIBLE FAMILIES.—To be eligible to receive assistance under this subsection, a family shall, at the time a family initially receives assistance under this subsection, be a low-income family that is—

"(A) a very low-income family;

"(B) a family previously assisted under this title;

"(C) a low-income family that meets eligibility criteria specified by the public housing agency;

"(D) a family that qualifies to receive a voucher in connection with a homeownership program approved under title IV of the Cranston-Gonzalez National Affordable Housing Act; or

"(E) a family that qualifies to receive a voucher under section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

"(5) ANNUAL REVIEW OF FAMILY INCOME.—

"(A) IN GENERAL.—Reviews of family incomes for purposes of this section shall be subject to the provisions of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 and shall be conducted upon the initial provision of housing assistance for the family and thereafter not less than annually.

"(B) PROCEDURES.—Each public housing agency administering assistance under this subsection shall establish procedures that are appropriate and necessary to ensure that income data provided to the agency and owners by families applying for or receiving assistance from the agency is complete and accurate. Each public housing agency shall, not less frequently than annually, conduct a review of the family income of each family receiving assistance under this subsection.

"(6) SELECTION OF FAMILIES AND DISAPPROVAL OF OWNERS.—

"(A) PREFERENCES.—

"(i) AUTHORITY TO ESTABLISH.—Each public housing agency may establish a system for making tenant-based assistance under this subsection available on behalf of eligible families that provides preference for such assistance to eligible families having certain characteristics, which may include a preference for families residing in public housing who are victims of a crime of violence (as such term is defined in section 16 of title 18, United States Code) that has been reported to an appropriate law enforcement agency.

"(ii) CONTENT.—Each system of preferences established pursuant to this subparagraph 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 5A(f) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction.

"(B) SELECTION OF TENANTS.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit) shall provide that the screening and selection of families for those units shall be the function of the owner. In addition, the public housing agency may elect to screen applicants for the program in accordance with such requirements as the Secretary may establish.

"(C) PHA DISAPPROVAL OF OWNERS.—In addition to other grounds authorized by the Secretary, a public housing agency may elect not to enter into a housing assistance payments contract under this subsection with an owner who

refuses, or has a history of refusing, to take action to terminate tenancy for activity engaged in by the tenant, any member of the tenant's household, any guest, or any other person under the control of any member of the household that—

"(i) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenants or employees of the public housing agency, owner, or other manager of the housing;

"(ii) threatens the health or safety of, or right to peaceful enjoyment of the residences by, persons residing in the immediate vicinity of the premises; or

"(iii) is drug-related or violent criminal activity.

"(7) LEASES AND TENANCY.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit—

"(A) shall provide that the lease between the tenant and the owner shall be for a term of not less than 1 year, except that the public housing agency may approve a shorter term for an initial lease between the tenant and the dwelling unit owner if the public housing agency determines that such shorter term would improve housing opportunities for the tenant and if such shorter term is considered to be a prevailing local market practice;

"(B) shall provide that the dwelling unit owner shall offer leases to tenants assisted under this subsection that—

"(i) are in a standard form used in the locality by the dwelling unit owner; and

"(ii) contain terms and conditions that—

"(I) are consistent with State and local law; and

"(II) apply generally to tenants in the property who are not assisted under this section;

"(C) shall provide that during the term of the lease, the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause;

"(D) shall provide that during the term of the lease, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises, or any violent or drug-related criminal activity on or near such premises, engaged in by a tenant of any unit, any member of the tenant's household, or any guest or other person under the tenant's control, shall be cause for termination of tenancy;

"(E) shall provide that any termination of tenancy under this subsection shall be preceded by the provision of written notice by the owner to the tenant specifying the grounds for that action, and any relief shall be consistent with applicable State and local law; and

"(F) may include any addenda required by the Secretary to set forth the provisions of this subsection.

"(8) INSPECTION OF UNITS BY PHA'S.—

"(A) IN GENERAL.—Except as provided in paragraph (11), for each dwelling unit for which a housing assistance payment contract is established under this subsection, the public housing agency shall inspect the unit before any assistance payment is made to determine whether the dwelling unit meets the housing quality standards under subparagraph (B).

"(B) HOUSING QUALITY STANDARDS.—The housing quality standards under this subparagraph are standards for safe and habitable housing established—

"(i) by the Secretary for purposes of this subsection; or

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

"(I) meet or exceed housing quality standards, except that the Secretary may waive the requirement under this subclause to significantly increase access to affordable housing and to expand housing opportunities for families assisted under this subsection, except where such waiver could adversely affect the health or safety of families assisted under this subsection; and

"(II) do not severely restrict housing choice

"(C) INSPECTION.—The determination required under subparagraph (A) shall be made by the public housing agency (or other entity, as provided in paragraph (11)) pursuant to an inspection of the dwelling unit conducted before any assistance payment is made for the unit. Inspections of dwelling units under this subparagraph shall be made before the expiration of the 15-day period beginning upon a request by the resident or landlord to the public housing agency or, in the case of any public housing agency that provides assistance under this subsection on behalf of more than 1250 families, before the expiration of a reasonable period beginning upon such request. The performance of the agency in meeting the 15-day inspection deadline shall be taken into consideration in assessing the performance of the agency.

"(D) ANNUAL INSPECTIONS.—Each public housing agency providing assistance under this subsection (or other entity, as provided in paragraph (11)) shall make an annual inspection of each assisted dwelling unit during the term of the housing assistance payments contract for the unit to determine whether the unit is maintained in accordance with the requirements under subparagraph (A). The agency (or other entity) shall retain the records of the inspection for a reasonable time and shall make the records available upon request to the Secretary, the Inspector General for the Department of Housing and Urban Development, and any auditor conducting an audit under section 5(h).

"(E) INSPECTION GUIDELINES.—The Secretary shall establish procedural guidelines and performance standards to facilitate inspections of dwelling units and conform such inspections with practices utilized in the private housing market. Such guidelines and standards shall take into consideration variations in local laws and practices of public housing agencies and shall provide flexibility to authorities appropriate to facilitate efficient provision of assistance under this subsection.

"(9) VACATED UNITS.—If an assisted family vacates a dwelling unit for which rental assistance is provided under a housing assistance payment contract before the expiration of the term of the lease for the unit, rental assistance pursuant to such contract may not be provided for the unit after the month during which the unit was vacated.

"(10) RENT.—

"(A) REASONABLENESS.—The rent for dwelling units for which a housing assistance payment contract is established under this subsection shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market.

"(B) NEGOTIATIONS.—A public housing agency (or other entity, as provided in paragraph (11)) shall, at the request of a family receiving tenant-based assistance under this subsection, assist that family in negotiating a reasonable rent with a dwelling unit owner. A public housing agency (or such other entity) shall review the rent for a unit under consideration by the family (and all rent increases for units under lease by the family) to determine whether the rent (or rent increase) requested by the owner is reasonable. If a public housing agency (or other such entity) determines that the rent (or rent increase) for a dwelling unit is not reasonable, the public housing agency (or other such entity) shall not make housing assistance payments to the owner under this subsection with respect to that unit.

"(C) UNITS EXEMPT FROM LOCAL RENT CONTROL.—If a dwelling unit for which a housing assistance payment contract is established under this subsection is exempt from local rent control provisions during the term of that contract, the rent for that unit shall be reasonable in comparison with other units in the market area that are exempt from local rent control provisions.

"(D) TIMELY PAYMENTS.—Each public housing agency shall make timely payment of any amounts due to a dwelling unit owner under this subsection. The housing assistance payment contract between the owner and the public housing agency may provide for penalties for the late payment of amounts due under the contract, which shall be imposed on the public housing agency in accordance with generally accepted practices in the local housing market.

"(E) PENALTIES.—Unless otherwise authorized by the Secretary, each public housing agency shall pay any penalties from administrative fees collected by the public housing agency, except that no penalty shall be imposed if the late payment is due to factors that the Secretary determines are beyond the control of the public housing agency.

"(11) LEASING OF UNITS OWNED BY PHA.—If an eligible family assisted under this subsection leases a dwelling unit (other than a public housing dwelling unit) that is owned by a public housing agency administering assistance under this subsection, the Secretary shall require the unit of general local government or another entity approved by the Secretary, to make inspections required under paragraph (8) and rent determinations required under paragraph (10). The agency shall be responsible for any expenses of such inspections and determinations.

"(12) ASSISTANCE FOR RENTAL OF MANUFACTURED HOUSING.—

"(A) IN GENERAL.—A public housing agency may make assistance payments in accordance with this subsection on behalf of a family that utilizes a manufactured home as a principal place of residence. Such payments may be made only for the rental of the real property on which the manufactured home owned by any such family is located.

"(B) RENT CALCULATION.—

"(i) CHARGES INCLUDED.—For assistance pursuant to this paragraph, the rent for the space on which a manufactured home is located and with respect to which assistance payments are to be made shall include maintenance and management charges and tenant-paid utilities.

"(ii) PAYMENT STANDARD.—The public housing agency shall establish a payment standard for the purpose of determining the monthly assistance that may be paid for any family under this paragraph. The payment standard may not exceed an amount approved or established by the Secretary.

"(iii) MONTHLY ASSISTANCE PAYMENT.—The monthly assistance payment for a family assisted under this paragraph shall be determined in accordance with paragraph (2).

"(13) PHA PROJECT-BASED ASSISTANCE.—

"(A) IN GENERAL.—If the Secretary enters into an annual contributions contract under this subsection with a public housing agency pursuant to which the public housing agency will enter into a housing assistance payment contract with respect to an existing structure under this subsection—

"(i) the housing assistance payment contract may not be attached to the structure unless the owner agrees to rehabilitate or newly construct the structure other than with assistance under this Act, and otherwise complies with this section; and

"(ii) the public housing agency may approve a housing assistance payment contract for such existing structures for not more than 15 percent of the funding available for tenant-based assistance administered by the public housing agency under this section.

"(B) EXTENSION OF CONTRACT TERM.—In the case of a housing assistance payment contract that applies to a structure under this paragraph, a public housing agency may enter into a contract with the owner, contingent upon the future availability of appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriations Acts, to extend the term of the underlying housing assistance payment contract for such period as the Secretary determines to be appropriate to achieve long-term affordability of the housing. The contract shall obligate the owner to have such extensions of the underlying housing assistance payment contract accepted by the owner and the successors in interest of the owner.

"(C) RENT CALCULATION.—For project-based assistance under this paragraph, housing assistance payment contracts shall establish rents and provide for rent adjustments in accordance with subsection (c).

"(D) ADJUSTED RENTS.—With respect to rents adjusted under this paragraph—

"(i) the adjusted rent for any unit shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted, local market; and

"(ii) the provisions of subsection (c)(2)(C) shall not apply.

"(14) INAPPLICABILITY TO TENANT-BASED ASSISTANCE.—Subsection (c) shall not apply to tenant-based assistance under this subsection.

"(15) HOMEOWNERSHIP OPTION.—

"(A) IN GENERAL.—A public housing agency providing assistance under this subsection may, at the option of the agency, provide assistance for homeownership under subsection (y).

"(B) ALTERNATIVE ADMINISTRATION.—A public housing agency may contract with a nonprofit organization to administer a homeownership program under subsection (y).

"(16) RENTAL VOUCHERS FOR RELOCATION OF WITNESSES AND VICTIMS OF CRIME.—

"(A) WITNESSES.—Of amounts made available for assistance under this subsection in each fiscal year, the Secretary, in consultation with the Inspector General, shall make available such sums as may be necessary for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to requests from law enforcement or prosecution agencies.

"(B) VICTIMS OF CRIME.—

"(i) IN GENERAL.—Of amounts made available for assistance under this section in each fiscal year, the Secretary shall make available such sums as may be necessary for the relocation of families residing in public housing who are victims of a crime of violence (as that term is defined in section 16 of title 18, United States Code) that has been reported to an appropriate law enforcement agency.

"(ii) NOTICE.—A public housing agency that receives amounts under this subparagraph shall establish procedures for providing notice of the availability of that assistance to families that may be eligible for that assistance.

"(17) DEED RESTRICTIONS.—Assistance under this subsection may not be used in any manner that abrogates any local deed restriction that applies to any housing consisting of 1 to 4 dwelling units. This paragraph may not be construed to affect the provisions or applicability of the Fair Housing Act.".

(b) CONFORMING AMENDMENT.—Section 8(f)(6) of the United States Housing Act (42 U.S.C. 1437f(f)(6)) is amended by inserting "or (o)(13)" after "(d)(2)".

(c) APPLICABILITY.—Notwithstanding the amendment made by subsection (a) of this section, any amendments to section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) that are contained in title II of this Act shall apply with respect to the provision of assistance under such section during the period before implementation (pursuant to section 559 of this title) of such section 8(o) as amended by subsection (a) of this section.

SEC. 546. PUBLIC HOUSING AGENCIES.

Section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)) is amended to read as follows:

"(6) PUBLIC HOUSING AGENCY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'public housing agency' means any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of public housing.

"(B) SECTION 8 PROGRAM.—For purposes of the program for tenant-based assistance under section 8, such term includes—

"(i) a consortia of public housing agencies that the Secretary determines has the capacity and capability to administer a program for assistance under such section in an efficient manner;

"(ii) any other public or private nonprofit entity that, upon the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, was administering any program for tenant-based assistance under section 8 of this Act (as in effect before the effective date of such Act), pursuant to a contract with the Secretary or a public housing agency; and

"(iii) with respect to any area in which no public housing agency has been organized or where the Secretary determines that a public housing agency is unwilling or unable to implement a program for tenant-based assistance section 8, or is not performing effectively—

"(I) the Secretary or another public or private nonprofit entity that by contract agrees to receive assistance amounts under section 8 and enter into housing assistance payments contracts with owners and perform the other functions of public housing agency under section 8; or

"(II) notwithstanding any provision of State or local law, a public housing agency for another area that contracts with the Secretary to administer a program for housing assistance under section 8, without regard to any otherwise applicable limitations on its area of operation.".

SEC. 547. ADMINISTRATIVE FEES.

Subsection (q) of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)) is amended to read as follows:

"(q) ADMINISTRATIVE FEES.—

"(1) FEE FOR ONGOING COSTS OF ADMINISTRATION.—

"(A) IN GENERAL.—The Secretary shall establish fees for the costs of administering the tenant-based assistance, certificate, voucher, and moderate rehabilitation programs under this section.

"(B) FISCAL YEAR 1999.—

"(i) CALCULATION.—For fiscal year 1999, the fee for each month for which a dwelling unit is covered by an assistance contract shall be—

"(I) in the case of a public housing agency that, on an annual basis, is administering a program for not more than 600 dwelling units, 7.65 percent of the base amount; and

"(II) in the case of an agency that, on an annual basis, is administering a program for more than 600 dwelling units (aa) for the first 600 units, 7.65 percent of the base amount, and (bb) for any additional dwelling units under the program, 7.0 percent of the base amount.

"(ii) BASE AMOUNT.—For purposes of this subparagraph, the base amount shall be the higher of—

"(I) the fair market rental established under section 8(c) of this Act (as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998) for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the market area of the agency, and

"(II) the amount that is the lesser of (aa) such fair market rental for fiscal year 1994, or (bb) 103.5 percent of the amount determined under clause (i),

adjusted based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary. The Secretary may require that the base amount be not less than a minimum amount and not more than a maximum amount.

"(C) SUBSEQUENT FISCAL YEARS.—For subsequent fiscal years, the Secretary shall publish a notice in the Federal Register, for each geographic area, establishing the amount of the fee that would apply for public housing agencies administering the program, based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary.

"(D) INCREASE.—The Secretary may increase the fee if necessary to reflect the higher costs of administering small programs and programs operating over large geographic areas.

"(E) DECREASE.—The Secretary may decrease the fee for units owned by a public housing agency to reflect reasonable costs of administration.

"(2) FEE FOR PRELIMINARY EXPENSES.—The Secretary shall also establish reasonable fees (as determined by the Secretary) for—

"(A) the costs of preliminary expenses, in the amount of $500, for a public housing agency, except that such fee shall apply to an agency only in the first year that the agency administers a tenant-based assistance program under this section, and only if, immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, the agency was not administering a tenant-based assistance program under the United States Housing Act of 1937 (as in effect immediately before such effective date), in connection with its initial increment of assistance received;

"(B) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

"(C) extraordinary costs approved by the Secretary.

"(3) TRANSFER OF FEES IN CASES OF CONCURRENT GEOGRAPHICAL JURISDICTION.—In each fiscal year, if any public housing agency provides tenant-based assistance under this section on behalf of a family who uses such assistance for a dwelling unit that is located within the jurisdiction of such agency but is also within the jurisdiction of another public housing agency, the Secretary shall take such steps as may be necessary to ensure that the public housing agency that provides the services for a family receives all or part of the administrative fee under this section (as appropriate).

"(4) APPLICABILITY.—This subsection shall apply to fiscal year 1999 and fiscal years thereafter.".

SEC. 548. LAW ENFORCEMENT AND SECURITY PERSONNEL IN ASSISTED HOUSING.

Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—

(1) by transferring and inserting subsection (z) after subsection (y) (and before subsection (aa)); and

(2) by adding at the end the following new subsection:

"(cc) LAW ENFORCEMENT AND SECURITY PERSONNEL.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, in the case of assistance attached to a structure, for the purpose of increasing security for the residents of a project, an owner may admit, and assistance under this section may be provided to, police officers and other security personnel who are not otherwise eligible for assistance under the Act.

"(2) RENT REQUIREMENTS.—With respect to any assistance provided by an owner under this subsection, the Secretary may—

"(A) permit the owner to establish such rent requirements and other terms and conditions of occupancy that the Secretary considers to be appropriate; and

"(B) require the owner to submit an application for those rent requirements, which application shall include such information as the Secretary, in the discretion of the Secretary, determines to be necessary.

"(3) APPLICABILITY.—This subsection shall apply to fiscal year 1999 and fiscal years thereafter.".

SEC. 549. ADVANCE NOTICE TO TENANTS OF EXPIRATION, TERMINATION, OR OWNER NONRENEWAL OF ASSISTANCE CONTRACT.

(a) PERMANENT APPLICABILITY OF NOTICE AND ENDLESS LEASE PROVISIONS.—

(1) NOTICE.—Section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)) is amended—

(A) by striking paragraphs (8) and (10); and

(B) in paragraph (9), by striking the first sentence and inserting the following new sentence: "Not less than one year before terminating any contract under which assistance payments are received under this section, other than a contract for tenant-based assistance under this section, an owner shall provide written notice to the Secretary and the tenants involved of the proposed termination, specifying the reasons for the termination with sufficient detail to enable the Secretary to evaluate whether the termination is lawful and whether there are additional actions that can be taken by the Secretary to avoid the termination.".

(2) ENDLESS LEASE.—Section 8(d)(1)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(B)) is amended—

(A) in clause (ii) by striking "(ii)" and all that follows through "the owner" and inserting "(ii) during the term of the lease, the owner"; and

(B) in clause (iii), by striking "(iii)" and all that follows through "any criminal activity" the first place it appears and inserting "(iii) during the term of the lease, any criminal activity".

(3) PERMANENT EFFECTIVENESS OF AMENDMENTS.—The amendments under this subsection are made on, and shall apply beginning upon, the date of the enactment of this Act, and shall apply thereafter, notwithstanding section 203 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437f note) or any other provision of law (including the expiration of the applicability of such section 203 or any repeal of such section 203).

(b) EXEMPTION OF TENANT-BASED ASSISTANCE FROM CONTRACT PROVISIONS.—Paragraph (9) of section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(9)), as amended by subsection (a)(1) of this section, is further amended—

(1) by striking "(9)" and inserting "(8)(A)"; and

(2) by striking the third sentence and all that follows and inserting the following:

"(B) In the case of owner who has requested that the Secretary renew the contract, the owner's notice under subparagraph (A) to the tenants shall include statements that—

"(i) the owner currently has a contract with the Department of Housing and Urban Development that pays the Government's share of the tenant's rent and the date on which the contract will expire;

"(ii) the owner intends to renew the contract for another year;

"(iii) renewal of the contract may depend upon the Congress making funds available for such renewal;

"(iv) the owner is required by law to notify tenants of the possibility that the contract may not be renewed if Congress does not provide funding for such renewals;

"(v) in the event of nonrenewal, the Department of Housing and Urban Development will provide tenant-based rental assistance to all eligible residents, enabling them to choose the place they wish to rent; and

"(vi) the notice itself does not indicate an intent to terminate the contract by either the owner or the Department of Housing and Urban Development, provided there is Congressional approval of funding availability.

"(C) Notwithstanding the preceding provisions of this paragraph, if the owner agrees to a 5-year contract renewal offered by the Secretary, payments under which shall be subject to the availability of appropriations for any year, the owner shall provide a written notice to the Secretary and the tenants not less than 180 days before the termination of such contract. In the event the owner does not provide the 180-day notice required in the immediately preceding sentence, the owner may not evict the tenants or increase the tenants' rent payment until such time as the owner has provided the 180-day notice and such period has elapsed. The Secretary may allow the owner to renew the terminating contract for a period of time sufficient to give tenants 180 days of advance notice under such terms and conditions as the Secretary may require.

"(D) Any notice under this paragraph shall also comply with any additional requirements established by the Secretary.

"(E) For purposes of this paragraph, the term 'termination' means the expiration of the assistance contract or an owner's refusal to renew the assistance contract, and such term shall include termination of the contract for business reasons.".

(c) MULTIFAMILY ASSISTED HOUSING REFORM AND AFFORDABILITY ACT OF 1997.—Section 514(d) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by inserting at the end the following new sentences: 'In addition, if after giving the notice required in the first sentence, an owner determines to terminate a contract, an owner shall provide an additional written notice with respect to the termination, in a form prescribed by the Secretary, not less than 120 days prior to the termination. In the event the owner does not provide the 120-day notice required in the preceding sentence, the owner may not evict the tenants or increase the tenants' rent payment until such time as the owner has provided the 120-day notice and such period has elapsed. The Secretary may allow the owner to renew the terminating contract for a period of time sufficient to give tenants 120 days of advance notice in accordance with section 524 of this Act.".

SEC. 550. TECHNICAL AND CONFORMING AMENDMENTS.

(a) LOWER INCOME HOUSING ASSISTANCE.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—

(1) in subsection (a), by striking the second and third sentences;

(2) in subsection (b)—

(A) in the subsection heading, by striking "RENTAL CERTIFICATES AND"; and

(B) in the first undesignated paragraph—

(i) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary"; and

(ii) by striking the second sentence;

(3) in subsection (c)—

(A) in paragraph (3)—

(i) by striking "(A)"; and

(ii) by striking subparagraph (B);

(B) in the first sentence of paragraph (4), by striking "or by a family that qualifies to receive" and all that follows through "1990";

(C) by striking paragraphs (5) and (7); and

(D) redesignating paragraph (6) as paragraph (5);

(4) in subsection (d)(2)—

(A) in subparagraph (A), by striking the third sentence and all that follows through the end of the subparagraph;

(B) in subparagraph (H), by striking "(H)" and all that follows through "owner" and inserting "(H) An owner"; and

(C) by striking subparagraphs (B) through (E) and redesignating subparagraphs (F) through (H) (as amended by subparagraph (B) of this paragraph) as subparagraphs (B) through (D), respectively;

(5) in subsection (f)(7)—

(A) by striking "(b) or"; and

(B) by inserting before the period the following: "and that provides for the eligible family to select suitable housing and to move to other suitable housing"; and

(6) by striking subsection (j);

(7) by striking subsection (n);

(8) in subsection (u)—

(A) in paragraph (2), by striking ", certificates"; and

(B) by striking "certificates or" each place that term appears; and

(9) in subsection (x)(2), by striking "housing certificate assistance" and inserting "tenant-based assistance".

(b) HOPWA GRANTS FOR COMMUNITY RESIDENCES AND SERVICES.—Section 861(b)(1)(D) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12910(b)(1)(D)) is amended by striking "certificates or vouchers" and inserting "assistance".

(c) SECTION 8 CERTIFICATES AND VOUCHERS.—Section 931 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437c note) is amended by striking "assistance under the certificate and voucher programs under sections 8(b) and (o) of such Act" and inserting "tenant-based assistance under section 8 of the United States Housing Act of 1937".

(d) ASSISTANCE FOR DISPLACED RESIDENTS.—Section 223(a) of the Housing and Community Development Act of 1987 (12 U.S.C. 4113(a)) is amended by striking "assistance under the certificate and voucher programs under sections 8(b) and 8(o)" and inserting "tenant-based assistance under section 8".

(e) RURAL HOUSING PRESERVATION GRANTS.—Section 533(a) of the Housing Act of 1949 (42 U.S.C. 1490m(a)) is amended in the second sentence by striking "assistance payments as provided by section 8(o)" and inserting "tenant-based assistance as provided under section 8".

(f) REPEAL OF MOVING TO OPPORTUNITIES FOR FAIR HOUSING DEMONSTRATION.—Section 152 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note) is repealed.

(g) ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS.—Section 201(m)(2)(A) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z-1a(m)(2)(A)) is amended by striking "section 8(b)(1)" and inserting "section 8".

SEC. 551. FUNDING AND ALLOCATION.

Section 213 of the Housing and Community Development Act of 1974 (42 U.S.C. 1439) is amended—

(1) by striking subsection (c); and

(2) in subsection (d)—

(A) in paragraph (1)(A)—

(i) in clause (i), by adding at the end the following new sentence: "Amounts for tenant-based assistance under section 8(o) of the United States Housing Act of 1937 may not be provided to any public housing agency that has been disqualified from providing such assistance."; and

(ii) in clause (ii), by striking "8(b)(1)" each place it appears and inserting "8(o)";

(B) by striking paragraph (2); and

(C) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

SEC. 552. TREATMENT OF COMMON AREAS.

Section 8(d) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

"(6) TREATMENT OF COMMON AREAS.—The Secretary may not provide any assistance amounts pursuant to an existing contract for project-based assistance under this section 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.".

SEC. 553. PORTABILITY.

Section 8(r) of the United States Housing Act of 1937 (42 U.S.C. 1437f(r)) is amended—

(1) in paragraph (2), by striking the last sentence;

(2) in paragraph (3))—

(A) by striking "(b) or"; and

(B) by adding at the end the following: "The Secretary shall establish procedures for the compensation of public housing agencies that issue vouchers to families that move into or out of the jurisdiction of the public housing agency under portability procedures. The Secretary may reserve amounts available for assistance under subsection (o) to compensate those public housing agencies.";

(3) by striking "(r)" and all that follows through the end of paragraph (1) and inserting the following:

"(r) PORTABILITY.—(1) IN GENERAL.—(A) Any family receiving tenant-based assistance under subsection (o) may receive such assistance to rent an eligible dwelling unit if the dwelling unit to which the family moves is within any area in which a program is being administered under this section.

"(B)(i) Notwithstanding subparagraph (A) and subject to any exceptions established under clause (ii) of this subparagraph, a public housing agency may require that any family not living within the jurisdiction of the public housing agency at the time the family applies for assistance from the agency shall, during the 12-month period beginning on the date of initial receipt of housing assistance made available on behalf of the family from such agency, lease and occupy an eligible dwelling unit located within the jurisdiction served by the agency.

"(ii) The Secretary may establish such exceptions to the authority of public housing agencies established under clause (i)."; and

(5) by adding at the end the following new paragraph:

"(5) LEASE VIOLATIONS.—A family may not receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has moved out of the assisted dwelling unit of the family in violation of a lease.".

SEC. 554. LEASING TO VOUCHER HOLDERS.

Notwithstanding section 203(d) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 42 U.S.C. 1437f note)), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended by striking subsection (t). This section shall apply beginning upon, and the amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 555. HOMEOWNERSHIP OPTION.

(a) IN GENERAL.—Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking "A family receiving" and all that follows through "if the family" and inserting the following: "A public housing agency providing tenant-based assistance on behalf of an eligible family under this section may provide assistance for an eligible family that purchases a dwelling unit (including a unit under a lease-purchase agreement) that will be owned by 1 or more members of the family, and will be occupied by the family, if the family";

(B) in subparagraph (A), by inserting before the semicolon ", or owns or is acquiring shares in a cooperative"; and

(C) in subparagraph (B)—

(i) by striking "(i) participates" and all that follows through "(ii) demonstrates" and inserting "demonstrates"; and

(ii) by inserting ", except that the Secretary may provide for the consideration of public assistance in the case of an elderly family or a disabled family" after "other than public assistance";

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) DETERMINATION OF AMOUNT OF ASSISTANCE.—

"(A) MONTHLY EXPENSES NOT EXCEEDING PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

"(i) 30 percent of the monthly adjusted income of the family.

"(ii) 10 percent of the monthly income of the family.

"(iii) If the family is receiving payments for welfare assistance from a public agency, and a portion of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

"(B) MONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the amounts under clauses (i), (ii), and (iii) of subparagraph (A).";

(3) by striking paragraphs (3), (4), and (5) and inserting the following new paragraphs:

"(3) INSPECTIONS AND CONTRACT CONDITIONS.—

"(A) IN GENERAL.—Each contract for the purchase of a unit to be assisted under this section shall—

"(i) provide for pre-purchase inspection of the unit by an independent professional; and

"(ii) require that any cost of necessary repairs be paid by the seller.

"(B) ANNUAL INSPECTIONS NOT REQUIRED.—The requirement under subsection (o)(8)(A)(ii) for annual inspections shall not apply to units assisted under this section.

"(4) OTHER AUTHORITY OF THE SECRETARY.—The Secretary may—

"(A) limit the term of assistance for a family assisted under this subsection; and

"(B) modify the requirements of this subsection as the Secretary determines to be necessary to make appropriate adaptations for lease-purchase agreements."; and

(4) by redesignating paragraphs (6), (7) (as previously amended by this Act), and (8) as paragraphs (5), (6), and (7), respectively.

(b) DEMONSTRATION PROGRAM.—

(1) IN GENERAL.—With the consent of the affected public housing agencies, the Secretary may carry out (or contract with 1 or more entities to carry out) a demonstration program under section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) to expand homeownership opportunities for low-income families.

(2) REPORT.—The Secretary shall report annually to Congress on activities conducted under this subsection.

(c) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 556. RENEWALS.

(a) IN GENERAL.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(dd) TENANT-BASED CONTRACT RENEWALS.—Subject to amounts provided in appropriation Acts, starting in fiscal year 1999, the Secretary shall renew all expiring tenant-based annual contribution contracts under this section by applying an inflation factor based on local or regional factors to an allocation baseline. The allocation baseline shall be calculated by including, at a minimum, amounts sufficient to ensure continued assistance for the actual number of families assisted as of October 1, 1997, with appropriate upward adjustments for incremental assistance and additional families authorized subsequent to that date.".

(b) IMPLEMENTATION.—The Secretary of Housing and Urban Development shall implement the provision added by the amendment made by subsection (a) through notice, not later than December 31, 1998, and shall issue final regulations which shall be developed pursuant to the procedures for issuance of regulations under the negotiated rulemaking procedure under subchapter III of chapter 5 of title 5, United States Code, not later than one year after the date of the enactment of this Act.

SEC. 557. MANUFACTURED HOUSING DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall carry out a program during fiscal years 1999, 2000, and 2001 to demonstrate the effectiveness of providing, directly to eligible families that own manufactured homes and rent real property on which their homes are located, tenant-based assistance for the rental of such property that would otherwise be provided directly to the owners of such real property under section 8(o)(12) of the United States Housing Act of 1937.

(b) REQUIREMENTS.—The demonstration program under this section shall be subject to the following requirements:

(1) SCOPE.—The Secretary of Housing and Urban Development shall carry out the demonstration program with respect to the Housing Authority of the County of San Diego, in California, and the Housing Authority of the City of San Diego, in California.

(2) ELIGIBLE FAMILIES.—Under the demonstration program, each public housing agency shall provide tenant-based assistance under section 8(o) of the United States Housing Act of 1937 on behalf of eligible families who rent real property on which their manufactured homes are located and which is owned by an owner who has refused to participate in the section 8 program.

(3) PARTICIPATION ARRANGEMENTS.—Each public housing agency participating in the demonstration program shall enter into arrangements with families assisted under the program providing for their participation in the program and may, to the extent authorized by the Secretary, continue to provide assistance in the same manner as under the demonstration program after its conclusion to such participating families.

(4) WAIVER OF OTHER REQUIREMENTS.—Under the demonstration program, the Secretary may waive, or specify alternative requirements for, requirements established by or under section 8 of the United States Housing Act of 1937 relating to the provision of assistance under subsection (j) or (o)(12) of such section.

(c) REPORT.—Not later than March 31, 2002, the Secretary shall submit a report to the Congress describing and evaluating the demonstration program under this section.

(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 558. AUTHORIZATIONS OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated for providing public housing agencies with tenant-based housing assistance under section 8 of the United States Housing Act of 1937—

(1) to provide amounts for incremental assistance under such section 8—

(A) for each of fiscal years 2000 and 2001, the amount necessary to assist 100,000 incremental dwelling units in each such fiscal year; and

(B) for each of fiscal years 1999, 2002, and 2003, such sums as may be necessary; and

(2) such sums as may be necessary for each of fiscal years 1999, 2000, 2001, 2002, and 2003, for—

(A) relocation and replacement housing for units that are demolished and disposed of from the public housing inventory (in addition to other amounts that may be available for such purposes);

(B) relocation of residents of properties that are owned by the Secretary and being disposed of or that are discontinuing section 8 project-based assistance;

(C) the conversion of section 23 projects to assistance under section 8;

(D) carrying out the family unification program;

(E) relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency;

(F) nonelderly disabled families affected by the designation of a public housing development under section 7 of the United States Housing Act of 1937, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992, or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families;

(G) housing vouchers for homeless individuals; and

(H) housing vouchers to compensate public housing agencies which issue vouchers to families that move into or out of the jurisdiction of the agency under portability procedures.

(b) ASSISTANCE FOR DISABLED FAMILIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, for tenant-based assistance under section 8 of the United States Housing Act of 1937, to be used in accordance with paragraph (2), $50,000,000 for fiscal year 2000, and such sums as may be necessary for each subsequent fiscal year.

(2) USE.—The Secretary shall provide amounts made available under paragraph (1) to public housing agencies only for use to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 for nonelderly disabled families (including such families relocating pursuant to designation of a public housing development under 7 of such Act or to the establishment of occupancy restrictions in accordance with section 658 of the Housing and Community Development Act of 1992, and other nonelderly disabled families who have applied to the agency for assistance under such section 8).

(3) ALLOCATION OF AMOUNTS.—The Secretary shall allocate and provide amounts made available under paragraph (1) to public housing agencies as the Secretary determines appropriate based on the relative levels of need among the authorities for assistance for families described in paragraph (1).

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 559. RULEMAKING AND IMPLEMENTATION.

(a) INTERIM REGULATIONS.—The Secretary of Housing and Urban Development shall issue such interim regulations as may be necessary to implement the amendments made by this subtitle and other provisions in this title which relate to section 8(o) of the United States Housing Act of 1937.

(b) FINAL REGULATIONS.—The Secretary shall issue final regulations necessary to implement the amendments made by this subtitle and other provisions in this title which relate to section 8(o) of the United States Housing Act of 1937 not later then 1 year after the date of enactment of this Act.

(c) FACTORS FOR CONSIDERATION.—Before the publication of the final regulations under subsection (b), in addition to public comments invited in connection with the publication of the interim rule, the Secretary shall—

(1) seek recommendations on the implementation of sections 8(o)(6)(B), 8(o)(7)(B), and 8(o)(10)(D) of the United States Housing Act of 1937 and of renewals of expiring tenant-based assistance from organizations representing—

(A) State or local public housing agencies;

(B) owners and managers of tenant-based housing assisted under section 8 of the United States Housing Act of 1937;

(C) families receiving tenant-based assistance under section 8 of the United States Housing Act of 1937; and

(D) legal service organizations; and

(2) convene not less than 2 public forums at which the persons or organizations making recommendations under paragraph (1) may express views concerning the proposed disposition of the recommendations.

(d) CONVERSION ASSISTANCE.—

(1) IN GENERAL.—The Secretary may provide for the conversion of assistance under the certificate and voucher programs under subsections (b) and (o) of section 8 of the United States Housing Act of 1937, as in effect before the applicability of the amendments made by this subtitle, to the voucher program established by the amendments made by this subtitle.

(2) CONTINUED APPLICABILITY.—The Secretary may apply the provisions of the United States Housing Act of 1937, or any other provision of law amended by this subtitle, as those provisions were in effect immediately before the date of the enactment of this Act (except that such provisions shall be subject to any amendments to such provisions that may be contained in title II of this Act), to assistance obligated by the Secretary before October 1, 1999, for the certificate or voucher program under section 8 of the United States Housing Act of 1937, if the Secretary determines that such action is necessary for simplification of program administration, avoidance of hardship, or other good cause.

(e) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

Subtitle D—Home Rule Flexible Grant Demonstration

SEC. 561. HOME RULE FLEXIBLE GRANT DEMONSTRATION PROGRAM.

The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new title:

"TITLE IV—HOME RULE FLEXIBLE GRANT DEMONSTRATION

"SEC. 401. PURPOSE.

The purpose of this title is to demonstrate the effectiveness of authorizing local governments and municipalities, in coordination with the public housing agencies for such jurisdictions—

"(1) to receive and combine program allocations of covered housing assistance; and

"(2) to design creative approaches for providing and administering Federal housing assistance based on the particular needs of the jurisdictions that—

"(A) provide incentives to low-income families with children whose head of the household is employed, seeking employment, or preparing for employment by participating in a job training or educational program, or any program that otherwise assists individuals in obtaining employment and attaining economic self-sufficiency;

"(B) reduce costs of Federal housing assistance and achieve greater cost-effectiveness in Federal housing assistance expenditures;

"(C) increase the stock of affordable housing and housing choices for low-income families;

"(D) increase homeownership among low-income families;

"(E) reduce geographic concentration of assisted families;

"(F) reduce homelessness through providing permanent housing solutions;

"(G) improve program management; and

"(H) achieve such other purposes with respect to low-income families, as determined by the participating local governments and municipalities in coordination with the public housing agencies;

"SEC. 402. FLEXIBLE GRANT PROGRAM.

"(a) AUTHORITY AND USE.—The Secretary shall carry out a demonstration program in accordance with the purposes under section 401 and the provisions of this title. A jurisdiction approved by the Secretary for participation in the program may receive and combine and enter into performance-based contracts for the use of amounts of covered housing assistance, in the manner determined appropriate by the participating jurisdiction, during the period of the jurisdiction's participation—

"(1) to provide housing assistance and services for low-income families in a manner that facilitates the transition of such families to work;

"(2) to reduce homelessness through providing permanent housing solutions;

"(3) to increase homeownership among low-income families; or

"(4) for other housing purposes for low-income families determined by the participating jurisdiction.

"(b) PERIOD OF PARTICIPATION.—A jurisdiction may participate in the demonstration program under this title for a period consisting of not less than 1 nor more than 5 fiscal years.

"(c) PARTICIPATING JURISDICTIONS.—

"(1) IN GENERAL.—Subject to paragraph (2), during the 4-year period consisting of fiscal years 1999 through 2002, the Secretary may approve for participation in the program under

this title not more than an aggregate of 100 jurisdictions over the entire term of the demonstration program. A jurisdiction that was approved for participation in the demonstration program under this title in a fiscal year and that is continuing such participation in any subsequent fiscal year shall count as a single jurisdiction for purposes of the numerical limitation under this paragraph.

"(2) EXCLUSION OF HIGH PERFORMING AGENCIES.—Notwithstanding any other provision of this title other than paragraph (4) of this subsection, the Secretary may approve for participation in the demonstration program under this title only jurisdictions served by public housing agencies that—

"(A) are not designated as high-performing agencies, pursuant to their most recent scores under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies), as of the time of approval; and

"(B) have a most recent score under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies), as of the time of approval, that is among the lowest 40 percent of the scores of all agencies.

"(3) LIMITATION ON TROUBLED AND NON-TROUBLED PHAS.—Of the jurisdictions approved by the Secretary for participation in the demonstration program under this title—

"(A) not more than 55 may be jurisdictions served by a public housing agency that, at the time of approval, is designated as a troubled agency under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies); and

"(B) not more than 45 may be jurisdictions served by a public housing agency that, at the time of approval, is not designated as a troubled agency under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies).

"(4) EXCEPTION.—If the City of Indianapolis, Indiana submits an application for participation in the program under this title and, upon review of the application under section 406(b), the Secretary determines that such application is approvable under this title, the Secretary shall approve such application, notwithstanding the second sentence of section 406(b)(2). Such City shall count for purposes of the numerical limitations on jurisdictions under paragraphs (1) and (3) of section 402(c), but the provisions of section 402(c)(2) (relating to exclusion of high-performing agencies) shall not apply to such City.

"SEC. 403. PROGRAM ALLOCATION AND COVERED HOUSING ASSISTANCE.

"(a) PROGRAM ALLOCATION.—In each fiscal year, the amount made available to each participating jurisdiction under the demonstration program under this title shall be equal to the sum of the amounts of covered housing assistance that would otherwise be made available under the provisions of this Act to the public housing agency for the jurisdiction.

"(b) COVERED HOUSING ASSISTANCE.—For purposes of this title, the term 'covered housing assistance' means—

"(1) operating assistance under section 9 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

"(2) modernization assistance under section 14 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

"(3) assistance for the certificate and voucher programs under section 8 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

"(4) assistance from the Operating Fund under section 9(e);

"(5) assistance from the Capital Fund under section 9(d); and

"(6) tenant-based assistance under section 8 (as amended by the Quality Housing and Work Responsibility Act of 1998).

"SEC. 404. APPLICABILITY OF REQUIREMENTS UNDER PROGRAMS FOR COVERED HOUSING ASSISTANCE.

"(a) IN GENERAL.—In each fiscal year of the demonstration program under this title, amounts made available to a participating jurisdiction under the demonstration program shall be subject to the same terms and conditions as such amounts would be subject to if made available under the provisions of this Act pursuant to which covered housing assistance is otherwise made available under this Act to the public housing agency for the jurisdiction, except that—

"(1) the Secretary may waive any such term or condition identified by the jurisdiction to the extent that the Secretary determines such action to be appropriate to carry out the purposes of the demonstration program under this title; and

"(2) the participating jurisdiction may combine the amounts made available and use the amounts for any activity eligible under the programs under sections 8 and 9.

"(b) NUMBER OF FAMILIES ASSISTED.—In carrying out the demonstration program under this title, each participating jurisdiction shall assist substantially the same total number of eligible low-income families as would have otherwise been served by the public housing agency for the jurisdiction had the jurisdiction not participated in the demonstration program under this title.

"(c) PROTECTION OF RECIPIENTS.—This title may not be construed to authorize the termination of assistance to any recipient receiving assistance under this Act before the date of enactment of this title as a result of the implementation of the demonstration program under this title.

"(d) EFFECT ON ABILITY TO COMPETE FOR OTHER PROGRAMS.—This title may not be construed to affect the ability of any applying or participating jurisdiction (or a public housing agency for any such jurisdiction) to compete or otherwise apply for or receive assistance under any other housing assistance program administered by the Secretary.

"SEC. 405. PROGRAM REQUIREMENTS.

"(a) APPLICABILITY OF CERTAIN PROVISIONS.—Notwithstanding section 404(a)(1), the Secretary may not waive, with respect to any participating jurisdiction, any of the following provisions:

"(1) The first sentence of paragraph (1) of section 3(a) (relating to eligibility of low-income families).

"(2) Section 16 (relating to income eligibility and targeting of assistance).

"(3) Paragraph (2) of section 3(a) (relating to rental payments for public housing families).

"(4) Paragraphs (2) and (3) of section 8(o) (to the extent such paragraphs limit the amount of rent paid by families assisted with tenant-based assistance).

"(5) Section 18 (relating to demolition or disposition of public housing).

"(b) COMPLIANCE WITH ASSISTANCE PLAN.—A participating jurisdiction shall provide assistance using amounts received pursuant to this title in the manner set forth in the plan of the jurisdiction approved by the Secretary under section 406(a)(2).

"SEC. 406. APPLICATION.

"(a) IN GENERAL.—The Secretary shall provide for jurisdictions to submit applications for approval to participate in the demonstration program under this title. An application—

"(1) shall be submitted only after the jurisdiction provides for citizen participation through a public hearing and, if appropriate, other means;

"(2) shall include a plan for the provision of housing assistance with amounts received pursuant to this title that—

"(A) is developed by the jurisdiction;

"(B) takes into consideration comments from the public hearing, any other public comments on the proposed program, and comments from current and prospective residents who would be affected; and

"(C) identifies each term or condition for which the jurisdiction is requesting waiver under section 404 (a)(1);

"(3) shall describe how the plan for use of amounts will assist in meeting the purposes of, and be used in accordance with, sections 401 and 402(a), respectively;

"(4) shall propose standards for measuring performance in using assistance provided pursuant to this title based on the performance standards under subsection (b)(4);

"(5) shall propose the length of the period for participation of the jurisdiction is in the demonstration program under this title;

"(6) shall—

"(A) in the case of the application of any jurisdiction within whose boundaries are areas subject to any other unit of general local government, include the signed consent of the appropriate executive official of such unit to the application; and

"(B) in the case of the application of a consortia of units of general local government (as provided under section 409(1)(B)), include the signed consent of the appropriate executive officials of each unit included in the consortia;

"(7) shall include information sufficient, in the determination of the Secretary—

"(A) to demonstrate that the jurisdiction has or will have management and administrative capacity sufficient to carry out the plan under paragraph (2), including a demonstration that the applicant has a history of effectively administering amounts provided under other programs of the Department of Housing and Urban Development, such as the community development block grant program, the HOME investment partnerships program, and the programs for assistance for the homeless under the Stewart B. McKinney Homeless Assistance Act;

"(B) to demonstrate that carrying out the plan will not result in excessive duplication of administrative efforts and costs, particularly with respect to activities performed by public housing agencies operating within the boundaries of the jurisdiction;

"(C) to describe the function and activities to be carried out by such public housing agencies affected by the plan; and

"(D) to demonstrate that the amounts received by the jurisdiction will be maintained separate from other funds available to the jurisdiction and will be used only to carry out the plan;

"(8) shall include information describing how the jurisdiction will make decisions regarding asset management of housing for low-income families under programs for covered housing assistance or assisted with grant amounts under this title;

"(9) shall—

"(A) clearly identify any State or local laws that will affect implementation of the plan under paragraph (2) and any contractual rights and property interests that may be affected by the plan;

"(B) describe how the plan will be carried out with respect to such laws, rights, and interests; and

"(C) contain a legal memorandum sufficient to describe how the plan will comply with such laws and how the plan will be carried out without violating or impairing such rights and interests; and

"(10) shall identify procedures for how the jurisdiction shall return to providing covered assistance for the jurisdiction under the provisions of title I, in the case of determination under subsection (b)(4)(B).

A plan required under paragraph (2) to be included in the application may be contained in a memorandum of agreement or other document executed by a jurisdiction and public housing agency, if such document is submitted together with the application.

"(b) REVIEW, APPROVAL, AND PERFORMANCE STANDARDS.—

"(1) REVIEW.—The Secretary shall review each application for participation in the demonstration program under this title and shall determine and notify the jurisdiction submitting the application, not later than 90 days after its submission, of whether the application is approvable under this title. If the Secretary determines that the application of a jurisdiction is approvable under this title, the Secretary shall provide affected public housing agencies an opportunity to review and to provide written comments on the application for a period of not less than 30 days after notification under the preceding sentence. If the Secretary determines that an application is not approvable under this title, the Secretary shall notify the jurisdiction submitting the application of the reasons for such determination. Upon making a determination of whether an application is approvable or nonapprovable under this title, the Secretary shall make such determination publicly available in writing together with a written statement of the reasons for such determination.

"(2) APPROVAL.—The Secretary may approve jurisdictions for participation in the demonstration program under this title, but only from among applications that the Secretary has determined under paragraph are approvable under this title and only in accordance with section 402(c). The Secretary shall base the selection of jurisdictions to approve on the potential success, as evidenced by the application, in—

"(A) achieving the goals set forth in the performance standards under paragraph (4)(A); and

"(B) increasing housing choices for low-income families.

"(3) AGREEMENT.—The Secretary shall offer to enter into an agreement with each jurisdiction approved for participation in the program under this title providing for assistance pursuant to this title for a period in accordance with section 402(b) and incorporating a requirement that the jurisdiction achieve a particular level of performance in each of the areas for which performance standards are established under paragraph (4)(A) of this subsection. If the Secretary and the jurisdiction enter into an agreement, the Secretary shall provide any covered housing assistance for the jurisdiction in the manner authorized under this title. The Secretary may not provide covered housing assistance for a jurisdiction in the manner authorized under this title unless the Secretary and jurisdiction enter into an agreement under this paragraph.

"(4) PERFORMANCE STANDARDS.—

"(A) ESTABLISHMENT.—The Secretary and each participating jurisdiction may collectively establish standards for evaluating the performance of the participating jurisdiction in meeting the purposes under section 401 of this title, which may include standards for—

"(i) moving dependent low-income families to economic self-sufficiency;

"(ii) reducing the per-family cost of providing housing assistance;

"(iii) expanding the stock of affordable housing and housing choices for low-income families;

"(iv) improving program management;

"(v) increasing the number of homeownership opportunities for low-income families;

"(vi) reducing homelessness through providing permanent housing resources;

"(vii) reducing geographic concentration of assisted families; and

"(viii) any other performance goals that the Secretary and the participating jurisdiction may establish.

"(B) FAILURE TO COMPLY.—If, at any time during the participation of a jurisdiction in the program under this title, the Secretary determines that the jurisdiction is not sufficiently meeting, or making progress toward meeting, the levels of performance incorporated into the agreement of the jurisdiction pursuant to subparagraph (A), the Secretary shall terminate the participation of the jurisdiction in the program under this title and require the implementation of the procedures included in the application of the jurisdiction pursuant to subsection (a)(10).

"(5) TROUBLED AGENCIES.—The Secretary may establish requirements for the approval of applications under this section submitted by public housing agencies designated under section 6(j)(2) as troubled, which may include additional or different criteria determined by the Secretary to be more appropriate for such agencies.

"(c) STATUS OF PHAS.—This title may not be construed to require any change in the legal status of any public housing agency or in any legal relationship between a jurisdiction and a public housing agency as a condition of participation in the program under this title.

"(d) PHA PLANS.—In carrying out this title, the Secretary may provide for a streamlined public housing agency plan and planning process under section 5A for participating jurisdictions.

"SEC. 407. TRAINING.

"The Secretary, in consultation with representatives of public and assisted housing interests, may provide training and technical assistance relating to providing assistance under this title and may conduct detailed evaluations of up to 30 jurisdictions for the purpose of identifying replicable program models that are successful at carrying out the purposes of this title.

"SEC. 408. ACCOUNTABILITY.

"(a) MAINTENANCE OF RECORDS.—Each participating jurisdiction shall maintain such records as the Secretary may require to—

"(1) document the amounts received by the jurisdiction under this Act and the disposition of such amounts under the demonstration program under this title;

"(2) ensure compliance by the jurisdiction with this title; and

"(3) evaluate the performance of the jurisdiction under the demonstration program under this title.

"(b) REPORTS.—Each participating jurisdiction shall annually submit to the Secretary a report in a form and at a time specified by the Secretary, which shall include—

"(1) documentation of the use of amounts made available to the jurisdiction under this title;

"(2) any information as the Secretary may request to assist the Secretary in evaluating the demonstration program under this title; and

"(3) a description and analysis of the effect of assisted activities in addressing the objectives of the demonstration program under this title.

"(c) ACCESS TO DOCUMENTS BY SECRETARY AND COMPTROLLER GENERAL.—The Secretary and the Comptroller General of the United States, or any duly authorized representative of the Secretary or the Comptroller General, shall have access for the purpose of audit and examination to any books, documents, papers, and records maintained by a participating jurisdiction that relate to the demonstration program under this title.

"(d) PERFORMANCE REVIEW AND EVALUATION.—

"(1) PERFORMANCE REVIEW.—Based on the performance standards established under section 406(b)(4), the Secretary shall monitor the performance of participating jurisdictions in providing assistance under this title.

"(2) STATUS REPORT.—Not later than 60 days after the conclusion of the second year of the demonstration program under this title, the Secretary shall submit to Congress an interim report on the status of the demonstration program and the progress each participating jurisdiction in achieving the purposes of the demonstration program under section 401.

"SEC. 409. DEFINITIONS.

"For purposes of this title, the following definitions shall apply:

"(1) JURISDICTION.—The term 'jurisdiction' means—

"(A) a unit of general local government (as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act) that has boundaries, for purposes of carrying out this title, that—

"(i) wholly contain the area within which a public housing agency is authorized to operate; and

"(ii) do not contain any areas contained within the boundaries of any other participating jurisdiction; and

"(B) a consortia of such units of general local government, organized for purposes of this title.

"(2) PARTICIPATING JURISDICTION.—The term 'participating jurisdiction' means, with respect to a period for which such an agreement is made, a jurisdiction that has entered into an agreement under section 406(b)(3) to receive assistance pursuant to this title for such fiscal year.

"SEC. 410. TERMINATION AND EVALUATION.

"(a) TERMINATION.—The demonstration program under this title shall terminate not less than 2 and not more than 5 years after the date on which the demonstration program is commenced.

"(b) EVALUATION.—Not later than 6 months after the termination of the demonstration program under this title, the Secretary shall submit to the Congress a final report, which shall include—

"(1) an evaluation the effectiveness of the activities carried out under the demonstration program; and

"(2) any findings and recommendations of the Secretary for any appropriate legislative action.

"SEC. 411. APPLICABILITY.

"This title shall take effect on the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.".

Subtitle E—Accountability and Oversight of Public Housing Agencies

SEC. 563. STUDY OF ALTERNATIVE METHODS FOR EVALUATING PUBLIC HOUSING AGENCIES.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall provide under subsection (e) for a study to be conducted to determine the effectiveness of various alternative methods of evaluating the performance of public housing agencies and other providers of federally assisted housing.

(b) PURPOSES.—The purposes of the study under this section shall be—

(1) to identify and examine various methods of evaluating and improving the performance of public housing agencies in administering public housing and tenant-based rental assistance programs and of other providers of federally assisted housing, which are alternatives to oversight by the Department of Housing and Urban Development; and

(2) to identify specific monitoring and oversight activities currently conducted by the Department of Housing and Urban Development

and to evaluate whether such activities should be eliminated, expanded, modified, or transferred to other entities (including governmental and private entities) to increase accuracy and effectiveness and improve monitoring.

(c) EVALUATION OF VARIOUS PERFORMANCE EVALUATION SYSTEMS.—To carry out the purposes under subsection (b), the study under this section shall identify, and analyze the advantages and disadvantages of various methods of regulating and evaluating the performance of public housing agencies and other providers of federally assisted housing, including the following methods:

(1) CURRENT SYSTEM.—The system pursuant to the United States Housing Act of 1937, including the methods and requirements under such system for reporting, auditing, reviewing, sanctioning, and monitoring of such agencies and housing providers and the public housing management assessment program pursuant to section 6(j) of the United States Housing Act of 1937.

(2) ACCREDITATION MODELS.—Various models that are based upon accreditation of such agencies and housing providers, subject to the following requirements:

(A) The study shall identify and analyze various models used in other industries and professions for accreditation and determine the extent of their applicability to the programs for public housing and federally assisted housing.

(B) If any accreditation models are determined to be applicable to the public and federally assisted housing programs, the study shall identify appropriate goals, objectives, and procedures for an accreditation program for such agencies and housing providers.

(C) The study shall evaluate the feasibility and merit of establishing an independent accreditation and evaluation entity to assist, supplement, or replace the role of the Department of Housing and Urban Development in assessing and monitoring the performance of such agencies and housing providers.

(D) The study shall identify the necessary and appropriate roles and responsibilities of various entities that would be involved in an accreditation program, including the Department of Housing and Urban Development, the Inspector General of the Department, an accreditation entity, independent auditors and examiners, local entities, and public housing agencies.

(E) The study shall estimate the costs involved in developing and maintaining such an independent accreditation program.

(3) PERFORMANCE BASED MODELS.—Various performance-based models, including systems that establish performance goals or targets, assess the compliance with such goals or targets, and provide for incentives or sanctions based on performance relative to such goals or targets.

(4) LOCAL REVIEW AND MONITORING MODELS.—Various models providing for local, resident, and community review and monitoring of such agencies and housing providers, including systems for review and monitoring by local and State governmental bodies and agencies.

(5) PRIVATE MODELS.—Various models using private contractors for review and monitoring of such agencies and housing providers.

(6) OTHER MODELS.—Various models of any other systems that may be more effective and efficient in regulating and evaluating such agencies and housing providers.

(d) CONSULTATION.—The entity that, pursuant to subsection (e), carries out the study under this section shall, in carrying out the study, consult with individuals and organizations experienced in managing public housing, private real estate managers, representatives from State and local governments, residents of public housing, families and individuals receiving tenant-based assistance, the Secretary of Housing and Urban Development, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States.

(e) CONTRACT TO CONDUCT STUDY.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall enter into a contract, within 90 days of the enactment of this Act, with a public or nonprofit private entity to conduct the study under this section, using amounts made available pursuant to subsection (g).

(2) NATIONAL ACADEMY OF PUBLIC ADMINISTRATION.—The Secretary shall request the National Academy of Public Administration to enter into the contract under paragraph (1) to conduct the study under this section. If such Academy declines to conduct the study, the Secretary shall carry out such paragraph through other public or nonprofit private entities, selected through a competitive process.

(f) REPORT.—

(1) INTERIM REPORT.—The Secretary shall ensure that, not later than the expiration of the 6-month period beginning on the date of the execution of the contract under subsection (e)(1), the entity conducting the study under this section submits to the Congress an interim report describing the actions taken to carry out the study, the actions to be taken to complete the study, and any findings and recommendations available at the time.

(2) FINAL REPORT.—The Secretary shall ensure that—

(A) not later than the expiration of the 12-month period beginning on the date of the execution of the contract under subsection (e)(1), the study required under this section is completed and a report describing the findings and recommendations as a result of the study is submitted to the Congress; and

(B) before submitting the report under this paragraph to the Congress, the report is submitted to the Secretary, national organizations for public housing agencies, and other appropriate national organizations at such time to provide the Secretary and such agencies an opportunity to review the report and provide written comments on the report, which shall be included together with the report upon submission to the Congress under subparagraph (A).

(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 564. PUBLIC HOUSING MANAGEMENT ASSESSMENT PROGRAM.

Section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)), as amended by the preceding provisions of this Act, is further amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) The amount and percentage of funds provided to the public housing agency from the Capital Fund under section 9(d) which remain unobligated by the public housing agency after 3 years.";

(B) in subparagraph (D), by striking "energy" and inserting "utility";

(C) by transferring and inserting subparagraph (E) after subparagraph (D);

(D) by redesignating subparagraph (H) as subparagraph (K); and

(E) by inserting after subparagraph (G) the following new subparagraphs:

"(H) The extent to which the public housing agency—

"(i) coordinates, promotes, or provides effective programs and activities to promote the economic self-sufficiency of public housing residents; and

"(ii) provides public housing residents with opportunities for involvement in the administration of the public housing.

"(I) The extent to which the public housing agency—

"(i) implements effective screening and eviction policies and other anticrime strategies; and

"(ii) coordinates with local government officials and residents in the project and implementation of such strategies.

"(J) The extent to which the public housing agency is providing acceptable basic housing conditions.";

(2) in paragraph (2)—

(A) in subparagraph (A)(i)—

(i) by inserting after the first sentence the following: "Such procedures shall provide that an agency that fails on a widespread basis to provide acceptable basic housing conditions for its residents shall be designated as a troubled public housing agency. The Secretary may use a simplified set of indicators for public housing agencies with less than 250 public housing units."; and

(ii) by striking "under section 14" and inserting "for assistance from the Capital Fund under section 9(d);

(B) in subparagraph (A)(iii), by striking "under section 14" and inserting "for assistance from the Capital Fund under section 9(d)";

(C) in subparagraph (B)(i)—

(i) by inserting "with more than 250 units" after "public housing agency"; and

(ii) by striking "review conducted under section 14(p)" and inserting "comparable and recent review"; and

(D) in the first sentence of subparagraph (C), by inserting "(if applicable)" after "subparagraph (B)";

(3) in paragraph (5)(F), as so redesignated by the preceding provisions of this Act, by striking "program under section 14" and all that follows and inserting "program for assistance from the Capital Fund under section 9(d) and specifies the amount of assistance the agency received under such program."; and

(4) by adding at the end the following new paragraphs:

"(6)(A) To the extent that the Secretary determines such action to be necessary in order to ensure the accuracy of any certification made under this section, the Secretary shall require an independent auditor to review documentation or other information maintained by a public housing agency pursuant to this section to substantiate each certification submitted by the agency or corporation relating to the performance of that agency or corporation.

"(B) The Secretary may withhold, from assistance otherwise payable to the agency or corporation under section 9, amounts sufficient to pay for the reasonable costs of any review under this paragraph.

"(7) The Secretary shall apply the provisions of this subsection to resident management corporations in the same manner as applied to public housing agencies.".

SEC. 565. EXPANSION OF POWERS FOR DEALING WITH PUBLIC HOUSING AGENCIES IN SUBSTANTIAL DEFAULT.

(a) IN GENERAL.—Section 6(j)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)) is amended—

(1) in subparagraph (A)—

(A) by striking clause (i) and inserting the following new clause:

"(i) solicit competitive proposals from other public housing agencies and private housing management agents which (I) in the discretion of the Secretary, may be selected by existing public housing residents through administrative procedures established by the Secretary, and (II) if appropriate, shall provide for such agents to manage all, or part, of the housing administered by the public housing agency or all or part of the other programs of the agency;";

(B) in clause (iii), by striking "under section 14" and inserting "from the Capital Fund under section 9(d)"; and

(C) by striking clause (iv) and inserting the following new clauses:

"(iv) take possession of all or part of the public housing agency, including all or part of any project or program of the agency, including any project or program under any other provision of this title; and

"(v) require the agency to make other arrangements acceptable to the Secretary and in the best interests of the public housing residents and families assisted under section 8 for managing all, or part, of the public housing administered by the agency or of the programs of the agency."; and

(2) by striking subparagraphs (B) through (D) and inserting the following new subparagraphs:

"(B)(i) If a public housing agency is identified as troubled under this subsection, the Secretary shall notify the agency of the troubled status of the agency.

"(ii)(I) Upon the expiration of the 1-year period beginning on the later of the date on which the agency receives initial notice from the Secretary of the troubled status of the agency under clause (i) and the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, the agency shall improve its performance, as measured by the performance indicators established pursuant to paragraph (1), by at least 50 percent of the difference between the most recent performance measurement and the measurement necessary to remove that agency's designation as troubled.

"(II) Upon the expiration of the 2-year period beginning on the later of the date on which the agency receives initial notice from the Secretary of the troubled status of the agency under clause (i) and the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, the agency shall improve its performance, as measured by the performance indicators established pursuant to paragraph (1), such that the agency is no longer designated as troubled.

"(III) In the event that a public housing agency designated as troubled under this subsection fails to comply with the requirements set forth in subclause (I) or (II), the Secretary shall—

"(aa) in the case of a troubled public housing agency with 1,250 or more units, petition for the appointment of a receiver pursuant to subparagraph (A)(ii); or

"(bb) in the case of a troubled public housing agency with fewer than 1,250 units, either petition for the appointment of a receiver pursuant to subparagraph (A)(ii), or take possession of the public housing agency (including all or part of any project or program of the agency) pursuant to subparagraph (A)(iv) and appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project or program of the agency).

This subparagraph shall not be construed to limit the courses of action available to the Secretary under subparagraph (A).

"(IV) During the period between the date on which a petition is filed under subclause (III)(aa) and the date on which a receiver assumes responsibility for the management of the public housing agency under such subclause, the Secretary may take possession of the public housing agency (including all or part of any project or program of the agency) pursuant to subparagraph (A)(iv) and may appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project or program of the agency).

"(C) If a receiver is appointed pursuant to subparagraph (A)(ii), in addition to the powers accorded by the court appointing the receiver, the receiver—

"(i) may abrogate any contract to which the United States or an agency of the United States is not a party that, in the receiver's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default, but only after the receiver determines that reasonable efforts to renegotiate such contract have failed;

"(ii) may demolish and dispose of all or part of the assets of the public housing agency (including all or part of any project of the agency) in accordance with section 18, including disposition by transfer of properties to resident-supported nonprofit entities;

"(iii) if determined to be appropriate by the Secretary, may seek the establishment, as permitted by applicable State and local law, of 1 or more new public housing agencies;

"(iv) if determined to be appropriate by the Secretary, may seek consolidation of all or part of the agency (including all or part of any project or program of the agency), as permitted by applicable State and local laws, into other well-managed public housing agencies with the consent of such well-managed agencies; and

"(v) shall not be required to comply with any State or local law relating to civil service requirements, employee rights (except civil rights), procurement, or financial or administrative controls that, in the receiver's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default.

"(D)(i) If, pursuant to subparagraph (A)(iv), the Secretary takes possession of all or part of the public housing agency, including all or part of any project or program of the agency, the Secretary—

"(I) may abrogate any contract to which the United States or an agency of the United States is not a party that, in the written determination of the Secretary (which shall include the basis for such determination), substantially impedes correction of the substantial default, but only after the Secretary determines that reasonable efforts to renegotiate such contract have failed;

"(II) may demolish and dispose of all or part of the assets of the public housing agency (including all or part of any project of the agency) in accordance with section 18, including disposition by transfer of properties to resident-supported nonprofit entities;

"(III) may seek the establishment, as permitted by applicable State and local law, of 1 or more new public housing agencies;

"(IV) may seek consolidation of all or part of the agency (including all or part of any project or program of the agency), as permitted by applicable State and local laws, into other well-managed public housing agencies with the consent of such well-managed agencies;

"(V) shall not be required to comply with any State or local law relating to civil service requirements, employee rights (except civil rights), procurement, or financial or administrative controls that, in the Secretary's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default; and

"(VI) shall, without any action by a district court of the United States, have such additional authority as a district court of the United States would have the authority to confer upon a receiver to achieve the purposes of the receivership.

"(ii) If, pursuant to subparagraph (B)(ii)(III)(bb), the Secretary appoints an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project or program of the agency), the Secretary may delegate to the administrative receiver any or all of the powers given the Secretary by this subparagraph, as the Secretary determines to be appropriate and subject to clause (iii).

"(iii) An administrative receiver may not take an action described in subclause (III) or (IV) of clause (i) unless the Secretary first approves an application by the administrative receiver to authorize such action.

"(E) The Secretary may make available to receivers and other entities selected or appointed pursuant to this paragraph such assistance as the Secretary determines in the discretion of the Secretary is necessary and available to remedy the substantial deterioration of living conditions in individual public housing projects or other related emergencies that endanger the health, safety, and welfare of public housing residents or families assisted under section 8. A decision made by the Secretary under this paragraph shall not be subject to review in any court of the United States, or in any court of any State, territory, or possession of the United States.

"(F) In any proceeding under subparagraph (A)(ii), upon a determination that a substantial default has occurred and without regard to the availability of alternative remedies, the court shall appoint a receiver to conduct the affairs of all or part of the public housing agency in a manner consistent with this Act and in accordance with such further terms and conditions as the court may provide. The receiver appointed may be another public housing agency, a private management corporation, or any other person or appropriate entity. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

"(G) The appointment of a receiver pursuant to this paragraph may be terminated, upon the petition of any party, when the court determines that all defaults have been cured or the public housing agency is capable again of discharging its duties.

"(H) If the Secretary (or an administrative receiver appointed by the Secretary) takes possession of a public housing agency (including all or part of any project or program of the agency), or if a receiver is appointed by a court, the Secretary or receiver shall be deemed to be acting not in the official capacity of that person or entity, but rather in the capacity of the public housing agency, and any liability incurred, regardless of whether the incident giving rise to that liability occurred while the Secretary or receiver was in possession of all or part of the public housing agency (including all or part of any project or program of the agency), shall be the liability of the public housing agency.".

(b) APPLICABILITY.—The provisions of, and duties and authorities conferred or confirmed by, the amendments made by subsection (a) shall apply with respect to any action taken before, on, or after the effective date of this Act and shall apply to any receiver appointed for a public housing agency before the date of enactment of this Act.

(c) TECHNICAL CORRECTION REGARDING APPLICABILITY TO SECTION 8.—Section 8(h) of the United States Housing Act of 1937 is amended by inserting "(except as provided in section 6(j)(3))" after "section 6".

(d) IMPLEMENTATION.—The Secretary may administer the amendments made by subsection (a) as necessary to ensure the efficient and effective initial implementation of this section.

(e) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 566. AUDITS.

Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437d), as amended by the preceding provisions of this Act, is further amended

by inserting after subsection (g) the following new subsection:

"(h) AUDITS.—

"(1) BY SECRETARY AND COMPTROLLER GENERAL.—Each contract for contributions for any assistance under this Act to a public housing agency shall provide that the Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the public housing agency that are pertinent to this Act and to its operations with respect to financial assistance under the this Act.

"(2) WITHHOLDING OF AMOUNTS FOR AUDITS UNDER SINGLE AUDIT ACT.—The Secretary may, in the sole discretion of the Secretary, arrange for and pay the costs of an audit required under chapter 75 of title 31, United States Code. In such circumstances, the Secretary may withhold, from assistance otherwise payable to the agency under this Act, amounts sufficient to pay for the reasonable costs of conducting an acceptable audit, including, when appropriate, the reasonable costs of accounting services necessary to place the agency's books and records in auditable condition. As agreed to by the Secretary and the Inspector General, the Inspector General may arrange for an audit under this paragraph.".

SEC. 567. ADVISORY COUNCIL FOR HOUSING AUTHORITY OF NEW ORLEANS.

(a) ESTABLISHMENT.—The Secretary and the Housing Authority of New Orleans (in this section referred to as the "Housing Authority") shall, pursuant to the cooperative endeavor agreement in effect between the Secretary and the Housing Authority, establish an advisory council for the Housing Authority of New Orleans (in this section referred to as the "advisory council") that complies with the requirements of this section.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The advisory council shall be appointed by the Secretary, not later than 90 days after the date of the enactment of this Act, and shall be composed of the following members:

(A) The Inspector General of the Department of Housing and Urban Development (or the Inspector General's designee).

(B) Not more than 7 other members, who shall be selected for appointment based on their experience in successfully reforming troubled public housing agencies or in providing affordable housing in coordination with State and local governments, the private sector, affordable housing residents, or local nonprofit organizations.

(2) PROHIBITION ON ADDITIONAL PAY.—Members of the advisory council shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board using amounts made available for technical assistance under section 9(h) of the United States Housing Act of 1937 (as amended by this Act).

(c) FUNCTIONS.—The advisory council shall—

(1) establish standards and guidelines for assessing the performance of the Housing Authority in carrying out operational, asset management, and financial functions for purposes of the reports and finding under subsections (d) and (e), respectively;

(2) provide advice, expertise, and recommendations to the Housing Authority regarding the management, operation, repair, redevelopment, revitalization, demolition, and disposition of public housing projects of the Housing Authority;

(3) report to the Congress under subsection (d) regarding any progress of the Housing Authority in improving the performance of its functions; and

(4) make a final finding to the Congress under subsection (e) regarding the future of the Housing Authority.

(d) QUARTERLY REPORTS.—The advisory council shall report to the Congress and the Secretary not less than every 3 months regarding the performance of the Housing Authority and any progress of the authority in improving its performance and carrying out its functions.

(e) FINAL FINDING.—Upon the expiration of the 18-month period that begins upon the appointment under subsection (b)(1) of all members of the advisory council, the advisory council shall make and submit to the Congress and the Secretary a finding of whether the Housing Authority has substantially improved its performance, the performance of its functions, and the overall condition of the Authority such that the Authority should be allowed to continue to operate as the manager of the public housing of the Authority. In making the finding under this subsection, the advisory council shall consider whether the Housing Authority has made sufficient progress in the demolition and revitalization of the Desire Homes project, the revitalization of the St. Thomas Homes project, the appropriate allocation of operating subsidy amounts, and the appropriate expending of modernization amounts.

(f) RECEIVERSHIP.—If the advisory council finds under subsection (e) that the Housing Authority has not substantially improved its performance in a manner sufficient that the Authority should be allowed to continue to operate as the manager of the public housing of the Authority, the Secretary shall (notwithstanding the conditions required under section 6(j)(3)(A) of the United States Housing Act of 1937 for action under such section) petition under clause (ii) of section 6(j)(3)(A) for the appointment of a receiver for the Housing Authority, which receivership shall be subject to the provisions of such section.

(g) REGULAR REMEDIES.—Nothing in this section, or in the cooperative endeavor agreement in effect between the Secretary and the Housing Authority, may be construed to prevent the Secretary from taking any action with respect to the Housing Authority, in accordance with such section 6(j)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)), as amended by this Act, that is authorized under section.

(f) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 568. TREATMENT OF TROUBLED PHA'S.

Section 105 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705) is amended by adding at the end the following new subsection:

"(g) TREATMENT OF TROUBLED PUBLIC HOUSING AGENCIES.—

"(1) EFFECT OF TROUBLED STATUS ON CHAS.—The comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the State or unit of general local government in which any troubled public housing agency is located shall not be considered to comply with the requirements under this section unless such plan includes a description of the manner in which the State or unit will provide financial or other assistance to such troubled agency in improving its operations to remove such designation.

"(2) DEFINITION.—For purposes of this subsection, the term 'troubled public housing agency' means a public housing agency that, upon the effective date of the Quality Housing and Work Responsibility Act of 1998, is designated under section 6(j)(2) of the United States Housing Act of 1937 as a troubled public housing agency.".

Subtitle F—Safety and Security in Public and Assisted Housing

SEC. 575. PROVISIONS APPLICABLE ONLY TO PUBLIC HOUSING AND SECTION 8 ASSISTANCE.

(a) DRUG-RELATED AND CRIMINAL ACTIVITY UNDER PUBLIC HOUSING GRIEVANCE PROCEDURE.—Section 6(k) of the United States Housing Act of 1937 (42 U.S.C. 1437d(k)) is amended, in the matter following paragraph (6)—

(1) by inserting "violent or" before "drug-related"; and

(2) by inserting "or any activity resulting in a felony conviction," after "on or off such premises,".

(b) TERMINATION OF TENANCY IN PUBLIC HOUSING.—Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

(1) in paragraph (4) (as so redesignated by the preceding provisions of this Act)—

(A) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) a reasonable period of time, but not to exceed 30 days—

"(i) if the health or safety of other tenants, public housing agency employees, or persons residing in the immediate vicinity of the premises is threatened; or

"(ii) in the event of any drug-related or violent criminal activity or any felony conviction;"; and

(B) in subparagraph (C), by inserting before the semicolon at the end the following: ", except that if a State or local law provides for a shorter period of time, such shorter period shall apply";

(2) in paragraph (7) (as so redesignated by the preceding provisions of this Act), by striking "and" at the end;

(4) by inserting after paragraph (7) (as so redesignated by the preceding provisions of this Act), the following new paragraph:

"(7) provide that any occupancy in violation of section 576(b) of the Quality Housing and Work Responsibility Act of 1998 (relating to ineligibility of illegal drug users and alcohol abusers) or the furnishing of any false or misleading information pursuant to section 577 of such Act (relating to termination of tenancy and assistance for illegal drug users and alcohol abusers) shall be cause for termination of tenancy;".

(c) AVAILABILITY OF CRIMINAL RECORDS FOR TENANT SCREENING AND EVICTION.—Section 6(q) of the United States Housing Act of 1937 (42 U.S.C. 1437d(q)(1)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "subparagraph (B)" and inserting "subparagraph (C)"; and

(ii) by striking "public housing" and inserting "covered housing assistance";

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) REQUESTS BY OWNERS OF PROJECT-BASED SECTION 8 HOUSING.—A public housing agency may make a request under subparagraph (A) for information regarding applicants for, or tenants of, housing that is provided project-based assistance under section 8 only if the housing is located within the jurisdiction of the agency and the owner of such housing has requested that the agency obtain such information on behalf of the owner. Upon such a request by the owner, the agency shall make a request under subparagraph (A) for the information. The agency may not make such information available to the owner but shall perform determinations for the owner regarding screening, lease enforcement, and eviction based on criteria supplied by the owner.";

(2) in paragraph (3)—

(A) by striking "FEE" and inserting "FEES"; and

(B) by adding at the end the following new sentence: "In the case of a public housing agency obtaining information pursuant to paragraph (1)(B) for another owner of housing, the agency may pass such fee on to the owner initiating the request and may charge additional reasonable fees for making the request on behalf of the owner and taking other actions for owners under this subsection.";

(3) by striking paragraph (5) and inserting the following new paragraph:

"(8) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

"(A) ADULT.—The term 'adult' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law.

"(B) COVERED HOUSING ASSISTANCE.—The term 'covered housing assistance' means—

"(i) a dwelling unit in public housing;

"(ii) a dwelling unit in housing that is provided project-based assistance under section 8, including new construction and substantial rehabilitation projects; and

"(iii) tenant-based assistance under section 8.

"(C) OWNER.—The term 'owner' means, with respect to covered housing assistance described in subparagraph (B)(ii), the entity or private person (including a cooperative or public housing agency) that has the legal right to lease or sublease dwelling units in the housing assisted."; and

(4) by inserting after paragraph (4) the following new paragraphs:

"(5) CONFIDENTIALITY.—A public housing agency receiving information under this subsection may use such information only for the purposes provided in this subsection and such information may not be disclosed to any person who is not an officer, employee, or authorized representative of the agency and who has a job-related need to have access to the information in connection with admission of applicants, eviction of tenants, or termination of assistance. For judicial eviction proceedings, disclosures may be made to the extent necessary. The Secretary shall, by regulation, establish procedures necessary to ensure that information provided under this subsection to a public housing agency is used, and confidentiality of such information is maintained, as required under this subsection. The Secretary shall establish standards for confidentiality of information obtained under this subsection by public housing agencies on behalf of owners.

"(6) PENALTY.—Any person who knowingly and willfully requests or obtains any information concerning an applicant for, or tenant of, covered housing assistance pursuant to the authority under this subsection under false pretenses, or any person who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. The term 'person' as used in this paragraph include an officer, employee, or authorized representative of any public housing agency.

"(7) CIVIL ACTION.—Any applicant for, or tenant of, covered housing assistance affected by (A) a negligent or knowing disclosure of information referred to in this subsection about such person by an officer, employee, or authorized representative of any public housing agency, which disclosure is not authorized by this subsection, or (B) any other negligent or knowing action that is inconsistent with this subsection, may bring a civil action for damages and such other relief as may be appropriate against any public housing agency responsible for such unauthorized action. The district court of the United States in the district in which the affected applicant or tenant resides, in which such unauthorized action occurred, or in which the officer, employee, or representative alleged to be responsible for any such unauthorized action resides, shall have jurisdiction in such matters. Appropriate relief that may be ordered by such district courts shall include reasonable attorney's fees and other litigation costs.".

(d) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(t) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.—A public housing agency may require, as a condition of providing admission to the public housing program or assisted housing program under the jurisdiction of the public housing agency, that each adult member of the household provide a signed, written authorization for the public housing agency to obtain records described in subsection (q)(1) regarding such member of the household from the National Crime Information Center, police departments, and other law enforcement agencies.".

(e) OBTAINING INFORMATION FROM DRUG ABUSE TREATMENT FACILITIES.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(u) OBTAINING INFORMATION FROM DRUG ABUSE TREATMENT FACILITIES.—

"(1) AUTHORITY.—Notwithstanding any other provision of law other than the Public Health Service Act (42 U.S.C. 201 et seq.), a public housing agency may require each person who applies for admission to public housing to sign one or more forms of written consent authorizing the agency to receive information from a drug abuse treatment facility that is solely related to whether the applicant is currently engaging in the illegal use of a controlled substance.

"(2) CONFIDENTIALITY OF APPLICANT'S RECORDS.—

"(A) LIMITATION ON INFORMATION REQUESTED.—In a form of written consent, a public housing agency may request only whether the drug abuse treatment facility has reasonable cause to believe that the applicant is currently engaging in the illegal use of a controlled substance.

"(B) RECORDS MANAGEMENT.—Each public housing agency that receives information under this subsection from a drug abuse treatment facility shall establish and implement a system of records management that ensures that any information received by the public housing agency under this subsection—

"(i) is maintained confidentially in accordance with section 543 of the Public Health Service Act (12 U.S.C. 290dd–2);

"(ii) is not misused or improperly disseminated; and

"(iii) is destroyed, as applicable—

"(I) not later than 5 business days after the date on which the public housing agency gives final approval for an application for admission; or

"(II) if the public housing agency denies the application for admission, in a timely manner after the date on which the statute of limitations for the commencement of a civil action from the applicant based upon that denial of admission has expired.

"(C) EXPIRATION OF WRITTEN CONSENT.—In addition to the requirements of subparagraph (B), an applicant's signed written consent shall expire automatically after the public housing agency has made a final decision to either approve or deny the applicant's application for admittance to public housing.

"(3) PROHIBITION OF DISCRIMINATORY TREATMENT OF APPLICANTS.—

"(A) FORMS SIGNED.—A public housing agency may only require an applicant for admission to public housing to sign one or more forms of written consent under this subsection if the public housing agency requires all such applicants to sign the same form or forms of written consent.

"(B) CIRCUMSTANCES OF INQUIRY.—A public housing agency may only make an inquiry to a drug abuse treatment facility under this subsection if—

"(i) the public housing agency makes the same inquiry with respect to all applicants; or

"(ii) the public housing agency only makes the same inquiry with respect to each and every applicant with respect to whom—

"(I) the public housing agency receives information from the criminal record of the applicant that indicates evidence of a prior arrest or conviction; or

"(II) the public housing agency receives information from the records of prior tenancy of the applicant that demonstrates that the applicant—

"(aa) engaged in the destruction of property;

"(bb) engaged in violent activity against another person; or

"(cc) interfered with the right of peaceful enjoyment of the premises of another tenant.

"(4) FEE PERMITTED.—A drug abuse treatment facility may charge a public housing agency a reasonable fee for information provided under this subsection.

"(5) DISCLOSURE PERMITTED BY TREATMENT FACILITIES.—A drug abuse treatment facility shall not be liable for damages based on any information required to be disclosed pursuant to this subsection if such disclosure is consistent with section 543 of the Public Health Service Act (42 U.S.C. 290dd–2).

"(6) OPTION TO NOT REQUEST INFORMATION.—A public housing agency shall not be liable for damages based on its decision not to require each person who applies for admission to public housing to sign one or more forms of written consent authorizing the public housing agency to receive information from a drug abuse treatment facility under this subsection.

"(7) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

"(A) DRUG ABUSE TREATMENT FACILITY.—The term 'drug abuse treatment facility' means an entity that—

"(i) is—

"(I) an identified unit within a general medical care facility; or

"(II) an entity other than a general medical care facility; and

"(ii) holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal use of a controlled substance.

"(B) CONTROLLED SUBSTANCE.—The term 'controlled substance' has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

"(C) CURRENTLY ENGAGING IN THE ILLEGAL USE OF A CONTROLLED SUBSTANCE.—The term 'currently engaging in the illegal use of a controlled substance' means the illegal use of a controlled substance that occurred recently enough to justify a reasonable belief that an applicant's illegal use of a controlled substance is current or that continuing illegal use of a controlled substance by the applicant is a real and ongoing problem.

"(8) EFFECTIVE DATE.—This subsection shall take effect upon enactment and without the necessity of guidance from, or any regulation issued by, the Secretary.".

SEC. 576. SCREENING OF APPLICANTS FOR FEDERALLY ASSISTED HOUSING.

(a) INELIGIBILITY BECAUSE OF EVICTION FOR DRUG CRIMES.—Any tenant evicted from federally assisted housing by reason of drug-related

criminal activity (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) shall not be eligible for federally assisted housing during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the public housing agency (which shall include a waiver of this subsection if the circumstances leading to eviction no longer exist).

(b) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing, as determined by the Secretary, shall establish standards that prohibit admission to the program or admission to federally assisted housing for any household with a member—

(A) who the public housing agency or owner determines is illegally using a controlled substance; or

(B) with respect to whom the public housing agency or owner determines that it has reasonable cause to believe that such household member's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1)(B), to deny admission to the program or federally assisted housing to any household based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household member, a public housing agency or an owner may consider whether such household member—

(A) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable);

(B) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

(C) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

(c) AUTHORITY TO DENY ADMISSION TO CRIMINAL OFFENDERS.—Except as provided in subsections (a) and (b) of this section and in addition to any other authority to screen applicants, in selecting among applicants for admission to the program or to federally assisted housing, if the public housing agency or owner of such housing (as applicable) determines that an applicant or any member of the applicant's household is or was, during a reasonable time preceding the date when the applicant household would otherwise be selected for admission, engaged in any drug-related or violent criminal activity or other criminal activity which would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other residents, the owner, or public housing agency employees, the public housing agency or owner may—

(1) deny such applicant admission to the program or to federally assisted housing; and

(2) after the expiration of the reasonable period beginning upon such activity, require the applicant, as a condition of admission to the program or to federally assisted housing, to submit to the public housing agency or owner evidence sufficient (as the Secretary shall by regulation provide) to ensure that the individual or individuals in the applicant's household who engaged in criminal activity for which denial was made under paragraph (1) have not engaged in any criminal activity during such reasonable period.

(d) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 is amended—

(1) in section 6—

(A) by striking subsection (r); and

(B) by redesignating subsections (s), (t), and (u) (as added by the preceding provisions of this Act) as subsections (r), (s), and (t), respectively; and

(2) in section 16 (42 U.S.C. 1437n), by striking subsection (e).

SEC. 577. TERMINATION OF TENANCY AND ASSISTANCE FOR ILLEGAL DRUG USERS AND ALCOHOL ABUSERS IN FEDERALLY ASSISTED HOUSING.

(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing (as applicable), shall establish standards or lease provisions for continued assistance or occupancy in federally assisted housing that allow the agency or owner (as applicable) to terminate the tenancy or assistance for any household with a member—

(1) who the public housing agency or owner determines is illegally using a controlled substance; or

(2) whose illegal use (or pattern of illegal use) of a controlled substance, or whose abuse (or pattern of abuse) of alcohol, is determined by the public housing agency or owner to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(b) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to subsection (a)(2), to terminate tenancy or assistance to any household based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household member, a public housing agency or an owner may consider whether such household member—

(1) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable);

(2) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

(3) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

SEC. 578. INELIGIBILITY OF DANGEROUS SEX OFFENDERS FOR ADMISSION TO PUBLIC HOUSING.

(a) IN GENERAL.—Notwithstanding any other provision of law, an owner of federally assisted housing shall prohibit admission to such housing for any household that includes any individual who is subject to a lifetime registration requirement under a State sex offender registration program.

(b) OBTAINING INFORMATION.—As provided in regulations issued by the Secretary to carry out this section—

(1) a public housing agency shall carry out criminal history background checks on applicants for federally assisted housing and make further inquiry with State and local agencies as necessary to determine whether an applicant for federally assisted housing is subject to a lifetime registration requirement under a State sex offender registration program; and

(2) State and local agencies responsible for the collection or maintenance of criminal history record information or information on persons required to register as sex offenders shall comply with requests of public housing agencies for information pursuant to this section.

(c) REQUESTS BY OWNERS FOR PHA'S TO OBTAIN INFORMATION.—A public housing agency may take any action under subsection (b) regarding applicants for, or tenants of, federally assisted housing other than federally assisted housing described in subparagraph (A) or (B) of section 579(a)(2), but only if the housing is located within the jurisdiction of the agency and the owner of such housing has requested that the agency take such action on behalf of the owner. Upon such a request by the owner, the agency shall take the action requested under subsection (b). The agency may not make any information obtained pursuant to the action under subsection (b) available to the owner but shall perform determinations for the owner regarding screening, lease enforcement, and eviction based on criteria supplied by the owner.

(d) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken with respect to an applicant for federally assisted housing on the basis that an individual is subject to a lifetime registration requirement under a State sex offender registration program, the public housing agency obtaining the record shall provide the tenant or applicant with a copy of the registration information and an opportunity to dispute the accuracy and relevance of that information.

(e) FEE.—A public housing agency may be charged a reasonable fee for taking actions under subsection (b). In the case of a public housing agency taking actions on behalf of another owner of federally assisted housing pursuant to subsection (c), the agency may pass such fee on to the owner making the request and may charge an additional reasonable fee for making the request on behalf of the owner.

(f) RECORDS MANAGEMENT.—Each public housing agency shall establish and implement a system of records management that ensures that any criminal record or information regarding a lifetime registration requirement under a State sex offender registration program that is obtained under this section by the public housing agency is—

(1) maintained confidentially;

(2) not misused or improperly disseminated; and

(3) destroyed, once the purpose for which the record was requested has been accomplished.

SEC. 579. DEFINITIONS.

(a) DEFINITIONS.—For purposes of this subtitle, the following definitions shall apply:

(1) DRUG-RELATED CRIMINAL ACTIVITY.—The term "drug-related criminal activity" has the meaning given the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(2) FEDERALLY ASSISTED HOUSING.—The term "federally assisted housing" means a dwelling unit—

(A) in public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a));

(B) assisted with tenant-based assistance under section 8 of the United States Housing Act of 1937;

(C) in housing that is provided project-based assistance under section 8 of the United States Housing Act of 1937, including new construction and substantial rehabilitation projects;

(D) in housing that is assisted under section 202 of the Housing Act of 1959 (as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act);

(E) in housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the Cranston-Gonzalez National Affordable Housing Act;

(F) in housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(G) in housing financed by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(H) in housing insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act; or

(I) in housing assisted under section 514 or 515 of the Housing Act of 1949.

(3) OWNER.—The term "owner" means, with respect to federally assisted housing, the entity or private person (including a cooperative or public housing agency) that has the legal right to lease or sublease dwelling units in such housing.

Subtitle G—Repeals and Related Provisions

SEC. 581. ANNUAL REPORT.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter, the Secretary shall submit a report to the Congress on—

(1) the impact of the amendments made by this Act on—

(A) the demographics of public housing residents and families receiving tenant-based assistance under the United States Housing Act of 1937; and

(B) the economic viability of public housing agencies; and

(2) the effectiveness of the rent policies established by this Act and the amendments made by this Act on the employment status and earned income of public housing residents.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 582. REPEALS RELATING TO PUBLIC HOUSING AND SECTION 8 PROGRAMS.

(a) IN GENERAL.—The following provisions of law are hereby repealed:

(1) PUBLIC HOUSING RENT WAIVERS FOR POLICE.—Section 519 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437a–1).

(2) TREATMENT OF CERTIFICATE AND VOUCHER HOLDERS.—Subsection (c) of section 183 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(3) REPORT REGARDING FAIR HOUSING OBJECTIVES.—Section 153 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note).

(4) MISCELLANEOUS PROVISIONS.—Subsections (b)(1) and (c) of section 326 of the Housing and Community Development Amendments of 1981 (Public Law 97–35, 95 Stat. 406; 42 U.S.C. 1437f note).

(5) PAYMENT FOR DEVELOPMENT MANAGERS.—Section 329A of the Housing and Community Development Amendments of 1981 (42 U.S.C. 1437j–1).

(6) PUBLIC HOUSING CHILDHOOD DEVELOPMENT.—Section 222 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z–6 note).

(7) INDIAN HOUSING CHILDHOOD DEVELOPMENT.—Section 518 of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701z–6 note).

(8) PUBLIC HOUSING COMPREHENSIVE TRANSITION DEMONSTRATION.—Section 126 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(9) PUBLIC HOUSING ONE-STOP PERINATAL SERVICES DEMONSTRATION.—Section 521 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437t note).

(10) PUBLIC HOUSING MINCS DEMONSTRATION.—Section 522 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note).

(11) PUBLIC HOUSING ENERGY EFFICIENCY DEMONSTRATION.—Section 523 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437g note).

(12) OMAHA HOMEOWNERSHIP DEMONSTRATION.—Section 132 of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3712).

(13) PUBLIC AND ASSISTED HOUSING YOUTH SPORTS PROGRAMS.—Section 520 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a).

(14) MULTIFAMILY FINANCING.—The penultimate sentence of section 302(b)(2) of the National Housing Act (12 U.S.C. 1717(b)(2)) and the penultimate sentence of section 305(a)(2) of the Emergency Home Finance Act of 1970 (12 U.S.C. 1454(a)(2)).

(15) SPECIAL PROJECTS FOR ELDERLY OR HANDICAPPED FAMILIES.—Section 209 of the Housing and Community Development Act of 1974 (42 U.S.C. 1438).

(b) SAVINGS PROVISION.—Except to the extent otherwise provided in this Act, the repeals made by subsection (a) shall not affect any legally binding obligations entered into before the effective date under section 503(a) of this Act.

SEC. 583. PUBLIC HOUSING FLEXIBILITY IN CHAS.

Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended—

(1) by transferring and inserting the flush material that precedes the first paragraph that is designated as (17) (relating to abbreviated housing strategies and consisting of 2 sentences) to the end of the subsection (following the last numbered paragraph);

(2) by redesignating the second paragraph that is designated as paragraph (17) (as added by section 681(2) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3830)) as paragraph (20);

(3) by redesignating paragraph (17) (as added by section 220(b)(3) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3761)) as paragraph (19);

(4) in the second paragraph designated as paragraph (16) (as so designated by section 220(c)(1) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3762))—

(A) by striking "and" at the end; and

(B) by striking "(16)" and inserting "(18)";

(5) in paragraph (16) (as added by section 1014(3) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3908))—

(A) by striking the period at the end and inserting a semicolon; and

(B) by striking "(16)" and inserting "(17)";

(6) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively; and

(7) by inserting after paragraph (10) the following new paragraph:

"(11) describe the manner in which the plan of the jurisdiction will help address the needs of public housing;".

SEC. 584. USE OF AMERICAN PRODUCTS.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 585. GAO STUDY ON HOUSING ASSISTANCE PROGRAM COSTS.

(a) STUDY.—The Comptroller General of the United States shall conduct a study that provides an objective and independent accounting and analysis of the full cost to the Federal Government, public housing agencies, State and local governments, and other entities, per assisted household, of the Federal assisted housing programs, taking into account the qualitative differences among Federal assisted housing programs in accordance with applicable standards of the Department of Housing and Urban Development.

(b) CONTENTS.—The study under this section shall—

(1) analyze the full cost to the Federal Government, public housing agencies, State and local governments, and other parties, per assisted household, of the Federal assisted housing programs, in accordance with generally accepted accounting principles, and shall conduct the analysis on a nationwide and regional basis and in a manner such that accurate per unit cost comparisons may be made between Federal assisted housing programs, including grants, direct subsidies, tax concessions, Federal mortgage insurance liability, periodic renovation and rehabilitation, and modernization costs, demolition costs, and other ancillary costs such as security; and

(2) measure and evaluate qualitative differences among Federal assisted housing programs in accordance with applicable standards of the Department of Housing and Urban Development.

(c) PROHIBITION OF RECOMMENDATIONS.—In conducting the study under this section and reporting under subsection (e), the Comptroller General may not make any recommendations regarding Federal housing policy.

(d) FEDERAL ASSISTED HOUSING PROGRAMS.—For purposes of this section, the term "Federal assisted housing programs" means—

(1) the public housing program under the United States Housing Act of 1937, except that the study under this section shall differentiate between and compare the development and construction of new public housing and the assistance of existing public housing structures;

(2) the certificate program for rental assistance under section 8(b)(1) of the United States Housing Act of 1937;

(3) the voucher program for rental assistance under section 8(o) of the United States Housing Act of 1937;

(4) the programs for project-based assistance under section 8 of the United States Housing Act of 1937;

(5) the rental assistance payments program under section 521(a)(2)(A) of the Housing Act of 1949;

(6) the program for housing for the elderly under section 202 of the Housing Act of 1959;

(7) the program for housing for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(8) the program for financing housing by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(9) the program under section 236 of the National Housing Act;

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

(11) any other program for housing assistance administered by the Secretary of Housing and Urban Development or the Secretary of Agriculture, under which occupancy in the housing assisted or housing assistance provided is based on income, as the Comptroller General may determine.

(e) REPORT.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General shall submit to the Congress a final report which shall contain the results of the study under this section, including the analysis and estimates required under subsection (b).

(f) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 586. AMENDMENTS TO PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT OF 1990.

(a) SHORT TITLE.—This section may be cited as the "Public and Assisted Housing Drug Elimination Program Amendments of 1998".

(b) FINDINGS.—Section 5122 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901) is amended—

(1) in paragraph (2), by inserting "or violent" after "drug-related";

(2) in paragraph (4)—

(A) by inserting "and violent" after "drug-related"; and

(B) by striking "and" at the end;

(3) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following new paragraphs:

"(6) the Federal Government should provide support for effective safety and security measures to combat drug-related and violent crime, primarily in and around public housing projects with severe crime problems;

"(7) closer cooperation should be encouraged between public and assisted housing managers, local law enforcement agencies, and residents in developing and implementing anti-crime programs; and

"(8) anti-crime strategies should be improved through the expansion of community-oriented policing initiatives.".

(c) AUTHORITY TO MAKE GRANTS.—Section 5123 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11902) is amended—

(1) by inserting "(a) IN GENERAL.—" before "The";

(2) by striking "tribally designated housing entities" and inserting "recipients of assistance under the Native American Housing Assistance and Self-Determination Act of 1996";

(3) by inserting "and violent" after "drug-related"; and

(4) by adding at the end the following new subsection:

"(b) CONSORTIA.—Subject to terms and conditions established by the Secretary, public housing agencies may form consortia for purposes of applying for grants under this chapter.".

(d) ELIGIBLE ACTIVITIES.—Section 5124 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903) is amended—

(1) in subsection (a)—

(A) in paragraph (4)(A), by striking "drug-related crime on or about" and inserting "drug-related or violent crime in and around";

(B) in paragraph (6), by striking "and" at the end;

(C) in paragraph (7)—

(i) by striking "tribally designated housing entity" and inserting "recipient of assistance under the Native American Housing Assistance and Self-Determination Act of 1996"; and

(ii) by striking the period at the end and inserting "; and"; and

(8) by adding at the end the following new paragraph:

"(8) sports programs and sports activities that serve primarily youths from public or other federally assisted low-income housing projects and are operated in conjunction with, or in furtherance of, an organized program or plan designed to reduce or eliminate drugs and drug-related problems in and around such projects."; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "drug-related crime in" and inserting "drug-related crime in and around"; and

(B) in paragraph (2), by striking "drug-related activity at" and inserting "drug-related or violent activity in or around".

(e) APPLICATIONS.—Section 5125 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended—

(1) in subsection (a)—

(A) by striking "tribally designated housing entity" and inserting "recipient of assistance under the Native American Housing Assistance and Self-Determination Act of 1996";

(B) by striking "crime on the premises" and inserting "or violent crime in and around"; and

(C) by inserting before the period at the end the following: ", which plan shall be coordinated with and may be included in the public housing agency plan submitted to the Secretary pursuant to section 5A of the United States Housing Act of 1937";

(2) in subsection (b)—

(A) in the matter that precedes paragraph (1), by striking "Except as" and all that follows through "on—" and inserting the following: "The Secretary shall approve applications under subsection (b) that are not subject to a preference under subsection (b)(2)(A) on the basis of thresholds or criteria such as—"; and

(B) in paragraph (1), by striking "crime problem in" and inserting "or violent crime problem in and around";

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "subsection (b)" and inserting "subsection (c)"; and

(B) in paragraph (2), by inserting "or violent" after "drug-related" each place it appears;

(4) in subsection (d), by striking "subsection (b)" and inserting "subsection (c)";

(5) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively; and

(6) by inserting after subsection (a) the following new subsection:

"(b) 1-YEAR RENEWABLE GRANTS.—

"(1) IN GENERAL.—An eligible applicant that is a public housing agency may apply for a 1-year grant under this chapter that, subject to the availability of appropriated amounts, shall be renewed annually for a period of not more than 4 additional years, except that such renewal shall be contingent upon the Secretary finding, upon an annual or more frequent review, that the grantee agency is performing under the terms of the grant and applicable laws in a satisfactory manner and meets such other requirements as the Secretary may prescribe. The Secretary may adjust the amount of any grant received or renewed under this paragraph to take into account increases or decreases in amounts appropriated for these purposes or such other factors as the Secretary determines to be appropriate.

"(2) ELIGIBILITY AND PREFERENCE.—The Secretary may not provide assistance under this chapter to an applicant that is a public housing agency unless—

"(A) the agency will use the grants to continue or expand activities eligible for assistance under this chapter, as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, in which case the Secretary shall provide preference to such applicant; except that preference under this subparagraph shall not preclude selection by the Secretary of other meritorious applications that address urgent or serious crime problems nor be construed to require continuation of activities determined by the Secretary to be unworthy of continuation; or

"(B) the agency is in the class established under paragraph (3).

"(3) PHA'S HAVING URGENT OR SERIOUS CRIME PROBLEMS.—The Secretary shall, by regulations issued after notice and opportunity for public comment, set forth criteria for establishing a class of public housing agencies that have urgent or serious crime problems. The Secretary may reserve a portion of the amount appropriated to carry out this chapter in each fiscal year only for grants for public housing agencies in such class, except that any amounts from such portion reserved that are not obligated to agencies in the class shall be made available only for agencies that are subject to a preference under paragraph (2)(A).

"(4) INAPPLICABILITY TO FEDERALLY ASSISTED LOW-INCOME HOUSING.—The provisions of this subsection shall not apply to federally assisted low-income housing.".

(f) DEFINITIONS.—Section 5126 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11905) is amended by striking paragraph (5) and inserting the following new paragraph:

"(5) RECIPIENT.—The term 'recipient', when used in reference to the Native American Housing Assistance and Self-Determination Act of 1996, has the meaning given such term in section 4 of such Act.".

(g) REPORTS, MONITORING, AND FUNDING.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 is amended by striking sections 5127, 5128, 5129, and 5130 and inserting the following new sections:

"SEC. 5127. REPORTS.

"(a) GRANTEE REPORTS.—The Secretary shall require grantees under this chapter to provide periodic reports that include the obligation and expenditure of grant funds, the progress made by the grantee in implementing the plan described in section 5125(a), and any change in the incidence of drug-related crime in projects assisted under this chapter.

"(b) HUD REPORTS.—The Secretary shall submit a report to the Congress not later than 18 months after the date of the enactment of the Quality Housing and Work Responsibility Act of 1998 describing the system used to distribute funding to grantees under this section, which shall include descriptions of—

"(1) the methodology used to distribute amounts made available under this chapter among public housing agencies, including provisions used to provide for renewals of ongoing programs funded under this chapter; and

"(2) actions taken by the Secretary to ensure that amounts made available under this chapter are not used to fund baseline local government services, as described in section 5128(b).

"(c) NOTICE OF FUNDING AWARDS.—The Secretary shall cause to be published in the Federal Register notice of all grant awards made pursuant to this chapter, which shall identify the grantees and the amount of the grants. Such notice shall be published not less frequently than annually.

"SEC. 5128. MONITORING.

"(a) IN GENERAL.—The Secretary shall audit and monitor the programs funded under this chapter to ensure that assistance provided under this chapter is administered in accordance with the provisions of this chapter.

"(b) PROHIBITION OF FUNDING BASELINE SERVICES.—

"(1) IN GENERAL.—Amounts provided under this chapter may not be used to reimburse or support any local law enforcement agency or unit of general local government for the provision of services that are included in the baseline of services required to be provided by any such entity pursuant to a local cooperation agreement under section 5(e)(2) of the United States Housing Act of 1937 or any provision of an annual contributions contract for payments in lieu of taxation pursuant to section 6(d) of such Act.

"(2) DESCRIPTION.—Each public housing agency that receives grant amounts under this chapter shall describe, in the report under section 5127(a), such baseline of services for the unit of general local government in which the jurisdiction of the agency is located.

"(c) ENFORCEMENT.—The Secretary shall provide for the effective enforcement of this section, which may include the use of on-site monitoring, independent public audit requirements, certification by local law enforcement or local government officials regarding the performance

of baseline services referred to in subsection (b), and entering into agreements with the Attorney General to achieve compliance, and verification of compliance, with the provisions of this chapter.

"SEC. 5129. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this chapter $310,000,000 for fiscal year 1999, and such sums as may be necessary for fiscal years 2000, 2001, 2002, and 2003.

"(b) SET-ASIDE FOR FEDERALLY ASSISTED LOW-INCOME HOUSING.—Of any amounts made available in any fiscal year to carry out this chapter not more than 6.25 percent shall be available for grants for federally assisted low-income housing.

"(c) SET-ASIDE FOR TECHNICAL ASSISTANCE AND PROGRAM OVERSIGHT.—Of any amounts appropriated in any fiscal year to carry out this chapter, amounts shall be available to the extent provided in appropriations Acts to provide training, technical assistance, contract expertise, program oversight, program assessment, execution, and other assistance for or on behalf of public housing agencies, recipients of assistance under the Native American Housing Assistance and Self-Determination Act of 1996, resident organizations, and officials and employees of the Department (including training and the cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies, and to residents and to other eligible grantees). Assistance and other activities carried out using amounts made available under this subsection may be provided directly or indirectly by grants, contracts, or cooperative agreements.".

SEC. 587. REVIEW OF DRUG ELIMINATION PROGRAM CONTRACTS.

(a) REQUIREMENT.—The Secretary of Housing and Urban Development shall investigate all security contracts awarded by grantees under the Public and Assisted Housing Drug Elimination Act of 1990 (42 U.S.C. 11901 et seq.) that are public housing agencies that own or operate more than 4,500 public housing dwelling units—

(1) to determine whether the contractors under such contracts have complied with all laws and regulations regarding prohibition of discrimination in hiring practices;

(2) to determine whether such contracts were awarded in accordance with the applicable laws and regulations regarding the award of such contracts;

(3) to determine how many such contracts were awarded under emergency contracting procedures; and

(4) to evaluate the effectiveness of the contracts.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete the investigation required under subsection (a) and submit a report to the Congress regarding the findings under the investigation. With respect to each such contract, the report shall (1) state whether the contract was made and is operating, or was not made or is not operating, in full compliance with applicable laws and regulations, and (2) for each contract that the Secretary determines is in such compliance issue a certification of such compliance by the Secretary of Housing and Urban Development.

(c) ACTIONS.—For each contract that is described in the report under subsection (b) as not made or not operating in full compliance with applicable laws and regulations, the Secretary of Housing and Urban Development shall promptly take any actions available under law or regulation that are necessary—

(1) to bring such contract into compliance; or

(2) to terminate the contract.

(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 588. PROHIBITION ON USE OF ASSISTANCE FOR EMPLOYMENT RELOCATION ACTIVITIES.

Section 105 of the Housing and Community Development Act of 1974 (42 U.S.C. 5305) is amended by adding at the end the following new subsection:

"(h) PROHIBITION ON USE OF ASSISTANCE FOR EMPLOYMENT RELOCATION ACTIVITIES.—Notwithstanding any other provision of law, no amount from a grant under section 106 made in fiscal year 1999 or any succeeding fiscal year may be used to assist directly in the relocation of any industrial or commercial plant, facility, or operation, from 1 area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.".

SEC. 589. TREATMENT OF OCCUPANCY STANDARDS.

(a) ESTABLISHMENT OF POLICY.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall publish a notice in the Federal Register for effect that takes effect upon publication and provides that the specific and unmodified standards provided in the March 20, 1991, Memorandum from the General Counsel of the Department of Housing and Urban Development to all Regional Counsel shall be the policy of the Department of Housing and Urban Development with respect to complaints of discrimination under the Fair Housing Act (42 U.S.C. 3601 et seq.) on the basis of familial status which involve an occupancy standard established by a housing provider.

(b) PROHIBITION OF NATIONAL STANDARD.—The Secretary of Housing and Urban Development shall not directly or indirectly establish a national occupancy standard.

SEC. 590. INCOME ELIGIBILITY FOR HOME AND CDBG PROGRAMS.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall, for not less than 10 jurisdictions that are metropolitan cities or urban counties for purposes of title I of the Housing and Community Development Act of 1974, grant exceptions not later than 90 days after the date of the enactment of this Act for such jurisdictions that provide that—

(1) for purposes of the HOME investment partnerships program under title II of the Cranston-Gonzalez National Affordable Housing Act, the limitation based on percentage of median income that is applicable under section 104(10), 214(1)(A), or 215(a)(1)(A) for any area of the jurisdiction shall be the numerical percentage that is specified in such section; and

(2) for purposes of the community development block grant program under title I of the Housing and Community Development Act of 1974, the limitation based on percentage of median income that is applicable pursuant to section 102(a)(20) for any area within the State or unit of general local government shall be the numerical percentage that is specified in subparagraph (A) of such section.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC 591. REPORT ON SINGLE FAMILY AND MULTI-FAMILY HOMES.

(a) IN GENERAL.—Not later than 12 months after the date of the enactment of this Act, the Inspector General of the Department of Housing and Urban Development shall submit to the Congress a report, which shall include information relating to—

(1) with respect to 1- to 4-family dwellings owned by the Department of Housing and Urban Development, on a monthly average basis—

(A) the total number of units in those dwellings;

(B) the number and percentage of units in those dwellings that are unoccupied, and their average period of vacancy, and the number and percentage of units in those dwellings that have been unoccupied for more than 1 year, as of that date; and

(C) the number and percentage of units in those projects that are determined by the Inspector General to be substandard, based on any—

(i) lack of hot or cold piped water;

(ii) lack of working toilets;

(iii) regular and prolonged breakdowns in heating;

(iv) dangerous electrical problems;

(v) unsafe hallways or stairways;

(vi) leaking roofs, windows, or pipes;

(vii) open holes in walls and ceilings; and

(viii) indications of rodent infestation; and

(2) with respect to multifamily housing projects (as that term is defined in section 203 of the Housing and Community Development Amendments of 1978) owned by the Department of Housing and Urban Development on a monthly average basis—

(A) the total number of units in those projects;

(B) the number and percentage of units in those projects that are unoccupied, and their average period of vacancy, and the number and percentage of units in those projects that have been unoccupied for more than 1 year, as of that date; and

(C) the number and percentage of units in those projects that are determined by the Inspector General to be substandard, based on any—

(i) lack of hot or cold piped water;

(ii) lack of working toilets;

(iii) regular and prolonged breakdowns in heating;

(iv) dangerous electrical problems;

(v) unsafe hallways or stairways;

(vi) leaking roofs, windows, or pipes;

(vii) open holes in walls and ceilings; and

(viii) indications of rodent infestation; and

(3) the Department's plans and operations to address vacancies and substandard physical conditions described in paragraphs (1) and (2).

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 592. USE OF ASSISTED HOUSING BY ALIENS.

(a) IN GENERAL.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) in subsection (b)(2), by striking "Secretary of Housing and Urban Development" and inserting "applicable Secretary";

(2) in subsection (c)(1)(B), by moving clauses (ii) and (iii) 2 ems to the left;

(3) in subsection (d)—

(A) in paragraph (1)(A)—

(i) by striking "Secretary of Housing and Urban Development" and inserting "applicable Secretary"; and

(ii) by striking "the Secretary" and inserting "the applicable Secretary";

(B) in paragraph (2), in the matter following subparagraph (B)—

(i) by inserting "applicable" before "Secretary"; and

(ii) by moving such matter (as so amended by clause (i)) 2 ems to the right;

(C) in paragraph (4)(B)(ii), by inserting "applicable" before "Secretary";

(D) in paragraph (5), by striking "the Secretary" and inserting "the applicable Secretary"; and

(E) in paragraph (6), by inserting "applicable" before "Secretary";

(4) in subsection (h) (as added by section 576 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208))—

(A) in paragraph (1)—

(i) by striking "Except in the case of an election under paragraph (2)(A), no" and inserting "No";

(ii) by striking "this section" and inserting "subsection (d)"; and

(iii) by inserting "applicable" before "Secretary"; and

(B) in paragraph (2)—

(i) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) may, notwithstanding paragraph (1) of this subsection, elect not to affirmatively establish and verify eligibility before providing financial assistance"; and

(ii) in subparagraph (B), by striking "in complying with this section" and inserting "in carrying out subsection (d)"; and

(5) by redesignating subsection (h) (as amended by paragraph (4)) as subsection (i).

(b) EFFECTIVE DATE.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 593. PROTECTION OF SENIOR HOMEOWNERS UNDER REVERSE MORTGAGE PROGRAM.

(a) MORTGAGE INSURANCE AUTHORITY.—Section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)) is amended by striking the first 2 sentences and inserting the following new sentence: "The aggregate number of mortgages insured under this section may not exceed 150,000.".

(b) OTHER APPROACHES TO CONSUMER EDUCATION.—Section 255(f) of the National Housing Act (12 U.S.C. 1715z–20(f)) is amended by adding after paragraph (5) the following:

"The Secretary shall consult with consumer groups, industry representatives, representatives of counseling organizations, and other interested parties to identify alternative approaches to providing consumer information required by this subsection that may be feasible and desirable for home equity conversion mortgages insured under this section and other types of reverse mortgages. The Secretary may, in lieu of providing the consumer education required by this subsection, adopt alternative approaches to consumer education that may be developed as a result of such consultations, but only if the alternative approaches provide all of the information specified in this subsection.".

(c) FUNDING FOR COUNSELING AND CONSUMER EDUCATION AND OUTREACH.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended by adding at the end the following new subsection:

"(l) FUNDING FOR COUNSELING AND CONSUMER EDUCATION AND OUTREACH.—Of any amounts made available for any of fiscal years 2000 through 2003 for housing counseling under section 106 of the Housing and Urban Development Act of 1968, up to a total of $1,000,000 shall be available to the Secretary in each such fiscal year, in such amounts as the Secretary determines appropriate, for the following purposes in connection with home equity conversion mortgages insured under this section:

"(1) COUNSELING.—For housing counseling authorized by section 106 of the Housing and Urban Development Act of 1968.

"(2) CONSUMER EDUCATION.—For transfer to the departmental salaries and expenses account for consumer education and outreach activities.".

(d) CONFORMING AMENDMENTS.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended—

(1) in the section heading, by striking "DEMONSTRATION PROGRAM OF";

(2) in subsections (a) and (i)(1), by striking "demonstration" each place it appears;

(3) in subsection (a)—

(A) in paragraph (1), by inserting "and" after the semicolon at the end;

(B) in paragraph (2), by striking "; and" at the end and inserting a period; and

(C) by striking paragraph (3);

(4) by striking subsection (k) (relating to reports to Congress); and

(5) by redesignating subsection (l) (as added by subsection (c) of this section) as subsection (k).

(e) DISCLOSURE REQUIREMENTS AND PROHIBITION OF FUNDING OF UNNECESSARY OR EXCESSIVE COSTS.—

(1) IN GENERAL.—Section 255(d) of the National Housing Act (12 U.S.C. 1715z–20(d)) is amended—

(A) in paragraph (2)—

(i) in subparagraph (B), by striking "and" at the end;

(ii) by redesignating subparagraph (C) as subparagraph (D); and

(iii) by inserting after subparagraph (B) the following:

"(C) has received full disclosure, as prescribed by the Secretary, of all costs charged to the mortgagor, including costs of estate planning, financial advice, and other services that are related to the mortgage but are not required to obtain the mortgage, which disclosure shall clearly state which charges are required to obtain the mortgage and which are not required to obtain the mortgage; and"

(B) in paragraph (9)(F), by striking "and";

(C) in paragraph (10), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(11) have been made with such restrictions as the Secretary determines to be appropriate to ensure that the mortgagor does not fund any unnecessary or excessive costs for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services.".

(2) IMPLEMENTATION.—

(A) NOTICE.—The Secretary of Housing and Urban Development shall, by interim notice, implement the amendments made by paragraph (1) in an expeditious manner, as determined by the Secretary. Such notice shall not be effective after the date of the effectiveness of the final regulations issued under subparagraph (B) of this paragraph.

(B) REGULATIONS.—The Secretary shall, not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, issue final regulations to implement the amendments made by paragraph (1). Such regulations shall be issued only after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2) and (b)(3)(B) of such section).

(f) EFFECTIVE DATE.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 594. 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, 2000".

(b) 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).".

(c) EFFECTIVE DATE.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 595. NATIVE AMERICAN HOUSING ASSISTANCE.

(a) SUBSIDY LAYERING CERTIFICATION.—Section 206 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4136) is amended—

(1) by striking "certification by the Secretary" and inserting "certification by a recipient to the Secretary"; and

(2) by striking "any housing project" and inserting "the housing project involved".

(b) INCLUSION OF HOMEBUYER SELECTION POLICIES AND CRITERIA.—Section 207(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4137(b)) is amended—

(1) by striking "TENANT SELECTION.—" and inserting "TENANT AND HOMEBUYER SELECTION.—";

(2) in the matter preceding paragraph (1), by inserting "and homebuyer" after "tenant"; and

(3) in paragraph (3)(A), by inserting "and homebuyers" after "tenants".

(c) REPAYMENT OF GRANT AMOUNTS FOR VIOLATION OF AFFORDABLE HOUSING REQUIREMENT.—Section 209 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4139) is amended by striking "section 205(2)" and inserting "section 205(a)(2)".

(d) AMENDMENT TO UNITED STATES HOUSING ACT OF 1937.—Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e) is amended by striking subsection (h).

(e) MISCELLANEOUS.—

(1) DEFINITION OF INDIAN AREAS.—Section 4(10) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(10)) is amended to read as follows:

"(10) INDIAN AREA.—The term 'Indian area' means the area within which an Indian tribe or a tribally designated housing entity, as authorized by 1 or more Indian tribes, provides assistance under this Act for affordable housing.".

(2) CROSS-REFERENCE.—Section 4(12)(C)(i)(II) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(12)(C)(i)(II)) is amended by striking "section 107" and inserting "section 705".

(3) LOCAL COOPERATION AGREEMENTS.—Section 101(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(c)) is amended to read as follows:

"(c) LOCAL COOPERATION AGREEMENT.—Notwithstanding any other provision of this Act, grant amounts provided under this Act on behalf of an Indian tribe may not be used for rental or lease-purchase homeownership units that are owned by the recipient for the tribe unless the governing body of the locality within which the property subject to the development activities to be assisted with the grant amounts is or will be situated has entered into an agreement with the recipient for the tribe providing for local cooperation required by the Secretary pursuant to this Act.".

(4) EXEMPTION FROM TAXATION.—Section 101(d) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(d)) is amended—

(A) by striking the subsection designation and subsection heading and all that follows through the end of paragraph (1) and inserting the following:

"(d) EXEMPTION FROM TAXATION.—Notwithstanding any other provision of this Act, grant amounts provided under this Act on behalf of an Indian tribe may not be used for affordable housing activities under this Act for rental or lease-purchase dwelling units developed under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) or with amounts provided under

this Act that are owned by the recipient for the tribe unless—

"(1) such dwelling units (which, in the case of units in a multi-unit project, shall be exclusive of any portions of the project not developed under the United States Housing Act of 1937 or with amounts provided under this Act) are exempt from all real and personal property taxes levied or imposed by any State, tribe, city, county, or other political subdivision; and"; and

(B) in paragraph (2), in the matter preceding subparagraph (A), by inserting "for the tribe" after "the recipient".

(5) SUBMISSION OF INDIAN HOUSING PLAN.—Section 102(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112(a)) is amended—

(A) in paragraph (1), by inserting "(A)" after "(1)";

(B) in paragraph (1)(A), as so designated by subparagraph (A) of this paragraph, by adding "or" at the end;

(C) by striking "(2)" and inserting "(B)"; and

(D) by striking "(3)" and inserting "(2)".

(6) CLARIFICATION.—Section 103(c)(3) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4113(c)(3)) is amended by inserting "not" before "prohibited".

(7) APPLICABILITY OF PROVISIONS OF CIVIL RIGHTS.—Section 201(b)(5) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4131(b)(5)) is amended—

(A) by striking "Indian tribes" and inserting "federally recognized tribes and the tribally designated housing entities of those tribes"; and

(B) by striking "under this subsection" and inserting "under this Act".

(8) ELIGIBILITY.—Section 205(a)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4135(a)(1)) is amended—

(A) in subparagraph (A), by striking "and" at the end; and

(B) by striking subparagraph (B) and inserting the following:

"(B) in the case of a contract to purchase existing housing, is made available for purchase only by a family that is a low-income family at the time of purchase;

"(C) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, is made available for lease-purchase only by a family that is a low-income family at the time the agreement is entered into; and

"(D) in the case of a contract to purchase housing to be constructed, is made available for purchase only by a family that is a low-income family at the time the contract is entered into; and".

(9) TENANT SELECTION.—Section 207(b)(3)(B) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4137(b)(3)(B)) is amended by striking "of any rejected applicant of the grounds for any rejection" and inserting "to any rejected applicant of that rejection and the grounds for that rejection".

(10) AVAILABILITY OF RECORDS.—Section 208 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4138) is amended—

(A) in subsection (a), by striking "paragraph (2)" and inserting "subsection (b)"; and

(B) in subsection (b), by striking "paragraph (1)" and inserting "subsection (a)".

(11) IHP REQUIREMENT.—Section 184(b)(2) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(b)(2)) is amended by striking "that is under the jurisdiction of an Indian tribe" and all that follows before the period at the end.

(12) AUTHORIZATION OF APPROPRIATIONS.—Section 184(i)(5)(C) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(i)(5)(C)) is amended by striking "note" and inserting "not".

(13) ENVIRONMENTAL REVIEW UNDER THE INDIAN HOUSING LOAN GUARANTEE PROGRAM.—Section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a) is amended—

(A) by redesignating subsection (k) as subsection (l); and

(B) by inserting after subsection (j) the following:

"(k) ENVIRONMENTAL REVIEW.—For purposes of environmental, review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and any other law that furthers the purposes of that Act, a loan guarantee under this section shall—

"(1) be treated as a grant under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.); and

"(2) be subject to the regulations promulgated by the Secretary to carry out section 105 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4115).".

(14) PUBLIC AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Title IV of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161 et seq.) is amended by adding at the end the following:

"SEC. 408. PUBLIC AVAILABILITY OF INFORMATION.

"Each recipient shall make any housing plan, policy, or annual report prepared by the recipient available to the general public.".

(B) TABLE OF CONTENTS.—Section 1(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 note) is amended in the table of contents by inserting after the item relating to section 407 the following:

"Sec. 408. Public availability of information.".

(15) INELIGIBILITY OF INDIAN TRIBES.—Section 460 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899h–1) is amended by striking "fiscal year 1997" and inserting "fiscal year 1998".

(16) TREATMENT OF PREVIOUS AMENDMENTS.—Section 402 of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note) is amended by striking subsection (e).

(f) EFFECTIVE DATE.—The amendments made by this section are made and shall apply beginning upon the date of the enactment of this Act.

SEC. 596. CDBG PUBLIC SERVICES CAP.

(a) IN GENERAL.—Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking "1998" and inserting "2000".

(b) EFFECTIVE DATE.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 597. MODERATE REHABILITATION PROGRAM.

(a) REPROGRAMMING.—Notwithstanding any other provision of law, but only to the extent specifically provided in advance in a subsequent appropriations Act, the Secretary of Housing and Urban Development shall reprogram funds under contracts NY36K113004 and NY36K113005 of the Department of Housing and Urban Development and shall allocate such funds to the City of New Rochelle, New York. Such allocation shall be consistent with the requirements of the HOME Investment Partnerships Act. This section shall take effect on the date of the enactment of this Act.

(b) EXCEPTION PROJECTS.—Section 524(a)(2) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended—

(1) by inserting "and subject to section 516 of this subtitle" after "Notwithstanding paragraph (1)"; and

(2) by striking "the base rent adjusted by an operating cost adjustment factor established by the Secretary" and inserting "the lesser of existing rents, adjusted by an operating cost adjustment factor established by the Secretary, fair market rents (less any amounts allowed for tenant-purchased utilities), or comparable market rents for the market area".

(c) EFFECTIVE DATE.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 598. NATIONAL CITIES IN SCHOOLS PROGRAM.

From amounts that are or have been recaptured in the Annual Contributions for Assisted Housing account, before any rescissions of such amounts, $5,000,000, shall be transferred to the National Cities in Schools Community Development Program account, to remain available until expended, that the Secretary of Housing and Urban Development shall make available to carry out the National Cities in Schools Community Development Program under section 930 of the Housing and Community Development Act of 1992 (Public Law 102–550, 106 Stat. 3672, 3887). This section shall take effect on the date of the enactment of this Act.

SEC. 599. TENANT PARTICIPATION IN MULTI-FAMILY HOUSING PROJECTS.

(a) IN GENERAL.—The last sentence of subsection (a) of section 202 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1b(a)) is amended by inserting before the period at the end the following: ", or a project which receives project-based assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) or enhanced vouchers under the Low-Income Housing Preservation and Resident Homeownership Act of 1990, the provisions of the Emergency Low Income Housing Preservation Act of 1987, or the Multifamily Assisted Housing Reform and Affordability Act of 1997".

(b) APPLICABILITY.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599A. CLARIFICATION REGARDING RECREATIONAL VEHICLES.

(a) IN GENERAL.—Section 603(6) of the Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402(6)) is amended by inserting before the semicolon at the end the following: "; and except that such term shall not include any self-propelled recreational vehicle".

(b) APPLICABILITY.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599B. DETERMINATION OF LOW-INCOME ELIGIBILITY FOR HOMEOWNERSHIP ASSISTANCE.

(a) INCOME TARGETING.—Section 214(2) of the Cranston-Gonzalez National Affordable Housing Act is amended by striking "at the time of occupancy or at the time funds are invested, whichever is later".

(b) QUALIFICATION AS AFFORDABLE HOUSING.—Section 215(b)(2) of such Act is amended to read as follows:

"(2) is the principal residence of an owner whose family qualifies as a low-income family—

"(A) in the case of a contract to purchase existing housing, at the time of purchase;

"(B) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

"(C) in the case of a contract to purchase housing to be constructed, at the time the contract is signed;".

(c) APPLICABILITY.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599C. AMENDMENTS TO RURAL HOUSING PROGRAMS.

(a) PERMANENT EXTENSION OF UNDERSERVED AREAS PROGRAM.—Section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended—

(1) in the first sentence, by striking "fiscal year 1998" and inserting "each fiscal year"; and

(2) in the second sentence, by striking "such fiscal year" and inserting "each fiscal year".

(b) PERMANENT EXTENSION OF SECTION 515 PROGRAM.—

(1) AUTHORITY TO MAKE LOANS.—Section 515(b) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(2) SET-ASIDE FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking "fiscal year 1998" and inserting "each fiscal year".

(c) LOAN GUARANTEE PROGRAM FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.—Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (t), by striking "fiscal year 1998" and inserting "each fiscal year"; and

(2) by striking subsection (u) and inserting the following new subsection:

"(u) TAX-EXEMPT FINANCING.—The Secretary may not deny a guarantee under this section on the basis that the interest on the loan or on an obligation supporting the loan for which a guarantee is sought is exempt from inclusion in gross income for purposes of chapter I of the Internal Revenue Code of 1986.".

(d) FARM LABOR HOUSING ELIGIBILITY FOR LOW-INCOME HOUSING TAX CREDIT FINANCING.—The first sentence of section 514(a) of the Housing Act of 1949 (42 U.S.C. 1484(a)) is amended by inserting ", or any nonprofit limited partnership in which the general partner is a nonprofit entity," after "private nonprofit organization".

(e) OPTIONAL CONVERSION OF RENTAL ASSISTANCE PAYMENTS TO OPERATING SUBSIDY FOR MIGRANT FARMWORKER PROJECTS.—

(1) IN GENERAL.—Section 521(a) of the Housing Act of 1949 (42 U.S.C. 1490(a)) is amended by adding at the end the following new paragraph:

"(5) OPERATING ASSISTANCE FOR MIGRANT FARMWORKER PROJECTS.—

"(A) AUTHORITY.—In the case of housing (and related facilities) for migrant farmworkers provided or assisted with a loan under section 514 or a grant under section 516, the Secretary may, at the request of the owner of the project, use amounts provided for rental assistance payments under paragraph (2) to provide assistance for the costs of operating the project. Any project assisted under this paragraph may not receive rental assistance under paragraph (2).

"(B) AMOUNT.—In any fiscal year, the assistance provided under this paragraph for any project shall not exceed an amount equal to 90 percent of the operating costs for the project for the year, as determined by the Secretary. The amount of assistance to be provided for a project under this paragraph shall be an amount that makes units in the project available to migrant farmworkers in the area of the project at rates not exceeding 30 percent of the monthly adjusted incomes of such farmworkers, based on the prevailing incomes of such farmworkers in the area.

"(C) SUBMISSION OF INFORMATION.—The owner of a project assisted under this paragraph shall be required to provide to the Secretary, at least annually, a budget of operating expenses and estimated rental income, which the Secretary may use to determine the amount of assistance for the project.

"(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

"(i) The term 'migrant farmworker' has the same meaning given such term in section 516(k)(7).

"(ii) The term 'operating cost' means expenses incurred in operating a project, including expenses for—

"(I) administration, maintenance, repair, and security of the project;

"(II) utilities, fuel, furnishings, and equipment for the project; and

"(III) maintaining adequate reserve funds for the project.".

(2) CONFORMING AMENDMENTS.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended—

(A) in section 502—

(i) in subsection (c)(1)(A)(i), by striking "or (a)(2)" and inserting ", (a)(2), or (5)";

(ii) in subsection (c)(4)(B)(ii), by inserting before the period at the end the following: ", or additional assistance or an increase in assistance provided under section 521(a)(5)";

(iii) in subsection (c)(4)(B)(iii), by "or 521(a)(5)" after "section 521(a)(2)";

(iv) in subsection (c)(4)(B)(v), by inserting before the period at the end the following: ", or current tenants of projects not assisted under section 521(a)(5)";

(v) in subsection (c)(5)(C)(iii)—

(I) by striking the second comma; and

(II) by inserting "or any assistance payments received under section 521(a)(5)," before "with respect"; and

(vi) in subsection (c)(5)(D), by inserting before the period at the end the following: "or, in the case of housing assisted under section 521(a)(5), does not exceed the rents established for the project under such section";

(B) in the second sentence of subparagraph (A) of section 509(f)(4), by striking "an amount of section 521 rental assistance" and inserting "from amounts available for assistance under paragraphs (2) and (5) of section 521(a), an amount";

(C) in section 513(c)(2)—

(i) in the matter preceding subparagraph (A), by inserting "or contracts for operating assistance under section 521(a)(5)" after "section 521(a)(2)(A)";

(ii) in subparagraph (A), by inserting "or operating assistance contracts" after "contracts";

(iii) in subparagraph (B), by striking "rental" each place it appears; and

(iv) in subparagraph (C), by inserting "or operating assistance contracts" after "contracts";

(D) in section 521(a)(2)(B)—

(i) by inserting "or paragraph (5)" after "this paragraph"; and

(ii) by striking "which shall" and all that follows through the period at the end and inserting the following: ". The budget (and the income, in the case of a project assisted under this paragraph) shall be used to determine the amount of the assistance for each project.";

(E) in section 521(c), by striking "subsection (a)(2)" and inserting "subsections (a)(2) and (a)(5)";

(F) in section 521(e), by inserting after "recipient" the following: "or any tenant in a project assisted under subsection (a)(5)"; and

(G) in section 530, by striking "rental assistance payments with respect to such project under section 521(a)(2)(A)" and inserting "assistance payments with respect to such project under section 521(a)(2)(A) or 521(a)(5)".

(f) RURAL HOUSING GUARANTEED LOANS.—Section 502(h)(6)(C) of the Housing Act of 1949 (42 U.S.C. 1472(h)(6)(C)) is amended by striking ", subject to the maximum dollar amount limitation of section 203(b)(2) of the National Housing Act" each place it appears.

(g) APPLICABILITY.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599D. REAUTHORIZATION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) PROGRAM EXPIRATION.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking "September 30, 1998" and inserting "September 30, 2001".

(b) EMERGENCY IMPLEMENTATION OF PROGRAM.—Section 1336(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4056(a)) is amended by striking "September 30, 1998" and inserting "September 30, 2001".

(c) APPLICABILITY.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599E. ASSISTANCE FOR SELF-HELP HOUSING PROVIDERS

(a) NATIONAL COMPETITIVE GRANTS.—Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended—

(1) in subsection (a), by striking "to—" and all that follows and inserting the following: "to national and regional organizations and consortia that have experience in providing or facilitating self-help housing homeownership opportunities.";

(2) in subsection (b)—

(A) in paragraph (4), by striking "Habitat for Humanity, its affiliates, and other"; and

(B) in paragraph (5), by striking "similar to the homeownership program carried out by Habitat for Humanity International,";

(3) by striking subsection (c) and inserting the following new subsection:

"(c) NATIONAL COMPETITION.—The Secretary shall select organizations and consortia referred to in subsection (a) to receive grants through a national competitive process, which the Secretary shall establish.";

(4) in subsection (e), by striking paragraph (2) and inserting the following new paragraph:

"(2) ASSISTANCE TO AFFILIATES.—Any organization or consortia that receives a grant under this section may use amounts in the fund established for such organization or consortia pursuant to paragraph (1) for the purposes under subsection (d) by providing assistance from the fund to local affiliates of such organization or consoria.";

(5) in subsection (f)—

(A) in the subsection heading, by striking "to Other Organizations"; and

(B) in the matter preceding paragraph (1), by striking "subsection (a)(2)" and inserting "subsection (a)";

(6) by striking subsection (g);

(7) in subsection (h)—

(A) by striking the first sentence; and

(B) in the second sentence, by striking "subsection (a)(2)" and inserting "subsection (a)";

(8) in subsection (i)(5), by inserting "(or, in the case of grant amounts from amounts made available for fiscal year 1996 to carry out this section, within 36 months)" before the comma;

(9) in subsection (j), by inserting "(or, in the case of grant amounts from amounts made available for fiscal year 1996 to carry out this section, within 36 months)" before the second comma;

(10) in subsection (k)(1), by striking "under subsection (a)(1) or (a)(2)";

(11) by redesignating subsection (p) as subsection (q);

(12) by inserting after subsection (o) the following new subsection:

"(p) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be

appropriated for fiscal years 1999 and 2000 such sums as may be necessary.''; and

(13) in the section heading, by striking ***''HABITAT FOR HUMANITY AND OTHER''.***

(b) SAVINGS PROVISIONS.—Notwithstanding the amendments made by subsection (a), any grant under section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) from amounts appropriated in fiscal year 1998 or any prior fiscal year shall be governed by the provisions of such section 11 as in effect immediately before the enactment of this Act, except that the amendments made by paragraphs (8) and (9) of subsection (a) of this section shall apply to such grants.

(c) EFFECTIVE DATE.—This section shall take effect, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599F. SPECIAL MORTGAGE INSURANCE ASSISTANCE.

(a) IN GENERAL.—Section 237 of the National Housing Act (12 U.S.C. 1715z-2) is amended—

(1) in subsection (b), by inserting ''not more than 26 percent of the total principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve) of'' before ''any mortgage'';

(2) in paragraph (c)(2) by striking ''$18,000:'' and all that follows through the end of the paragraph and inserting ''$70,000;'';

(3) in paragraph (c)(3)—

(A) by inserting '', prior to and during the 12 months immediately following the purchase of the property, from a community development financial institution under section 103(5) of the Community Development Banking and Financial Institutions Act of 1994'' after ''budget, debt management, and related counseling''; and

(B) by striking ''and'' at the end;

(4) in paragraph (c)(4)—

(A) by striking ''25'' and inserting ''36''; and

(B) by striking the period and inserting ''; and'';

(5) in subsection (c), by adding at the end the following new paragraphs:

''(5) require the mortgagor to be subject, if necessary, to a default mitigation effort undertaken by an intermediary community development financial institution under section 103(5) of the Community Development Banking and Financial Institutions Act of 1994, that is acting as a sponsor and pass-through of insurance under section 203 and is approved by the Secretary;

''(6) involve a total principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve) that is not more than 90 percent of the value of the property for which the mortgage is provided; and

''(7) involve a total principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve) in which the mortgagor has equity (as defined by the Secretary) of not less than 10 percent and such equity shall be subordinate to the interest of the Secretary in the mortgaged property.'';

(6) in subsection (d), by striking ''and (2)'' and inserting ''(2) to families living in empowerment zones and enterprise communities (as those terms are defined in section 1393(b) of the Internal Revenue Code of 1986 (26 U.S.C. 1393(b)) who are eligible for homeownership assistance, and (3)'';

(7) in subsection (e), by striking ''public or private organizations'' and inserting ''community development financial institutions under section 103(5) of the Community Development Banking and Financial Institutions Act of 1994'';

(8) in subsection (f), by striking ''all mortgages'' and inserting ''the portions of mortgages'';

(9) by redesignating subsection (g) as subsection (j); and

(10) by inserting after subsection (f), the following new subsections:

''(g) Mortgages insured under this section shall be subject to an insurance premium fee of not more than 1.25 percent of the total mortgage principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve).

''(h) Before insuring a mortgage under this section, the Secretary shall enter into such contracts or other agreements as may be necessary to ensure that the mortgagee or other holder of the mortgage shall assume not less than 10 percent and not more than 50 percent of any loss on the insured mortgage, subject to any reasonable limit on the liability of the mortgagee or holder of the mortgage that may be specified in the event of unusual or catastrophic losses that may be incurred by any one mortgagee or mortgage holder.

''(i) No guarantees may be issued under section 306(g) for the timely payment of interest or principal on securities backed, in whole or in part, by mortgages insured under this section.''.

(b) EFFECTIVE DATE.—The amendments under by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599G. REHABILITATION DEMONSTRATION GRANT PROGRAM.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall, to the extent amounts are provided in appropriation Acts to carry out this section, carry out a program to demonstrate the effectiveness of making grants for rehabilitation of single family housing located within 10 demonstration areas designated by the Secretary. Of the areas designated by the Secretary under this section—

(1) 6 shall be areas that have primarily urban characteristics;

(2) 3 shall be areas that are outside of a metropolitan statistical area; and

(3) 1 shall be an area that has primarily rural characteristics.

In selecting areas, the Secretary shall provide for national geographic and demographic diversity.

(b) GRANTEES.—Grants under the program under this section may be made only to agencies of State and local governments and non-profit organizations operating within the demonstration areas.

(c) SELECTION CRITERIA.—In selecting among applications for designation of demonstration areas and grants under this section, the Secretary shall consider—

(1) the extent of single family residences located in the proposed area that have rehabilitation needs;

(2) the ability and expertise of the applicant in carrying out the purposes of the demonstration program, including the availability of qualified housing counselors and contractors in the proposed area willing and able to participate in rehabilitation activities funded with grant amounts;

(3) the extent to which the designation of such area and the grant award would promote affordable housing opportunities;

(4) the extent to which selection of the proposed area would have a beneficial effect on the neighborhood or community in the area and on surrounding areas;

(5) the extent to which the applicant has demonstrated that grant amounts will be used to leverage additional public or private funds to carry out the purposes of the demonstration program;

(6) the extent to which lenders (including local lenders and lenders outside the proposed area) are willing and able to make loans for rehabilitation activities assisted with grant funds; and

(7) the extent to which the application provides for the involvement of local residents in the planning of rehabilitation activities in the demonstration area.

(d) USE OF GRANT FUNDS.—Funds from grants made under this section may be used by grantees—

(1) to subsidize interest on loans, over a period of not more than 5 years from the origination date of the loan, made after the date of the enactment of this Act for rehabilitation of any owner-occupied 1- to 4-family residence, including the payment of interest during any period in which a residence is uninhabitable because of rehabilitation activities;

(2) to facilitate loans for rehabilitation of 1- to 4-family properties previously subject to a mortgage insured under the National Housing Act that has been foreclosed or for which insurance benefits have been paid, including to establish revolving loan funds, loan loss reserves, and other financial structures; and

(3) to provide technical assistance in conjunction with the rehabilitation of owner-occupied 1- to 4-family residences, including counseling, selection contractors, monitoring of work, approval of contractor payments, and final inspection of work.

(e) DEFINITION OF REHABILITATION.—For purposes of this section, the term ''rehabilitation'' has the meaning given such term in section 203(k)(2)(B) of the National Housing Act (12 U.S.C. 1709(k)(2)(B)).

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2003.

(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 599H. ASSISTANCE FOR CERTAIN LOCALITIES.

(a) USE OF HOME FUNDS FOR PUBLIC HOUSING MODERNIZATION.—Notwithstanding section 212(d)(5) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(d)(5)), amounts made available to the City of Bismarck, North Dakota or the State of North Dakota, under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) for fiscal year 1998, 1999, 2000, 2001, or 2002, may be used to carry out activities authorized under section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) for the purpose of modernizing the Crescent Manor public housing project located at 107 East Bowen Avenue, in Bismarck, North Dakota, if—

(1) the Burleigh County Housing Authority (or any successor public housing agency that owns or operates the Crescent Manor public housing project) has obligated all other Federal assistance made available to that public housing agency for that fiscal year; or

(2) the Secretary of Housing and Urban Development authorizes the use of those amounts for the purpose of modernizing that public housing project, which authorization may be made with respect to 1 or more of those fiscal years.

(b) CONSULTATION WITH AFFECTED AREAS IN SETTLEMENT OF LITIGATION.—In negotiating any settlement of, or consent decree for, significant litigation regarding public housing or section 8 tenant-based assistance that involves the Secretary and any public housing agency or any unit of general local government, the Secretary shall seek the views of any units of general local government and public housing agencies having jurisdictions that are adjacent to the jurisdiction of the public housing agency involved, if the resolution of such litigation would involve the acquisition or development of public housing

dwelling units or the use of vouchers under section 8 of the United States Housing Act of 1937 in jurisdictions that are adjacent to the jurisdiction of the public housing agency involved in the litigation.

(c) TREATMENT OF PHA REPAYMENT AGREEMENT.—

(1) 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.

(2) ALTERNATIVE REPAYMENT OPTIONS.—During the period referred to in paragraph (1), the Secretary shall assist the housing authority referred to in such paragraph to identify alternative repayment options to the plan referred to in such paragraph and to execute an amended repayment plan that will not adversely affect the housing referred to in such paragraph.

(3) RULE OF CONSTRUCTION.—This subsection may not be construed to alter—

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

(B) the obligation of the housing authority referred to in paragraph (1) 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).

(d) CEILING RENTS FOR CERTAIN SECTION 8 PROPERTIES.—Notwithstanding any other provision of law, within 30 days after the date of the enactment of this Act, the Secretary shall establish ceiling rents for the Marshall Field Garden Apartments Homes in Chicago, Illinois, at rent levels, in the determination of the Secretary made in consultation with the owner, that facilitate retaining or attracting working class families.

(e) APPLICATION FOR MOVING TO WORK DEMONSTRATION PROGRAM.—Upon the submission of an application for participation in the moving to work demonstration program under section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996; 42 U.S.C. 1437f note) by the Charlotte Housing Authority of Charlotte, North Carolina, or the Housing Authority of the City of Pittsburgh, Pennsylvania, the Secretary of Housing and Urban Development shall—

(1) consider such application, notwithstanding—

(A) the limitation under subsection (b) of such section on the number of public housing agencies that may participate in such program; or

(B) any limitation regarding the date for the submission of applications for participation in such program; and

(2) approve or disapprove the application based on the criteria for selection for participation in such program, notwithstanding the limitations referred to in paragraph (1) of this subsection.

(f) USE OF PROJECT TO BENEFIT LOW-INCOME PERSONS.—The project funded by the Secretary of Housing and Urban Development under the supportive housing program of title IV of the Stewart B. McKinney Homeless Assistance Act through grant number FL 29T90-1285 (commonly known as Royal Pointe) shall be considered to have been approved pursuant to section 423(b)(3) of such Act as of December 31, 1995 for use for the direct benefit of low-income persons.

(g) RURAL HOUSING ASSISTANCE.—The last sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended by inserting before the period the following: ", and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this title until the receipt of data from the decennial census in the year 2000".

(h) FUNDING FOR PURCHASE AND CONVERSION OF EXISTING ASSISTED HOUSING.—Notwithstanding any other provision of law, and only to the extent specifically provided in a subsequent appropriations Act, from any amounts previously appropriated for Annual Contributions for Assisted Housing or for the Public Housing Capital Fund and not obligated by the Secretary, the Secretary may make available to the Lockport Housing Authority in Lockport, New York, such sums as may be necessary for use in accordance with section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c) for the purchase and rehabilitation of a project that is assisted under section 8 of such Act and located on a site contiguous to the site of a public housing project administered by the agency.

(i) RURAL AND TRIBAL ASSISTANCE.—From the amounts that were made available to the Secretary under the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998, for grants for rural and tribal areas pursuant to the 5th undesignated paragraph of the heading "COMMUNITY PLANNING AND DEVELOPMENT—COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS" (Public Law 105-65; 111 Stat. 1357), the Secretary shall provide from any amounts remaining unobligated—

(1) $2,800,000 for seed money for a multi-State rural homeownership campaign administered by the Rural Opportunities Affordable Housing Finance Alliance; and

(2) $500,000 to the Rural Housing Institute of the Muscatine Center for Strategic Action.

Notwithstanding any other provision of this Act, this subsection shall take affect only to the extent specifically provided in a subsequent appropriations Act.

(j) COMMUNITY SERVICES DEMONSTRATION.—

(1) AUTHORITY.—The Secretary of Housing and Urban Development shall, to the extent amounts are appropriated to carry out this subsection, provide financial assistance to the Bethune-Cookman College in Volusia County, Florida (in this subsection referred to as the "College"), in accordance with the provisions of this subsection, for the College to establish and operate, as a national demonstration, the Bethune-Cookman Community Services Student Union Center.

(2) USE.—Any financial assistance provided to the College pursuant to this subsection shall be used by the College for the construction, maintenance, and endowment of the Bethune-Cookman Community Services Student Union Center through—

(A) the acquisition of necessary equipment, including utility vehicles; or

(B) the acquisition of necessary real property;

(3) APPLICATION.—The Secretary shall provide financial assistance under this subsection only pursuant to application by the College for such assistance at such time, in such manner, and providing such information as the Secretary of Housing and Urban Development may reasonably require.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for assistance under this subsection. Any amounts appropriated pursuant to this subsection shall remain available until expended.

(k) INDEPENDENCE SQUARE FOUNDATION.—Notwithstanding any other provision of law, including 28 U.S.C. 516, the Secretary of Housing and Urban Development shall enforce the use agreement entered into between the Secretary and the Independence Square Foundation of Newport, Rhode Island: Provided further, That such enforcement shall include the option of instituting civil litigation to determine the current applicability of the aforementioned use agreement or petition for the issuance of an injunction to prevent the demolition of the property subject to the aforementioned use agreement.

(l) REMOVAL OF HOPE VI DEMOLITION REQUIREMENT.—The Secretary may approve otherwise qualified applications received in response to a notice published at 63 Federal Register 15489 (March 31, 1998) for grants from the $26,000,000 set-aside of amounts made available under the head ***'REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)'*** *in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Public Law 105-65, 111 Stat. 1354) without regard to whether such applications propose or plan demolition of obsolete public housing projects.*

(m) EFFECTIVE DATE.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

TITLE VI—FHA PROPERTY DISPOSITION REFORM

SEC. 601. SINGLE FAMILY CLAIMS REFORM AND SALE OF PROPERTY.

(a) REVISION OF CLAIMS PROCEDURES.—Section 204 of the National Housing Act (12 U.S.C. 1710) is amended by striking "SEC. 204." and all that follows through the end of subsection (a) and inserting the following:

"SEC. 204. (a) IN GENERAL.—

"(1) AUTHORIZED CLAIMS PROCEDURES.—The Secretary may, in accordance with this subsection and terms and conditions prescribed by the Secretary, pay insurance benefits to a mortgagee for any mortgage insured under section 203 through any of the following methods:

"(A) ASSIGNMENT OF MORTGAGE.—The Secretary may pay insurance benefits whenever a mortgage has been in a monetary default for not less than 3 full monthly installments or whenever the mortgagee is entitled to foreclosure for a nonmonetary default. Insurance benefits shall be paid pursuant to this subparagraph only upon the assignment, transfer, and delivery to the Secretary of—

"(i) all rights and interests arising under the mortgage;

"(ii) all claims of the mortgagee against the mortgagor or others arising out of the mortgage transaction;

"(iii) title evidence satisfactory to the Secretary; and

"(iv) such records relating to the mortgage transaction as the Secretary may require.

"(B) CONVEYANCE OF TITLE TO PROPERTY.—The Secretary may pay insurance benefits if the mortgagee has acquired title to the mortgaged property through foreclosure or has otherwise acquired such property from the mortgagor after a default upon—

"(i) the prompt conveyance to the Secretary of title to the property which meets the standards of the Secretary in force at the time the mortgage was insured and which is evidenced in the manner provided by such standards; and

"(ii) the assignment to the Secretary of all claims of the mortgagee against the mortgagor or others, arising out of mortgage transaction or foreclosure proceedings, except such claims as may have been released with the consent of the Secretary.

The Secretary may permit the mortgagee to tender to the Secretary a satisfactory conveyance of title and transfer of possession directly from the mortgagor or other appropriate grantor, and

may pay to the mortgagee the insurance benefits to which it would otherwise be entitled if such conveyance had been made to the mortgagee and from the mortgagee to the Secretary.

"(C) CLAIM WITHOUT CONVEYANCE OF TITLE.—The Secretary may pay insurance benefits upon sale of the mortgaged property at foreclosure where such sale is for at least the fair market value of the property (with appropriate adjustments), as determined by the Secretary, and upon assignment to the Secretary of all claims referred to in clause (ii) of subparagraph (B).

"(D) PREFORECLOSURE SALE.—The Secretary may pay insurance benefits upon the sale of the mortgaged property by the mortgagor after default and the assignment to the Secretary of all claims referred to in clause (ii) of subparagraph (B), if—

"(i) the sale of the mortgaged property has been approved by the Secretary;

"(ii) the mortgagee receives an amount at least equal to the fair market value of the property (with appropriate adjustments), as determined by the Secretary; and

"(iii) the mortgagor has received an appropriate disclosure, as determined by the Secretary.

(2) PAYMENT FOR LOSS MITIGATION.—The Secretary may pay insurance benefits to the mortgagee to recompense the mortgagee for all or part of any costs of the mortgagee for taking loss mitigation actions that provide an alternative to foreclosure of a mortgage that is in default (including but not limited to actions such as special forbearance, loan modification, and deeds in lieu of foreclosure, but not including assignment of mortgages to the Secretary under section 204(a)(1)(A)). No actions taken under this paragraph, nor any failure to act under this paragraph, by the Secretary or by a mortgagee shall be subject to judicial review.

"(3) DETERMINATION OF CLAIMS PROCEDURE.—The Secretary shall publish guidelines for determining which of the procedures for payment of insurance under paragraph (1) are available to a mortgagee when it claims insurance benefits. At least one of the procedures for payment of insurance benefits specified in paragraph (1)(A) or (1)(B) shall be available to a mortgagee with respect to a mortgage, but the same procedure shall not be required to be available for all of the mortgages held by a mortgagee.

"(4) SERVICING OF ASSIGNED MORTGAGES.—If a mortgage is assigned to the Secretary under paragraph (1)(A), the Secretary may permit the assigning mortgagee or its servicer to continue to service the mortgage for reasonable compensation and on terms and conditions determined by the Secretary. Neither the Secretary nor any servicer of the mortgage shall be required to forbear from collection of amounts due under the mortgage or otherwise pursue loss mitigation measures.

"(5) CALCULATION OF INSURANCE BENEFITS.—Insurance benefits shall be paid in accordance with section 520 and shall be equal to the original principal obligation of the mortgage (with such additions and deductions as the Secretary determines are appropriate) which was unpaid upon the date of—

"(A) assignment of the mortgage to the Secretary;

"(B) the institution of foreclosure proceedings;

"(C) the acquisition of the property after default other than by foreclosure; or

"(D) sale of the mortgaged property by the mortgagor.

"(6) FORBEARANCE AND RECASTING AFTER DEFAULT.—The mortgagee may, upon such terms and conditions as the Secretary may prescribe—

"(A) extend the time for the curing of the default and the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, to such time as the mortgagee determines is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Secretary may include in the amount of insurance benefits an amount equal to any unpaid mortgage interest; or

"(B) provide for a modification of the terms of the mortgage for the purpose of recasting, over the remaining term of the mortgage or over such longer period pursuant to guidelines as may be prescribed by the Secretary, the total unpaid amount then due, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered the 'original principal obligation of the mortgage' for purposes of paragraph (5).

"(7) TERMINATION OF PREMIUM OBLIGATION.—The obligation of the mortgagee to pay the premium charges for insurance shall cease upon fulfillment of the appropriate requirements under which the Secretary may pay insurance benefits, as described in paragraph (1). The Secretary may also terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application filed by the mortgagee for insurance benefits under paragraph (1), or in the event the contract of insurance is terminated pursuant to section 229.

"(8) EFFECT ON PAYMENT OF INSURANCE BENEFITS UNDER SECTION 230.—Nothing in this section shall limit the authority of the Secretary to pay insurance benefits under section 230.

"(9) TREATMENT OF MORTGAGE ASSIGNMENT PROGRAM.—Notwithstanding any other provision of law, or the Amended Stipulation entered as a consent decree on November 8, 1979, in Ferrell v. Cuomo, No. 73 C 334 (N.D. Ill.), or any other order intended to require the Secretary to operate the program of mortgage assignment and forbearance that was operated by the Secretary pursuant to the Amended Stipulation and under the authority of section 230, prior to its amendment by section 407(b) of The Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 45), no mortgage assigned under this section may be included in any mortgage foreclosure avoidance program that is the same or substantially equivalent to such a program of mortgage assignment and forbearance.".

(b) EFFECTIVE DATE.—The Secretary shall publish a notice in the Federal Register stating the effective date of the terms and conditions prescribed by the Secretary under section 204(a)(1) of the National Housing Act, as amended by subsection (a) of this section. Subsections (a) and (k) of section 204 of the National Housing Act, as in effect immediately before such effective date, shall continue to apply to any mortgage insured under section 203 of the National Housing Act before such effective date, except that the Secretary may, at the request of the mortgagee, pay insurance benefits as provided in subparagraphs (A) and (D) of section 204(a)(1) of such Act to calculate insurance benefits in accordance with section 204(a)(5) of such Act.

(c) REPEAL OF REDUNDANT PROVISION.—Subsection (k) of section 204 of the National Housing Act (12 U.S.C. 1710(k)) is hereby repealed.

(d) AUTHORITY TO SELL.—Section 204(g) of the National Housing Act (12 U.S.C. 1710(g)) is amended by adding at the end the following new sentence: "The Secretary may sell real and personal property acquired by the Secretary pursuant to the provisions of this Act on such terms and conditions as the Secretary may prescribe.".

(e) AUTHORITY TO INSURE MORTGAGE.—Section 223(c) of the National Housing Act (12 U.S.C. 1715n(c)) is amended—

(1) by striking "him" each place it appears and inserting "the Secretary"; and

(2) by inserting before "of any property acquired", the following: ", including a sale through another entity acting under authority of the fourth sentence of section 204(g),".

(f) LOSS MITIGATION.—Section 230 of the National Housing Act is amended—

(1) by redesignating subsections (a) through (e) as (b) through (f); and

(2) by inserting a new subsection (a) as follows:

"(a) Upon default of any mortgage insured under this title, mortgagees shall engage in loss mitigation actions for the purpose of providing an alternative to foreclosure (including but not limited to actions such as special forbearance, loss modification, and deeds in lieu of foreclosure, but not including assignment of mortgages to the Secretary under section 204(a)(1)(A)) as provided in regulations by the Secretary.".

(g) PENALTY.—Section 536(a) of the National Housing Act is amended by inserting at the end of paragraph (2) the following:

"In the case of the mortgagee's failure to engage in loss mitigation activities, as provided in section 536(b)(1)(I), the penalty shall be in the amount of three times the amount of any insurance benefits claimed by the mortgagee with respect to any mortgage for which the mortgagee failed to engage in such loss mitigation actions.".

(h) VIOLATION.—Section 536(b)(1) of the National Housing Act is amended by inserting after subparagraph (h) the following:

"(I) Failure to engage in loss mitigation actions as provided in section 230(a) of this Act.".

SEC. 602. DISPOSITION OF HUD-OWNED SINGLE FAMILY ASSETS IN REVITALIZATION AREAS.

Section 204 of the National Housing Act (12 U.S.C. 1710) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

"(h) DISPOSITION OF ASSETS IN REVITALIZATION AREAS.—

"(1) IN GENERAL.—The purpose of this subsection is to require the Secretary to carry out a program under which eligible assets (as such term is defined in paragraph (2)) shall be made available for sale in a manner that promotes the revitalization, through expanded homeownership opportunities, of revitalization areas. Notwithstanding the authority under the last sentence of subsection (g), the Secretary shall dispose of all eligible assets under the program and shall establish the program in accordance with the requirements under this subsection.

"(2) ELIGIBLE ASSETS.—For purposes of this subsection, the term 'eligible asset' means any of the following assets of the Secretary:

"(A) PROPERTIES.—Any property that—

"(i) is designed as a dwelling for occupancy by 1 to 4 families;

"(ii) is located in a revitalization area;

"(iii) was previously subject to a mortgage insured under the provisions of this Act; and

"(iv) is owned by the Secretary pursuant to the payment of insurance benefits under this Act.

"(B) MORTGAGES.—Any mortgage that—

"(i) is an interest in a property that meets the requirements of clauses (i) and (ii) of subparagraph (A);

"(ii) was previously insured under the provisions of this Act; and

"(iii) is held by the Secretary pursuant to the payment of insurance benefits under this Act.

For purposes of this subsection, an asset under this subparagraph shall be considered to be located in a revitalization area, or in the asset control area of a preferred purchaser, if the property described in clause (i) is located in such area.

"(C) FUTURE INTERESTS.—Any contingent future interest of the Secretary in an asset described in subparagraph (A) or (B).

"(3) REVITALIZATION AREAS.—The Secretary shall designate areas as revitalization areas for purposes of this subsection. Before designation of an area as a revitalization area, the Secretary shall consult with affected units of general local government and interested nonprofit organizations. The Secretary may designate as revitalization areas only areas that meet one of the following requirements:

"(A) VERY-LOW INCOME AREA.—The median household income for the area is less than 60 percent of the median household income for—

"(i) in the case of any area located within a metropolitan area, such metropolitan area; or

"(ii) in the case of any area not located within a metropolitan area, the State in which the area is located.

"(B) HIGH CONCENTRATION OF ELIGIBLE ASSETS.—A high rate of default or foreclosure for single family mortgages insured under the National Housing Act has resulted, or may result, in the area—

"(i) having a disproportionately high concentration of eligible assets, in comparison with the concentration of such assets in surrounding areas; or

"(ii) being detrimentally impacted by eligible assets in the vicinity of the area.

"(C) LOW HOME OWNERSHIP RATE.—The rate for home ownership of single family homes in the area is substantially below the rate for homeownership in the metropolitan area.

"(4) PREFERENCE FOR SALE TO PREFERRED PURCHASERS.—The Secretary shall provide a preference, among prospective purchasers of eligible assets, for sale of such assets to any purchaser who—

"(A) is—

"(i) the unit of general local government having jurisdiction with respect to the area in which are located the eligible assets to be sold; or

"(ii) a nonprofit organization;

"(B) in making a purchase under the program under this subsection—

"(i) establishes an asset control area, which shall be an area that consists of part or all of a revitalization area; and

"(ii) purchases all interests of the Secretary in all assets of the Secretary that, at any time during the period which shall be set forth in the sale agreement required under paragraph (7)—

"(I) are or become eligible assets; and

"(II) are located in the asset control area of the purchaser; and

"(C) has the capacity to carry out the purchase of eligible assets under the program under this subsection and under the provisions of this paragraph.

"(5) AGREEMENTS REQUIRED FOR PURCHASE.—

"(A) PREFERRED PURCHASERS.—Under the program under this subsection, the Secretary may sell an eligible asset as provided in paragraph (4) to a preferred purchaser only pursuant to a binding agreement by the preferred purchaser that the eligible asset will be used in conjunction with a home ownership plan that provides as follows:

"(i) The plan has as its primary purpose the expansion of home ownership in, and the revitalization of, the asset control area, established pursuant to paragraph (4)(B)(i) by the purchaser, in which the eligible asset is located.

"(ii) Under the plan, the preferred purchaser has established, and agreed to meet, specific performance goals for increasing the rate of home ownership for eligible assets in the asset control area that are under the purchaser's control. The plan shall provide that the Secretary may waive or modify such goals or deadlines only upon a determination by the Secretary that a good faith effort has been made in complying with the goals through the homeownership plan and that exceptional neighborhood conditions prevented attainment of the goal.

"(iii) Under the plan, the preferred purchaser has established rehabilitation standards that meet or exceed the standards for housing quality established under subparagraph (B)(iii) by the Secretary, and has agreed that each asset property for an eligible asset purchased will be rehabilitated in accordance with such standards.

"(B) NON-PREFERRED PURCHASERS.—Under the program under this subsection, the Secretary may sell an eligible asset to a purchaser who is not a preferred purchaser only pursuant to a binding agreement by the purchaser that complies with the following requirements:

"(i) The purchaser has agreed to meet specific performance goals established by the Secretary for home ownership of the asset properties for the eligible assets purchased by the purchaser, except that the Secretary may, by including a provision in the sale agreement required under paragraph (7), provide for a lower rate of home ownership in sales involving exceptional circumstances.

"(ii) The purchaser has agreed that each asset property for an eligible asset purchased will be rehabilitated to comply with minimum standards for housing quality established by the Secretary for purposes of the program under this subsection.

"(6) DISCOUNT FOR PREFERRED PURCHASERS.—

"(A) IN GENERAL.—For the purpose of providing a public purpose discount for the bulk sales of eligible assets made under the program under this subsection by preferred purchasers, each eligible asset sold through the program under this subsection to a preferred purchaser shall be sold at a price that is discounted from the value of the asset, as based on the appraised value of the asset property (as such term is defined in paragraph (8)).

"(B) APPRAISALS.—The Secretary shall require that each appraisal of an eligible asset under this paragraph is based upon—

"(i) the market value of the asset property in its 'as is' physical condition, which shall take into consideration age and condition of major mechanical and structural systems; and

"(ii) the value of the property appraised for home ownership.

"(C) DISCOUNT CLASSES.—The Secretary, in the sole discretion of the Secretary, shall establish the discount under this paragraph for an eligible asset, which shall be in one of the following amounts:

"(i) STANDARD DISCOUNT.—In the case only of eligible assets with asset properties that, at the time of sale under this subsection, do not meet the standards for housing quality established pursuant to paragraph (5)(B)(ii), an amount that—

"(I) is appropriate to provide reasonable resources for the improvement such assets; and

"(II) takes into consideration the financial safety and soundness of the Mutual Mortgage Insurance Fund.

"(ii) DEEP DISCOUNT.—In the case only of eligible assets described in clause (i) for which the Secretary determines a deep discount is appropriate, an amount that exceeds the amount of a standard discount under clause (i). In making a determination whether a deep discount is appropriate, the Secretary may consider the condition of the asset property, the extent of resources available to the preferred purchaser, the comprehensive revitalization plan undertaken by such purchaser, or any other circumstances the Secretary considers appropriate.

"(iii) MINIMAL DISCOUNT.—In the case only of eligible assets with asset properties that, at the time of sale under this subsection, meet or substantially meet the standards for housing quality established pursuant to paragraph (5)(B)(ii), an amount that is less than the amount of a standard discount under clause (i) of this subparagraph and is sufficient to provide assistance to the preferred purchaser in meeting costs associated with compliance with the program requirements under this subsection.

"(D) DETERMINATION OF DISCOUNT CLASS.—The Secretary shall, in the sole discretion of the Secretary, establish a method for determining which discount under clause (i) or (ii) subparagraph (C) shall be provided for an eligible asset that is described in such clause (i) and sold to a preferred purchaser. The method may result in the assignment of discounts on any basis consistent with subparagraph (C) that the Secretary considers appropriate to carry out the purposes of this subsection.

"(7) SALE AGREEMENT.—The Secretary may sell an eligible asset under this subsection only pursuant to a sale agreement entered into under this paragraph with the purchaser, which shall include the following provisions:

"(A) ASSETS.—The sale agreement shall identify the eligible assets to be purchased and the interests sold.

"(B) REVITALIZATION AREA AND ASSET CONTROL AREA.—The sale agreement shall identify—

"(i) the boundaries of the specific revitalization areas (or portions thereof) in which are located the eligible assets that are covered by the agreement; and

"(ii) in the case of a preferred purchaser, the asset control area established pursuant to paragraph (4)(B)(i) that is covered by the agreement.

"(C) FINANCING.—The sale agreement shall identify the sources of financing for the purchase of the eligible assets.

"(D) BINDING AGREEMENTS.—The sale agreement shall contain binding agreements by the purchaser sufficient to comply with—

"(i) in the case of a preferred purchaser, the requirements under paragraph (5)(A), which agreements shall provide that the eligible assets purchased will be used in conjunction with a home ownership plan meeting the requirements of such paragraph, and shall set forth the terms of the homeownership plan, including—

"(I) the goals of the plan for the eligible assets purchased and for the asset control area subject to the plan;

"(II) the revitalization areas (or portions thereof) in which the homeownership plan is operating or will operate;

"(III) the specific use or disposition of the eligible assets under the plan; and

"(IV) any activities to be conducted and services to be provided under the plan; or

"(ii) in the case of a purchaser who is not a preferred purchaser, the requirements under paragraph (5)(B).

"(E) PURCHASE PRICE AND DISCOUNT.—The sale agreement shall establish the purchase price of the eligible assets, which in the case of a preferred purchaser shall provide for a discount in accordance with paragraph (6).

"(F) HOUSING QUALITY.—The sale agreement shall provide for compliance of the eligible assets purchased with the rehabilitation standards established under paragraph (5)(A)(iii) or the minimum standards for housing quality established under paragraph (5)(B)(ii), as applicable, and shall specify such standards.

"(G) PERFORMANCE GOALS AND SANCTIONS.—The sale agreement shall set forth the specific performance goals applicable to the purchaser, in accordance with paragraph (5), shall set forth any sanctions for failure to meet such

goals and deadlines, and shall require the purchaser to certify compliance with such goals.

"(H) PERIOD COVERED.—The sale agreement shall establish—

"(i) in the case of a preferred purchaser, the time period referred to in paragraph (4)(B)(ii); and

"(ii) in the case of a purchaser who is not a preferred purchaser, the time period for purchase of eligible assets that may be covered by the purchase.

"(I) OTHER TERMS.—The agreement shall contain such other terms and conditions as may be necessary to require that eligible assets purchased under the agreement are used in accordance with the program under this subsection.

"(8) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

"(A) ASSET CONTROL AREA.—The term 'asset control area' means the area established by a preferred purchaser pursuant to paragraph (4)(B)(i).

"(B) ASSET PROPERTY.—The term 'asset property' means—

"(i) with respect to an eligible asset that is a property, such property; and

"(ii) with respect to an eligible asset that is a mortgage, the property that is subject to the mortgage.

"(C) ELIGIBLE ASSET.—The term 'eligible asset' means an asset described in paragraph (2).

"(D) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means a private organization that—

"(i) is organized under State or local laws;

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

"(iii) complies with standards of financial responsibility that the Secretary may require.

"(E) PREFERRED PURCHASER.—The term 'preferred purchaser' means a purchaser described in paragraph (4).

"(F) UNIT OF GENERAL LOCAL GOVERNMENT.—The term 'unit of general local government' means any city, town, township, county, parish, village, or other general purpose political subdivision of a State.

"(9) SECRETARY'S DISCRETION.—The Secretary shall have the authority to implement and administer the program under this subsection in such manner as the Secretary may determine. The Secretary may, in the sole discretion of the Secretary, enter into contracts to provide for the proper administration of the program with such public or nonprofit entities as the Secretary determines are qualified.

"(10) REGULATIONS.—The Secretary shall issue regulations to implement the program under this subsection through rulemaking in accordance with the procedures established under section 553 of title 5, United States Code, regarding substantive rules. Such regulations shall take effect not later than the expiration of the 2-year period beginning on the date of the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.".

Titles I, II, III, IV, and VI of this Act may be cited as the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999".

And the Senate agree to the same.

JERRY LEWIS,
TOM DELAY,
JAMES T. WALSH,
DAVID L. HOBSON,
JOE KNOLLENBERG,
R. FRELINGHUYSEN,
MARK W. NEUMANN,
ROGER WICKER,
BOB LIVINGSTON,
LOUIS STOKES,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
CARRIE P. MEEK,
DAVID E. PRICE,
DAVE OBEY,
Managers on the Part of the House.

KIT BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
BEN NIGHTHORSE CAMPBELL,
LARRY E. CRAIG,
BARBARA A. MIKULSKI,
PATRICK LEAHY,
FRANK R. LAUTENBERG,
TOM HARKIN,
ROBERT C. BYRD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report.

The language and allocations set forth in House Report 105-610 and Senate Report 105-216 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or Senate have directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

Appropriates $17,306,000,000 for medical care, instead of $17,361,395,998 ($17,057,396,000 in the medical care account and an additional $303,999,998 in Sec. 427 of the General Provisions) as proposed by the House and $17,250,000,000 as proposed by the Senate.

The amount provided for medical care is an increase of $278,025,000 above the VA's budget request and reflects the high priority the conferees place on ensuring quality health care for veterans. The VA is to propose how it plans to spend these additional funds, including the increased number of veterans that will be able to receive health care, in the operating plan. That plan is to be submitted within 30 days of enactment of the appropriations bill.

Delays the availability of $778,000,000 of the medical care appropriation in the equipment and land and structures object classifications until August 1, 1999, instead of delaying the availability of $777,000,000—a net of $846,000,000 in the medical care account and a reduction in that amount of $69,000,000 as provided in Sec. 425 of the General Provisions—as proposed by the House and $687,000,000 as proposed by the Senate.

Deletes language proposed by the House and stricken by the Senate earmarking $6,000,000 of the medical care appropriation for the Musculoskeletal Disease Center. Funding for this activity is included in the medical and prosthetic research appropriation.

Restores language proposed by the House and stricken by the Senate transferring not to exceed $22,633,000 from the medical care appropriation to the general operating expenses appropriation for expenses of the Office of Resolution Management (ORM) and the Office of Employment Discrimination Complaint Adjudication (OEDCA), amended to transfer not to exceed $27,420,000 ($25,690,000 for ORM and $1,730,000 for OEDCA). Additional information on funding for these two offices is included under the VA's administrative provisions section of this report.

Deletes language proposed by the Senate earmarking $14,000,000 for the homeless grant program and $6,000,000 for the homeless per diem program, and expanding authorized homeless assistance activities. In deleting the bill language, the conferees agree that not less than $20,000,000 of fiscal year 1999 medical care funds shall be made available for the homeless grant and homeless per diem programs.

Inserts language proposed by the Senate earmarking $10,000,000 of fiscal year 1999 medical care funds for implementation of the Primary Care Providers Incentive Act, contingent upon enactment of authorizing legislation, amended to earmark not to exceed $10,000,000.

The conferees have provided $3,000,000 for the Center of Excellence at the Truman Memorial VA Medical Center which would support such activities as clinical studies on hypertension, surfactants, and lupus erythematosus.

The conferees note concerns have been expressed that the use of local pay surveys may be of questionable validity in determining nurse pay rates, and urge the Department to address this matter expeditiously. The VA is to prepare a report on its plans to address this concern and submit it to the House and Senate authorization and appropriations committees by December 1, 1998.

The conferees are aware of a recently released General Accounting Office report titled "VA Health Care: More Veterans Are Being Served, but Better Oversight Is Needed." The VA is directed to take immediate steps to implement the report's recommendations. The VA is also directed to report to the Committees on Appropriations by February 1, 1999 on proposals to address the recommendations contained in the report.

MEDICAL AND PROSTHETIC RESEARCH

Appropriates $316,000,000 for medical and prosthetic research, instead of $320,000,000 ($310,000,000 in the medical and prosthetic research account and an additional $10,000,000 in Sec. 423 of the General Provisions) as proposed by the House and $310,000,000 as proposed by the Senate.

Inserts language earmarking $6,000,000 of the increase in the medical and prosthetic research appropriation for the Musculoskeletal Disease Center, instead of earmarking such funds in the medical care appropriation as proposed by the House. The Senate did not propose such an earmarking of funds.

Last year's conference agreement included $10,000,000 for research into Parkinson's Disease. The conferees agree that the VA is to utilize up to $10,000,000 of the recommended increase to expand research into Parkinson's Disease.

The fiscal year 1998 medical and prosthetic research appropriation included $12,500,000 for research relating to Persian Gulf War illnesses. The conferees expect the VA to maintain such research as a high priority in fiscal year 1999.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Appropriates $63,000,000 for medical administration and miscellaneous operating expenses, instead of $60,000,000 as proposed by the House and the Senate.

The Under Secretary for Health has identified high priority areas that need to be strengthened for better results in the delivery of healthcare. To support these higher priority activities, VA has started a reduction-in-force in the Office of Facilities Management's (OFM) tactical support function. To provide time to explore other options for funding these services, the conferees have agreed to a one-time increase of $3,000,000 to support enhanced clinical, quality and performance management activities. The conferees note that Price Waterhouse recently completed, at the request of the Veterans Health Administration, an independent review of the Office of Facilities Management. That review recommended a number of changes to improve the management of VA facility infrastructure. The conferees expect that the Department will develop a plan for implementing Price Waterhouse's recommendations, wherever appropriate, and any decisions made pursuant to the future of OFM's tactical support functions are to be made consistent with that report. The VA is to prepare a report for the Committees on Appropriations, to be submitted concurrently with the fiscal year 2000 budget request, on its long-range plans for the Office of Facilities Management. The conferees do not expect that any reductions-in-force will be required in fiscal year 1999, unless the VA fails to submit an acceptable alternative proposal.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Appropriates $855,661,000 for general operating expenses as proposed by the House, instead of $854,661,000 as proposed by the Senate.

The $6,000,000 increase above the budget request is for the activities associated with restructuring the Veterans Benefits Administration (VBA) so as to improve the timeliness and accuracy of processing the various types of claims. The average time it currently takes to process claims is not acceptable. The availability of the increase is subject to the submission of a detailed operating plan for VBA that closely follows the recommendations of the National Academy of Public Administration.

In the past, the VA has not had realistic plans to improve service delivery to veterans. The VBA should set realistic goals for timeliness and accuracy for each different type of claim and develop a multi-year plan for attaining these goals—commensurate with the level of resources requested and planned for the future. Goals and plans should be developed not only at the national level, but also for each regional office. Regional office directors should then be held accountable for achieving those individual goals. The performance among regional offices should also be compared. The conferees recognize that it will take time to improve the delivery of services to veterans, and need plans with annual goals to measure the progress realized each year. The VA is to prepare a detailed report for the Committees on Appropriations on these goals and plans. The report is to be submitted concurrently with the fiscal year 2000 budget request.

NATIONAL CEMETERY SYSTEM

Restores language proposed by the House and stricken by the Senate transferring not to exceed $86,000 from the national cemetery system appropriation to the general operating expenses appropriation for expenses of the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication, amended to transfer not to exceed $90,000 ($84,000 for ORM and $6,000 for OEDCA). Additional information on funding for these two offices is included under the VA's administrative provisions section of this report.

OFFICE OF INSPECTOR GENERAL

Appropriates $36,000,000 for the Office of Inspector General as proposed by the Senate, instead of $32,702,000 as proposed by the House.

Inserts language transferring not to exceed $30,000 from the Office of Inspector General appropriation to the general operating expenses appropriation for expenses of the Office of Resolution Management ($28,000) and the Office of Employment Discrimination Complaint Adjudication ($2,000). Although the House and the Senate did not propose similar language, the VA planned to seek a small amount of reimbursement for the two new offices from this appropriation. Additional information on funding for these two offices is included under the VA's administrative provisions section of this report.

CONSTRUCTION, MAJOR PROJECTS

Appropriates $142,300,000 for construction, major projects as proposed by the Senate, instead of $143,000,000 as proposed by the House. The conference agreement includes the following changes from the budget estimate:

+$20,800,000 for ambulatory care improvements at the Louis Stokes Cleveland VA Medical Center.

+$25,200,000 for construction of an ambulatory care addition at the Tucson VA Medical Center.

+$7,500,000 for additional gravesite development at the Jefferson Barracks National Cemetery.

+$9,500,000 for nursing unit renovations at the Lebanon, Pennsylvania VA Medical Center.

−$17,700,000 from available unobligated balances in the working reserve.

Inserts language authorizing that not to exceed $125,000 of unobligated funds in the working reserve in the construction, major projects appropriation may be made available for necessary expenses of the redevelopment of the Pershing Hall building in Paris, France. The conferees expect that these funds, and funds previously made available, will be totally reimbursed in future years. Although not proposed by the House or the Senate, the VA has requested this language.

The conferees urge the Secretary to establish a new national cemetery in Eastern Kentucky. The VA is to utilize such sums as may be necessary to initiate the planning phase. Planning should include site selection, acquisition, and design. A report on the progress of the initial phase of this project should be submitted to the Committees on Appropriations by March 31, 1999.

A mental health enhancement project has been proposed by Veterans Integrated Service Network 17 for the Dallas VA Medical Center. The conferees urge the Administration to give consideration to including $24,200,000 for this project in its fiscal year 2000 budget request.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriates $90,000,000 for grants for construction of state extended care facilities as proposed by the Senate, instead of $101,000,000 ($80,000,000 in the grants for construction of state extended care facilities account and an additional $21,000,000 in Sec. 432 of the General Provisions) as proposed by the House.

ADMINISTRATIVE PROVISIONS

Restores language, section 109, proposed by the House and stricken by the Senate renaming the Salisbury VA Medical Center in North Carolina as the "W. G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center."

Deletes language proposed by the Senate authorizing the reimbursement of expenses for the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication from other VA appropriations beginning in fiscal year 1999. Funding for these two offices in fiscal year 1999 is provided by language transferring amounts in medical care ($27,420,000—$25,690,000 for ORM and $1,730,000 for OEDCA), national cemetery system ($90,000—$84,000 for ORM and $6,000 for OEDCA), and Office of Inspector General ($30,000—$28,000 for ORM and $2,000 for OEDCA) to the general operating expenses appropriation. In addition, $2,209,000 is assumed in the general operating expenses appropriation for these activities. The House proposed similar transfer language. The VA, on an informal basis, has recently indicated the need for a 43 percent increase ($9,812,000) above the funding level assumed in the fiscal year 1999 budget request for ORM. The conferees question the requirement for such a large increase and have provided a more realistic addition of 22 percent. All funds for these two offices should be requested in the general operating expenses appropriation in fiscal year 2000.

Inserts language, section 110, proposed by the Senate authorizing the Secretary of Veterans Affairs to convey land in Tuscaloosa County, Alabama, to the University of Alabama.

Inserts new language, section 111, renaming the Cleveland Department of Veterans Affairs Medical Center in Cleveland, Ohio, as the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center." The conferees are taking this action in recognition of Congressman Stokes' long and distinguished service in support of veterans and veterans programs.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Inserts a modification to Senate report language requiring HUD to provide beginning March 1, 1999, an annual review of the HUD 2020 plan.

Deletes direction to HUD to provide a report regarding unexpended balances by January 15, 1999, as proposed by the House.

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFERS AND RESCISSION OF FUNDS)

Appropriates $10,326,542,030 for the housing certificate fund, instead of $10,240,542,030 as proposed by the House and $10,013,542,030 as

proposed by the Senate. The conference agreement includes:

—$9,600,000,000 for expiring section 8 contracts, as proposed by the House instead of $9,540,000,000 as proposed by the Senate;

—$0 for section 8 amendments, as proposed by the Senate instead of $97,000,000 as proposed by the House;

—$10,000,000 for regional opportunity counseling, as proposed by the House instead of $0 as proposed by the Senate; and,

—$283,000,000 for welfare-to-work section 8 rental assistance vouchers, instead of $100,000,000 as proposed by the House and $40,000,000 as proposed by the Senate.

The conferees agree to fund 50,000 housing vouchers to address concerns raised by the Administration that reforms included in the public housing legislation attached to this appropriation measure may unduly disadvantage very low-income families on waiting lists. Though this is not the intent of the reforms, there is no clear data on the potential extent of this problem and the conferees want to be sensitive to the inevitable fear of the unknown. Therefore, HUD is directed to design a protocol that tracks the impact of the various reform measures on very low-income families on waiting lists, to analyze the information and to report any findings and conclusions to the Senate and House Banking committees and the House and Senate VA, HUD and Independent Agencies subcommittees. HUD should brief the Committees and Subcommittees about the methodology they plan to utilize to meet this request by March 1, 1999.

Deletes language proposed by the House authorizing HUD to waive any administrative requirements or any provision of the United States Housing Act of 1937 with regard to welfare-to-work vouchers.

Inserts a modification to clarify that the welfare-to-work program is not intended to exclude families receiving time-limited tenant-based rental assistance under state or local initiatives.

Rescinds $1,650,000,000 from excess section 8 funds, specifically from section 8 amendments and from the section 8 moderate rehabilitation program, instead of $1,400,000,000 as proposed by the Senate.

Inserts language proposed by the House to expand tenant protection eligibility to families being relocated due to a HOPE VI revitalization plan.

Inserts a modification to report language proposed by the House directing rather than urging HUD to revise its Performance Plan to incorporate measurable goals and outcomes for the welfare-to-work program and to include those goals in HUD's 1999 Operating Plan.

Like the House and Senate bills, the conference agreement provides funding for so-called "enhanced" or "sticky" vouchers, to be provided to residents who lose the benefit of housing affordability restrictions when owners prepay federally assisted mortgages. Because questions have been raised as to whether these vouchers are renewable, the conferees would like to emphasize their intention that enhanced vouchers (funded under this or prior appropriations bills) are renewable from year to year under the same terms and conditions, and have included language clarifying this point. Because appropriations for renewal of section 8 certificates and vouchers are now provided on an annual basis, it is not possible for HUD or public housing authorities to enter into binding commitments to provide this assistance for terms longer than one year. However, the Appropriations Committees have made it a high priority to ensure that sufficient funding is provided each year to allow for renewal of all expiring section 8 assistance, including enhanced vouchers.

The conferees agree to include a technical amendment clarifying the terms of enhanced vouchers. Under this amendment, if the income of a family with such a voucher drops significantly (because of job loss, retirement or death of a family member, for example), the rental payment required of that family will be reduced, so that the percentage of income paid in rent by that family does not exceed the greater of (1) the percentage paid in rent before the mortgage prepayment that triggered the enhanced voucher, or (2) the normal section 8 payment standard of 30 percent. The conferees intend HUD to issue regulations or other appropriate guidance implementing this provision.

SECTION 8 RESERVE PRESERVATION ACCOUNT

Deletes language proposed by the Senate requiring HUD to collect amounts recaptured from section 8 tenant-based assistance.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $3,000,000,000 for the public housing capital fund, as proposed by the House instead of $2,550,000,000 as proposed by the Senate.

Inserts language, as an administrative provision, prohibiting funds from being used to support any units not funded prior to October 1, 1998, except for those funded under the HOPE VI program. Appropriated amounts for the Capital Fund and the Operating Fund are predicated on the current number of public housing units. Adding thousands of units of formerly state or locally subsidized housing, as included in Title V, would cause a significant hardship to existing developments by decreasing available funds. This prohibition applies to both the Public Housing Capital and Operating Funds.

PUBLIC HOUSING OPERATING FUND

The conferees support the efforts of public housing authorities to use private funds to make capital improvements in order to lower energy costs and believe this program could lead to significant long-term savings for a small investment. To accomplish this, HUD should consider the savings that are recognized from existing energy performance contracts and encourage future contracts under the Performance Funding System and the incentives provided by section 118 of the Housing and Community Development Act of 1987. In addition, HUD should educate field office staff as to the usefulness of this program.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

Appropriates $310,000,000 for drug elimination grants, as proposed by the Senate instead of $290,000,000 as proposed by the House. Of the amount provided, $20,000,000 is for the New Approach Anti-Drug program, as proposed by the Senate.

The conferees are concerned with the overall implementation and effectiveness of the New Approach Anti-Drug program and, therefore, expect the Department to provide the committees with a report on both the implementation and effectiveness of the program by May 15, 1999.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING

(HOPE VI)

Appropriates $625,000,000 for the revitalization of severely distressed public housing program, an increase of $25,000,000 above the House and Senate recommendations. The conferees agree to increase the appropriation in recognition of the significant contributions the program makes to replacing nonviable public housing with affordable homes and apartment buildings that are safe, that fit into the neighborhood landscape, and that provide needed services for the families who live in them. The appropriation includes $15,000,000 for technical assistance, as proposed by the Senate instead of $10,000,000 as proposed by the House.

Inserts a restriction requiring that funds appropriated to this account are used for HOPE VI program activities, as proposed by the House.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $620,000,000 for Native American block grants, as proposed by the House instead of $600,000,000 as proposed by the Senate.

Limits the guarantee of the Title VI Indian federal guarantees program to $54,600,000, as proposed by the House instead of $217,000,000 as proposed by the Senate.

Transfers $200,000 to salaries and expenses for administrative costs associated with the Title VI guarantee program, as proposed by the House.

Directs HUD to provide annual, rather than semi-annual, reports to the Committees evaluating the Native American housing block grant program.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Transfers $400,000 to salaries and expenses for administrative costs associated with the Indian housing loan guarantee program, as proposed by the House.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

Appropriates $25,000,000 for rural housing and economic development, instead of $35,000,000 as proposed by the Senate. The conference agreement provides:

—$4,000,000 for capacity building at the state and local level, of which $1,000,000 is for development of a clearinghouse of ideas for innovative strategies for rural housing and economic development and $3,000,000 is for direct capacity building funding to local rural nonprofits, community development corporations and Indian tribes; and,

—$21,000,000 to fund Indian tribes, state housing finance agencies, state community and/or economic development agencies, local rural nonprofits and community development corporations for innovative housing and economic development activities in rural areas. Of this amount, $5,000,000 is for seed funding for Indian tribes, nonprofits and community development corporations that are located in areas that have limited capacity for the development of rural housing and for economic development.

The conferees urge HUD, in consultation with USDA, to award these funds not necessarily to the poorest of all communities, but to develop balanced guidelines that recognize need but also that recognize those grantees and projects that are innovative and forward-looking and that can be duplicated as a successful model to meet rural needs throughout the country.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Appropriates $215,000,000 for housing opportunities for persons with AIDs, instead of $204,000,000 as proposed by the House and $225,000,000 as proposed by the Senate.

Deletes language proposed by the Senate requiring HUD to submit a report to Congress summarizing all technical assistance provided in this account. The conferees, however, direct HUD to provide this information to the VA, HUD and Independent Agencies Subcommittees.

The conferees agree to reiterate the request, proposed in both the House and Senate reports, for a reexamination of this program—particularly its formula for distributing funds.

Under current law, 90 percent of HOPWA funds are distributed on a formula basis. States and metropolitan areas qualify for funding when the cumulative number of AIDS cases in the locality exceeds 1,500. Three quarters of the formula funds are then distributed among all qualifying states and metropolitan areas based on proportionate shares of cumulative cases. The remaining one quarter is distributed to qualifying metropolitan areas with above-average current incidence of AIDS.

This approach of giving states and metro areas entitlement to a portion of formula funds when the cumulative number of AIDS cases (since the early 1980s) crosses a fixed numerical threshold leads to an increase in the number of qualifying jurisdictions each year. This requires available funds to be spread more thinly each year. The rising number of qualifying jurisdictions is a major reason why the Appropriations Committees have sought to provide annual increases for this program, but the conferees are not at all confident that budgetary conditions will allow future funding to keep pace with the annual increases in eligible jurisdictions.

In addition, as more metro areas cross the threshold and qualify, the rest of the state often loses all funding, as subtracting the metro area often brings the number of cases in the balance of the state below the threshold. The conferees have once again included temporary grandfathering language to preserve funding for another year for states caught in these circumstances, but believe a more permanent solution is needed.

The conferees appreciate the detailed report submitted by the Department in response to requests in last year's appropriations reports. However, that report recommended against a change in the formula, primarily because of the importance of maintaining stability in this program. The conferees recognize the virtue of stability, but point out that aspects of the present system are not particularly stable—in fact, the "bonus" portion of the formula (the portion that uses current incidences of AIDS cases relative to the current national average) produces wide annual swings in funding for some jurisdictions. More importantly, as noted above, the conferees are concerned that the present system cannot be sustained without annual appropriations increases larger than can be realistically expected.

For all these reasons, the conferees urge the authorizing committees, the Department, and the AIDS housing community to consider whether it is time to redesign the basic funding formulas for the HOPWA program—giving particular attention to means of basing eligibility and allocations on better measures of relative current need, and perhaps also considering whether a competitive element should be introduced so as to channel some extra funds to areas with particularly well developed and successful programs.

None of the above is intended to express doubt concerning the very real needs that the HOPWA program serves. Rather, the conferees are concerned that the current funding approach may be unsustainable and anxious that scarce funding be distributed so as to address the highest priority needs and reward the best performing programs.

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $4,750,000, 000 for community development grants, as proposed by the Senate instead of $4,725,000,000 as proposed by the House. The conferees agree to the following earmarks:

—$50,000,000 for section 107 grants, as proposed by the House instead of $32,000,000 as proposed by the Senate. The conference agreement provides the following earmarks:

—$3,000,000 is for community development work study,

—$10,000,000 is for historically black colleges and universities with $1,000,000 for Dillard University in New Orleans, Louisiana,

—$7,500,000 is for the Community Outreach Partnerships program,

—$7,000,000 is for insular areas,

—$7,500,000 is for technical assistance,

—$8,500,000 is for management information systems, and

—$6,500,000 is for Hispanic Serving Institutions with $850,000 for the San Bernardino Community College District;

—$3,000,000 is for 1999 Special Olympics World Summer Games;

—$12,000,000 is for the City of Oklahoma City, Oklahoma, to deal with the costs of the Oklahoma City bombing;

—$15,000,000 is for Capacity Building for Community Development and Affordable Housing, authorized by section 4 of P.L. 103–120, as in effect before June 12, 1997. The conferees note that the capacity building program has been in place for several years, and believe that an assessment would be appropriate. Accordingly, the conferees request the Department to report to the authorizing and appropriations committees, no later than April 1, 1999, regarding its assessment of the effectiveness of this program and recommendations for the future. The report should address, among other matters, whether eligibility for grants should be expanded to other specified organizations or otherwise changed, or whether grants should be awarded through an open competition.

—$55,000,000 for supportive services, as proposed by the Senate instead of $50,000,000 as proposed by the House. Of that amount, $20,000,000 is earmarked for service coordinators and congregate services as proposed by the House instead of $10,000,000 as proposed by the Senate;

—$20,000,000 for grants to eligible grantees under section 11 of the Self-Help Housing Opportunity Program Extension Act of 1996, as proposed by the House, and $7,500,000 for Habitat for Humanity International for capacity building activities;

—$225,000,000 for economic development grants, instead of $50,000,000 as proposed by the House and $85,000,000 as proposed by the Senate. The conferees agree to the following targeted economic development grants:

—$500,000 for the Chabot Observatory and Science Center in the City of Oakland, California for a science education center;

—$500,000 to the City of Oceanside, California for activities associated with the City of Oceanside's Redevelopment Project;

—$600,000 to the Alameda County Housing Agency—the Housing and Community Development Department for the Alameda County Homeless Base Conversion in Oakland, California;

—$500,000 to Golden Gate University in San Francisco, California for the Golden Gate University Agricultural Business Resource Center project in Monterrey, California;

—$500,000 to the Inland Valley Development Agency for San Bernardino International Airport in San Bernardino, California for activities associated with the base conversion project;

—$500,000 to the City of Los Angeles, California for the activities associated with the economic redevelopment of the City of Los Angeles' Santa Barbara Plaza project;

—$600,000 to the University of San Diego in San Diego, California for the development of the University of San Diego Science and Education Research Center to provide education and training of low income students;

—$100,000 to CALSTART in the Los Angeles International Airport in Los Angeles, California for an electric vehicle rental demonstration;

—$1,000,000 to the Lake Champlain Science Center in Burlington, Vermont for development activities;

—$1,000,000 to the City of Barre, Vermont for downtown development;

—$300,000 to the Vermont Housing and Conservation Board for affordable housing activities in Bennington, Vermont;

—$200,000 to Burlington Community Land Trust for a multi-generational center in Burlington, Vermont;

—$250,000 to the Vermont Technical College, in Randolph, Vermont for the Vermont Technology Workforce Training Initiative;

—$250,000 to the Town of Wells River, Vermont for downtown redevelopment activities;

—$800,000 to the City of Dubuque, Iowa for work associated with the development of the Upper Mississippi River National Wildlife and Fish Refuge Interpretive Center in Dubuque, Iowa;

—$1,000,000 to the City of Sioux City, Iowa for the restoration of the Warrior Hotel in Sioux City, Iowa to be used for adult day care and other direct services;

—$700,000 to City of Cedar Rapids, Iowa for revitalization in the Cedar Rapids, Iowa Southside neighborhood development project;

—$500,000 to the City of Waterloo, Iowa for affordable housing development in Waterloo, Iowa

—$750,000 for the New Jersey Community Development Corporation to rehabilitate a site in Paterson, New Jersey to establish an employment opportunity center;

—$750,000 to Cumberland County, New Jersey for the City of Bridgeton, New Jersey redevelopment project;

—$500,000 to Covenant House for the construction of a residential and community service center in Newark, New Jersey;

—$500,000 to New Community Corporation to develop abandoned property in Newark, New Jersey;

—$500,000 for the Lower Essex Street Waterfront redevelopment project in Rahway, New Jersey;

—$3,000,000 for the construction of a Science/Computer teaching center at Wheeling Jesuit University in Wheeling, West Virginia;

—$2,000,000 to Hawaii Housing Authority for the work associated with the construction of the Community Resource Center at Kuhio Homes/Kuhio Park Terrace in Honolulu, Hawaii;

—$250,000 to the County of Hawaii for infrastructure development in Puna, Hawaii;

—$250,000 to the County of Maui, Hawaii for the acquisition of the Malama Family Recovery Center to provide counseling and support to at risk women of substance abuse;

—$500,000 to the City of Ozark, Arkansas for the development of its downtown area as a tourist destination;

—$500,000 to the Turtle Mountain Community College in North Dakota, for the Turtle Mountain Economic Development and Education Complex;

—$500,000 to the Rural Economic Area Partnership Investment Board in North Dakota for rural and economic development activities;

—$250,000 to the Atlantic Beach Community Development Corporation in Horry County, South Carolina for activities associated with economic development in Horry County, South Carolina;

—$250,000 to the School of Public Health at the University of South Carolina in Columbia, South Carolina to consolidate its programs in a new central location;

—$500,000 to Dillon County, South Carolina for the restoration of the Dillon County Library;

—$1,500,000 to the City of Milwaukee for the second phase of the riverwalk development in Milwaukee's Historic Third Ward;

—$1,000,000 to the City of Sioux Falls, South Dakota for the downtown restoration and redevelopment purposes;

—$400,000 to the Greater Huron Development Corporation for economic development efforts in the Huron, South Dakota community;

—$500,000 to the Northern Hills Community Development Corporation for economic development efforts in the Lead, South Dakota area;

—$350,000 to the City of Woonsocket, South Dakota for infrastructure improvements at the city's industrial park;

—$350,000 to the City of Mobridge, South Dakota for economic development expansion and development purposes;

—$200,000 to the Mitchell Economic Development Corporation to construct an access road and make improvements at the Railroad Industrial Park in Mitchell, South Dakota;

—$100,000 to the Sioux Falls Downtown Economic Development Incentive Fund for business development in the City of Sioux Falls, South Dakota;

—$200,000 to the City of Webster, South Dakota for infrastructure improvements to the community's industrial park;

—$200,000 to the City of Siseton, South Dakota for business development purposes;

—$500,000 the Boston Symphony Orchestra in Boston, Massachusetts for the restoration of the Boston Symphony Hall;

—$750,000 to the Antelope Valley Partnership for the redevelopment of Lincoln, Nebraska;

—$250,000 to the Inner City Education and Recreation Foundation in Chicago, Illinois to rehabilitate vacant inner city parcel;

—$650,000 to Bethel New Life in Chicago, Illinois for economic development efforts at the former St. Anne's hospital site in Chicago, Illinois;

—$500,000 to the Enterprise Foundation in Columbia, Maryland for multi-state welfare-to-work child care initiative;

—$250,000 for development efforts in the Scottsdale subdivision of Harvey, Louisiana;

—$500,000 to the East Baton Rouge Health Alliance in East Baton Rouge Parish, Louisiana for economic development, health promotion and disease prevention;

—$250,000 to the Wing Luke Museum in the international district of Seattle, Washington for rehabilitation and expansion of the Wing Luke Museum;

—$500,000 to the City of Seattle, Washington for the rehabilitation and new construction associated with the Noji Gardens Homesight project;

—$100,000 to the Mountain Association for Community Economic Development for economic development activities in Kentucky;

—$750,000 to the Boys and Girls Club of Las Vegas, Nevada for activities associated with the renovation and expansion of the existing education and recreation facility;

—$900,000 to the City of Tampa, Florida for the refurbishment of the West Tampa El Centro Espanol Building;

—$500,000 to the City of Portland, Oregon for Phase 2 of the Portland Central City Streetcar project to provide service to the emerging North Macadam district;

—$500,000 to the Navajo Nation in Shiprock, New Mexico for a multi-purpose center to be used as a safe haven for at-risk Indian juveniles;

—$250,000 to the Bayview Citizens for Social Justice in Norhthampton County, Virginia for economic development activities;

—$250,000 to the Museum for African Art in New York, New York;

—$1,500,000 to Prince George's County Maryland for work associated with the Manchester Square Redevelopment Project in Suitland, Maryland;

—$1,500,000 to Montgomery County, Maryland for economic development and revitalization in the southern Silver Spring business district;

—$1,500,000 to the Maryland Department of Housing and Community Development to establish a national Pediatric Functional Imaging Center, to serve as a job training site for individuals with neurological impairments, located in a federally designated empowerment zone;

—$100,000 to Payne Memorial Outreach, Inc. in Baltimore, Maryland for economic development efforts related to the 1701 Madison Avenue Redevelopment Project;

—$400,000 to Garret County, Maryland, for activities related to development activities associated with the Highview Apartments Redevelopment Project in Oakland, Maryland;

—$250,000 to the Baltimore City Unity Partnership, Inc. for economic development and community revitalization activities in Baltimore, Maryland;

—$750,000 to the Maryland State Department of Housing and Community Development for relocation of residents of Wagners Point community in Baltimore, Maryland;

—$300,000 to the Santa Fe, NM Neighborhood Housing Service to create the Self-Help Housing Loan Fund;

—$300,000 to the City of Kansas City, KS to demolish the Huron Building and the Security Bank Building;

—$1,600,000 to the St. Stephen Lifestyle Enrichment Center Campus for renovations in Louisville, KY;

—$750,000 to the City of Riverside, CA for the expansion of the Goeske Senior and Disabled Citizens Center;

—$100,000 to the City of Riverside, CA for Phase II of the Citrus Park.

—$150,000 to the County of Riverside, CA for the Riverside School of the Arts at Riverside Community College;

—$1,000,000 to the City of San Diego, CA for the San Diego Childrens Convalescent Hospital;

—$200,000 to Ascension Parish, LA for parks and recreation development;

—$100,000 to the City of Plaquemine, LA for the development of the City Activity Center;

—$50,000 to the City of Plaquemine, LA for the historic train depot;

—$250,000 to the Los Angeles County Development Commission, CA for the Growing Experience at the Carmelitos Center;

—$250,000 to the Los Angeles County Development Commission, CA for the Telemedicine project at the Carmelitos Center;

—$350,000 to Marshall County, AL for the Lewis Mountain drinking water infrastructure improvements;

—$1,000,000 to Etowah, AL for the Lake Gadsden infrastructure improvements;

—$500,000 to the Nevada Rural Health Centers, NV for the Nevada Mobile Mammography unit for a mammovan;

—$250,000 to Westhampton Beach, NY for the renovation and revitalization of the Westhampton Beach Performing Arts Center;

—$1,000,000 to Ball State University, IN for the Muncie-Delaware County Workforce Development Initiative;

—$1,000,000 to Indiana University in Bloomington, IN for the renovation of the Midwest Proton Radiation Institute;

—$450,000 to Rural Enterprises in the City of Durant, OK for the purpose of assisting businesses in economically distressed rural areas;

—$500,000 to the City of Topeka, KS for drinking water infrastructure;

—$250,000 to Pittsburg State University, KS for facilities improvements at the Kansas Technology Center;

—$500,000 to Riverton, UT for the restoration of the civic center;

—$650,000 to the City of Bernalillo, NM for the completion of the youth center;

—$500,000 to Rampo College of New Jersey, NJ for the construction of the Center for Performing and Visual Arts;

—$1,000,000 to CALSTART for creation and relocation of business incubator activities associated with the cities of Pasadena, CA and Camarillo, CA;

—$250,000 to Elizabethtown, KY for the revitalization of the State Theater;

—$250,000 to Liberal, KS for the revitalization effort of the Original Town of Liberal Revitalization Corporation;

—$100,000 to Gamaliel, KY for construction costs associated with the Gamaliel Fire House;

—$100,000 to Tompkinsville, KY for construction costs associated with the Community Development Training Center;

—$130,000 to Columbia, KY for construction of the Adair County Community Development Training Center to retrain displaced textile workers in the area;

—$100,000 to the City of Russellville, KY for water system infrastructure improvements;

—$20,000 to Central City, KY for the GISH Playground site improvements as well as the purchase of new equipment;

—$300,000 to the Ewing Naval Warfare Center Reuse Committee, NJ for economic redevelopment of the area;

—$50,000 to Somerset County Board of Social Services, NJ for AGAPE House Homeless Shelter;

—$500,000 to Cathedral City, CA for infrastructure improvement needs related to the bridge over crossing at Interstate 10 and Date Palm Drive;

—$500,000 to the University of New Hampshire, NH for library and laboratory enhancements as well as telecommunications access;

—$500,000 to the University of Montana, Missoula, MT for the planning, design and establishment of a Research Development Enterprise;

—$1,250,000 to City of Charlotte, NC for economic development in the Wilkinson Boulevard Corridor;

—$250,000 to the Arkansas Enterprise Group of Arkadelphia, AR to address child care issues in conjunction with welfare to work initiatives;

—$500,000 to County of Tulare, CA for the Tulare International Trade Center;

—$1,000,000 to the City of Youngstown, OH for the Southside Medical Center campus;

—$600,000 to the City of Kendleton, Fort Bend County, TX for upgrading the sewer and water system;

—$500,000 to the nonprofit 1490 Enterprises Community Center in Buffalo, NY for renovation of the community center;

—$100,000 to Wayne State University, MI for the renovation of Hilberry Theater;

—$1,000,000 to Wittenberg University, OH for Phase I of the science facility renovation project;

—$500,000 to County of Fresno, CA for Westcare's Fresno County Community Healthcare campus to provide low-income health care services;

—$1,000,000 to the Tampa Port Authority, FL for economic development and revitalization efforts;

—$1,500,000 to the County of Sacramento, CA for the Sacramento Urban League Workforce Development Center;

—$500,000 to Houghton College, NY for the costs associated with the development of an academic Fine Arts Center;

—$500,000 to the County of Fairfax, VA for revitalization efforts at Bailey's Crossroads and Annandale, VA;

—$200,000 to Abington Township, PA for the Abington Township library construction and renovation project;

—$530,000 to the Norristown Borough, PA for construction of a parking garage;

—$10,000 to the Wissahickon Public Library, Blue Bell, PA for technology infrastructure;

—$10,000 to the Conshohocken Public Library, Borough of Conshohoken, PA for technology infrastructure;

—$175,000 to Montgomery County, PA for the acquisition of a senior adult activity center;

—$25,000 to Conshohocken Borough, PA for the construction of a Veterans memorial;

—$50,000 to Montgomery County, PA for the Hatboro Borough library renovation and construction project;

—$250,000 to the City of Stockton, CA for the acquisition and rehabilitation of the Old Stockton Hotel;

—$250,000 to the Edison Welding Institute, Columbus, OH for a specialized job training program related to welfare to work initiatives in central Ohio;

—$350,000 to the City of Citrus Heights, CA for transitional cost of the City's recent incorporation;

—$125,000 to the City of Folsom, CA for the Brownfields Redevelopment project at Folsom City Landfill and Corporation Yard;

—$125,000 to Placer County, CA for the regional wastewater treatment facility;

—$250,000 to the City of Newhall, CA for the Newhall Metrolink Station;

—$250,000 to the City of Lancaster, CA for construction of the National Soccer Activity Center;

—$250,000 to the City of Lancaster, CA for costs associated with the 50th District Agricultural Association Fairgrounds relocation;

—$250,000 to Ventura County, CA for construction of Rail Tunnel 26;

—$750,000 to the City of Sardis, MS for a wastewater treatment facility;

—$250,000 to the Town Silver City, NM for wastewater treatment facility upgrades;

—$1,000,000 to Holmes County, OH for the Northeast Ohio Health Outreach Network;

—$1,000,000 to Newstead, NY for construction costs associated with a library;

—$350,000 to the City of Hammond, LA for historic Columbia Theater renovations;

—$750,000 to City Park in New Orleans, LA for infrastructure and renovation needs;

—$750,000 to the City of Covington, LA for the Community Workforce Development Center;

—$350,000 to Grace House in New Orleans, LA for facility improvements;

—$1,000,000 to the Audubon Institute Living Sciences Museum in New Orleans, LA;

—$300,000 to the University of New Orleans, LA for the Welfare Entrepreneurship program;

—$500,000 to the County of San Bernardino, CA for the Shack Attack program in the Morongo Basin and other desert areas in the County;

—$1,000,000 to the City of Redlands, CA for the redevelopment initiatives near the historic Fox Theater;

—$500,000 to the City of Redlands, CA for the reconstruction of the Alabama Street Bridge;

—$1,000,000 to the City of Highland, CA for construction of the Highland Community Center;

—$1,000,000 to the City of Loma Linda, CA for infrastructure improvements at Redlands Boulevard and California Streets;

—$300,000 to the Town of Apple Valley, CA for the Happy Trails Chidrens Foundation for site improvements at Cooper Home;

—$250,000 to the County of San Bernardino, CA for a public park facility to serve the Children's Forest, Hoffman Elementary School, Rim of the World Recreation and Park District and local businesses;

—$500,000 to the Boys and Girls Club of Redlands for the development of a youth facility, Redlands, CA;

—$375,000 to Clearfield Borough, PA for the Dimeling Hotel renovation project for senior living apartments;

—$2,750,000 to the Olympic Regional Development Authority, NY for upgrades at Mt. Van Hoevenberg Sports Complex;

—$750,000 to St. Josephs Hospital Health Center for the Central New York Cardiac Care and Hemodialysis Enhancement Center in Syracuse, NY;

—$2,000,000 to the Childrens Center of Brooklyn, NY for the construction of a facility to house educational and therapeutic programs for disabled preschool children;

—$400,000 to the City of Syracuse, NY for the Museum of Science and Technology;

—$100,000 to the Sally Coyne Health Care Center for Independence in North Syracuse, NY;

—$200,000 to the Boys and Girls Club in Syracuse, NY for the renovation of existing facilities;

—$500,000 to Wyoming County, PA for the construction of a residential and treatment facility for autistic adults;

—$500,000 to City of Scranton, PA for the Goodwill Industries elderly housing project at the former North Scranton Intermediate School;

—$500,000 to the City of Scranton, PA to replace the treatment and residential facility in Scranton which serves and houses children in need of mental health, behavioral, and protective services;

—$500,000 to Lacawanna County, PA to improve the site tipple and yard in Lacawanna County Coal Mine;

—$500,000 to Morristown, NJ for economic redevelopment initiatives;

—$500,000 to Science Park in Newark, NJ for academic and infrastructure needs;

—$500,000 to the Stevens Institute of Technology Laboratory Business Innovation in Hoboken, NJ;

—$500,000 to the University of Oklahoma, OK for Phase I of planning for incubator operations at the Advanced Research Park;

—$500,000 to the City of San Juan Capastrano, CA for construction of a Boys and Girls Club of Capastrano Valley;

—$1,250,000 to the University of Connecticut, for the continued construction of the Agriculture Biotechnology Laboratory in Storrs, CT;

—$500,000 to Montgomery County, MD for the Easter Seals Break-Away Senior Day Care Center;

—$1,500,000 to the Detroit Rescue Mission Ministries for infrastructure repairs, Detroit, MI;

—$1,000,000 to the Mill Springs Battlefield Association for the construction of an interactive visitors center and museum at the Mill Springs Battlefield in Pulaski County, KY;

—$225,000 to the City of Logan, UT for the Logan City Trails/Transportation project;

—$75,000 to the City of Logan, UT for the Logan City Willow Park Zoo;

—$200,000 to the City of Layton, UT for the completion of the Kays Creek Corridor project in northeast Layton;

—$500,000 to the Haymarket Center's Community and Family Learning Center, Chicago, IL for the comprehensive substance abuse treatment center;

—$650,000 to the City of Jacksonville, FL for the Talleyrand Redevelopment Project;

—$100,000 to the City of Jacksonville Beach, FL for water and wastewater infrastructure improvements;

—$500,000 to the University of Cincinnati Medical Center, OH for an addition to and renovation of the Medical Sciences Building;

—$250,000 to the County of San Bernardino, CA for the Running Springs Downtown Revitalization Project;

—$750,000 to the non-profit Charter Schools Development Corporation for working capital and design of a credit enhancement program required to leverage private financing for charter school facilities using the District of Columbia as a model for a national approach;

—$500,000 to Pacific Union College, Angwin, CA for the Nappa Valley Resource Center development a welfare to technology job training program;

—$1,000,000 to the California State University, Long Beach, CA to implement an affordable, disaster resistant, energy efficient housing program in conjunction with the City of Omaha, NE;

—$275,000 to Warren County, VA for asbestos remediation and lead paint removal at the Avtex Superfund Site in Front Royal, VA.

—$2,500,000 for the University of Alaska Museum, Fairbanks, Alaska;

—$350,000 for the Noel Wien Memorial Library in Fairbanks, Alaska;

—$2,500,000 for the Alaska Vocational Technical Center in Seward, Alaska for a maritime vessel simulator;

—$500,000 for the Homer Dock in Homer, Alaska;

—$2,000,000 for the University of Missouri for the Center for Life Sciences;

—$700,000 for the Little Sisters of the Poor in Kansas City, Missouri for the renovation and reconstruction of affordable housing;

—$350,000 for the Guadalupe Center in Kansas City, Missouri;

—$4,000,000 for the City of St. Louis for the Washington Avenue Loft District

Streetscape Improvements, consistent with the 1998 Downtown Now! Plan;

—$1,500,000 for Provo, Utah the revitalization of the historic downtown business center;

—$500,000 for the Redevelopment Agency of Salt Lake City, Utah for the redevelopment of the Gateway District;

—$500,000 for SHARE House to build a new non-medical detoxification center in Missoula County, Montana;

—$750,000 for the Samuel U. Rodgers Community Health Center in Kansas City, Missouri, for community revitalization and capital improvement projects;

—$250,000 for the Family Health Center in Columbia, Missouri for the delivery of health care services for low-income patients;

—$250,000 for the Children's Center of Southwest Missouri for capital improvement projects;

—$2,500,000 for the City of Kansas City for the Liberty Memorial Monument for renovation;

—$1,000,000 for the City of Durango, Colorado to develop the Cultural Arts Complex of southwest Colorado;

—$1,000,000 for the City of Aurora for the redevelopment of the Fitzsimmons Army base;

—$1,000,000 for the Arapahoe House in Denver, Colorado for rehabilitation needs and services.

—$600,000 for Bethune-Cookman College Daytona Beach, Florida;

—$1,000,000 for the City of Brookhaven, Mississippi for renovating historic Whitworth College buildings in Brookhaven, Mississippi;

—$500,000 for the City of Jackson, Mississippi for creating a youth entrepreneurship program;

—$250,000 for renovation, accessibility and asbestos remediation for the Wellstone Neighborhood Center, Wellstone, Missouri;

—$900,000 to support homeless initiatives, with $300,000 for the Bond Center in Pine Lawn, Missouri, $300,000 for the Kitchens in Springfield, Missouri and $300,000 for Rose Brooks in Kansas City, Missouri;

—$500,000 for Nottoway County, Virginia for the revitalization of its governmental complex.

—$1,000,000 for Project Social Care in Brooklyn, New York;

—$1,000,000 for Touro Law Center in Long Island, New York for its relocation project;

—$2,000,000 for the Hispanic Cultural Center in Albuquerque, New Mexico;

—$600,000 for the Jardin de los Ninos homeless daycare center in Las Cruces, New Mexico;

—$2,000,000 for the North Carolina State Museum of Natural Resources for the construction and installation of interactive natural history exhibits;

—$300,000 for the City of Rockingham, North Carolina for a Neighborhood Level Park;

—$300,000 for Richmond County, North Carolina for a neighborhood park;

—$250,000 for the Beech Glenn Community of Madison County, North Carolina for a community library, daycare, adult education, recreational activities and facilities for youth leagues;

—$250,000 for Buncombe Technical Community College, North Carolina for a small business incubator;

—$250,000 for Blue Ridge Community College, North Carolina for the Blue Ridge Environmental Training Center;

—$250,000 for the Aycock Recreational Complex in Henderson, North Carolina;

—$250,000 for Edenton, North Carolina for waterfront renovation;

—$2,000,000 for the Pacific Science Center in Seattle, Washington;

—$500,000 for the renovation of the opera house at Enosburg, Falls, Vermont;

—$500,000 for Crawford County, Georgia for a community development center in Roberta, Georgia;

—$500,000 for a community development center/courthouse annex project in Crawford county, Georgia for use in facilitating increases in social service needs associated with significant population growth;

—$1,000,000 for the King Urban Life Center in Buffalo, New York for an early childhood school and community center;

—$1,400,000 for Columbia University for its Audubon III Project in New York City;

—$2,500,000 to the City of Kellogg, ID for the restoration of Milo Creek in Kellogg and Wardner, Idaho;

—$2,000,000 for Campbellsville University in Kentucky to implement a job training partnership;

—$2,000,000 for Jarrell, Texas for a public park and a storm shelter;

—$2,500,000 for a new science and mathematic facility at the University of Alabama in Tuscaloosa, Alabama;

—$500,000 for Calhoun County Community College Advance Manufacturing Center in Decatur, Alabama;

—$1,000,000 for the City of Huntsville for the development of the Center for Early Southern Life at Alabama Constitution Village;

—$2,000,000 for Pittsburgh, Pennsylvania to redevelopment the Sun Company/LTV Steel site in Hazelwood, PA;

—$250,000 for the development of a business development center and a job training center in the underserved communities of Central and South Philadelphia;

—$1,000,000 for Wilkes-Barre, PA for a downtown revitalization project;

—$1,200,000 for the development of the Riverbend Research and Training Park in Post Falls, Idaho;

—$600,000 for Marguerite's Place, a shelter for battered women, in Nashua, N.H.;

—$300,000 for Keystone Hall, a drug and rehabilitation Center in Nashua, N.H.;

—$100,000 for Southern New Hampshire Services for homeless outreach in Nashua, N.H.;

—$450,000 to the Great Lakes Science Center, in Cleveland, Ohio to further the creation, renovation and upgrade of the Great Ideas Community and Great Lakes Environment Exhibits;

—$500,000 to John Carroll University in Cleveland, Ohio for the Bohannon Science Center's advancement of the Center for Science Education, Teaching and Technology;

—$500,000 to the Cleveland Public Library in Cleveland, Ohio for the academic enrichment and workforce development project;

—$500,000 to the Amistad Development Corporation in Cleveland, Ohio for the Lee Harvard Shopping Center and District infrastructure enhancement and redevelopment investment initiative;

—$500,000 to the Jewish Community Center of Cleveland, Ohio for the restoration and upgrade of daycare facilities and enhancement of services and programs for children and seniors;

—$500,000 to the Murtis H. Taylor Multi-Service Center in Cleveland, Ohio for furthering a full range of community outreach and social services delivery and enhancement;

—$350,000 to the Cleveland Boys and Girls Club in Cleveland, Ohio for the enhancement of youth and community outreach, and human and economic capital development and investment;

—$800,000 to Cleveland Housing Network, Inc. in Cleveland, Ohio for furthering the lease purchase housing initiative on the east side of Cleveland;

—$1,000,000 to the Playhouse Square Foundation in Cleveland, Ohio for the four-theater complex Allen Theatre restoration project;

—$1,000,000 to the City of Parkersburg, West Virginia for economic development and downtown revitalization efforts;

—$250,000 to the Vandalia Heritage Foundation, a 501(c)(3) organization which promotes community and economic development in northern West Virginia;

—$200,000 to the Institute for Software Research in Fairmont, West Virginia to be used for capital equipment, operational expenses, and program development;

—$350,000 to the City of Fairmont, West Virginia to be distributed as follows: $250,000 for the Fairmont Community Development Partnership and $100,000 for the Friends of Highgate;

—$400,000 to the town of Thomas, West Virginia for downtown revitalization and historic preservation;

—$2,200,000 to the City of Toledo, Ohio to address improvements to central city neighborhoods, the historic main public library, and downtown area projects, and to leverage the potential of Toledo's not-for-profit community development corporations;

—$2,200,000 to the Alternatives Program of Dade County, Inc. for rehabilitation of distressed buildings in the Edison-Little River neighborhood in Miami, Florida;

—$650,000, to the City of Durham, North Carolina for economic and neighborhood revitalization efforts;

—$700,000 to the City of Mackinac Island, Michigan for renovation of the historic Mackinac County courthouse;

—$950,000, to the North West Concentrated Employment Program in Ashland, Wisconsin for education, training, counseling, emergency assistance, and related services for displaced workers and their families;

—$150,000 to the Saint Vincent Archabbey in Latrobe, Pennsylvania for restoration of the historic Saint Vincent Abbey grist mill;

—$240,000 to the Fort Ligonier Association for restoration of buildings at Fort Ligonier, Pennsylvania;

—$185,000 to the Salisbury-Elk Lick School District in Somerset County, Pennsylvania to construct a community center to house intergenerational technology and early childhood programs as well as a library;

—$150,000 to the Redevelopment Authority of Cambria County, Pennsylvania for a waterline extension;

—$75,000 to the City of Latrobe, Pennsylvania for demolition of buildings to open lots for new development;

—$200,000 to Fallingwater in Mill Run Pennsylvania, to construct a water treatment facility;

—$400,000 to the City of Tacoma, Washington to implement its downtown redevelopment plan;

—$300,000 to the City of Minneapolis, Minnesota for the restoration of Dania Hall;

—$300,000 to the City of Minneapolis, Minnesota for the Portland Place housing development initiative;

—$500,000 to the Los Angeles Brotherhood Crusade for the Brotherhood Business Development and Capital Fund;

—$700,000 to the City and County of San Francisco, California for community revitalization efforts in the Visitacion Valley neighborhood;

—$450,000 to the City of Lake Station, Indiana for rehabilitation of sewer lines;

—$400,000 to ADVANCE, of Whittier, California for community economic development activities, including technical assistance and outreach to small businesses in the Los Angeles County region;

—$450,000 to the Village of Port Chester, New York for downtown revitalization;

—$50,000 to the Mount Hope Housing Company of New York City for the renovation of various aspects of a multi-use community center;

—$300,000 to the New York City Department of Parks and Recreation for the rebuilding and restoration of Joyce Kilmer Park in the South Bronx;

—$400,000 to Arlington County, Virginia to assist the county in developing an innovative low income housing program to facilitate home ownership for families displaced through the redevelopment of the Arna Valley apartments;

—$50,000 to the McLean Revitalization Corporation in McLean, Virginia to implement the McLean revitalization plan developed by Fairfax County for the aging McLean business district;

—$400,000 for the North County Community Development Corporation in North Adams, Massachusetts for the construction of a small business incubator;

—$350,000 to the Arizona Science Center to provide science and technology education and training opportunities to low-income and minority students in downtown Phoenix;

—$250,000 to the National Children's Advocacy Center in Huntsville, Alabama for construction of a new facility;

—$100,000 to Alabama A&M University in Normal, Alabama for renovation of historic buildings on the university's campus;

—$50,000 to Princess Theater in Decatur, Alabama for renovation and operation of the current facility;

—$750,000 to the Oregon Garden Project to construct a wastewater treatment, education and training facility in Silverton, Oregon;

—$500,000 to the City of Buffalo, New York for improvements to LaSalle Park;

—$250,000 to the Town of Tonawanda, New York for demolition of abandoned grain elevators;

—$500,000 to Great Brook Valley Health Center, Inc. in Worcester, Massachusetts to support a capital expansion project to increase health services to the poor and indigent;

—$200,000 to Assumption College in Worcester, Massachusetts for construction of the Joseph P. Kennedy, Jr. Science and Technology Center;

—$100,000 to the Appalachian Health Services Cooperative in Hillsboro, Ohio for a rural Medicaid health cooperative among Highland District Hospital, Brown County General Hospital and Adams County Hospital;

—$400,000 to the Portsmouth Metropolitan Housing Authority in Portsmouth, Ohio for air conditioning of housing units;

—$400,000 to the Far From Home Foundation in Indianapolis, Indiana to provide substance abuse treatment and transitional housing for homeless veterans;

—$400,000 to the City of San Diego Redevelopment Agency for development of the retail portion of City Heights Urban Village in San Diego, California;

—$300,000 to the City of Bad Axe, Michigan for a water and sewer project;

—$100,000 to Harambee Institute in St. Louis, Missouri to continue expansion of facilities providing educational guidance and encouragement to children and adults interested in pursuing a career in the arts;

—$100,000 to the St. Louis Black Repertory Company, to further the expansion and renovation of a facility to provide cultural arts activities for the St. Louis metropolitan area;

—$150,000 to Better Family Life, Inc. in St. Louis, Missouri to assist with the construction of new facilities offering school-based programs and cultural programs;

—$100,000 to The Black World History Wax Museum in St. Louis, Missouri for structural renovation and improvements in the building's accessibility and safety;

—$50,000 to Grace Hill Neighborhood Services in St. Louis, Missouri to improve community services at a facility dedicated to strengthening low-income neighborhoods in North St. Louis;

—$300,000 to Williamsburg County, South Carolina for the Williamsburg County Industrial Park;

—$50,000 to the Westside Association for Community Action in Chicago, Illinois for its community development, job training, drug prevention and juvenile delinquency prevention programs;

—$50,000 to the Coalition for United Community Action in Chicago, Illinois for job training and development programs;

—$50,000 to the Chinese American Service League in Chicago, Illinois for community development, and social services programs;

—$50,000 for SANKOFA of Chicago, Illinois for housing counseling, rehabilitation, and tenant education programs;

—$350,000 to the City of Salinas, California for development of housing and daycare facilities for farmworker families;

—$400,000 to Memphis Incubator System, Inc. to establish a business incubator in Memphis, Tennessee;

—$500,000 to the Rural Development and Finance Corporation to seed a special opportunities fund, underwrite project technical assistance, and make capacity-building grants to rural community development corporations along the Texas/Mexico border;

—$200,000 to the Village of Dixmoor, Illinois for the purchase and renovation of a building for a community and senior center and for the acquisition of adjacent land for recreation park development and open space preservation;

—$200,000 to Metropolitan Family Services in Chicago, Illinois for the purpose of renovating and expanding the Calumet Center;

—$300,000 to Covenant House/Texas for their transitional housing program for runaway and homeless youth;

—$350,000 to the City of Dallas, Texas for redevelopment initiatives in the southern areas of the city;

—$400,000 to the Commonwealth of Massachusetts, of which $250,000 is for the Arlington-Boston Bike Path and $150,000 is for the Minuteman Commuter Bikeway;

—$400,000 to the Southside Institutions Neighborhood Alliance of Hartford, Connecticut for neighborhood revitalization efforts;

—$300,000 to the Cleveland Botanical Garden of Cleveland, Ohio for development of an environmental educational facility;

—$1,600,000 to Spelman College in Atlanta, Georgia for development of a science center;

—$300,000 to Schenectady Family Health Services in Schenectady, New York, for facilities expansion;

—$300,000 to the Rockaway Development and Revitalization Corporation in New York City, for rehabilitation of a building for use as a commercial incubator facility;

—$300,000 to the Northeast Ventures Corporation in Duluth, Minnesota for economic development projects in northeastern Minnesota;

—$400,000 to the Southern West Virginia Community and Technical College in Williamson, West Virginia for construction and furnishing of a library;

—$400,000 to the Apollo Theatre Foundation in New York City, for renovation and upgrades to the theatre;

—$200,000 to Project Restore of Los Angeles, California for the Los Angeles City Civic Center Trust, to revitalize and redevelop the Civic Center neighborhood;

—$150,000 to the Southeast Rio Vista Family YMCA, for development of a child care center in the City of Huntington Park, California;

—$50,000 to the City of Los Angeles for redevelopment of a former prison site;

—$100,000 to the City of Richmond, Virginia for an alternative school program in the East End community of Richmond;

—$50,000 to Best Friends, Inc. in Newport News, Virginia for its work with at-risk and economically disadvantaged adolescent girls;

—$100,000 to Hampton University in Virginia for a high-speed technology information network;

—$350,000 to the City of Petersburg, Virginia for the creation of the Appomattox Regional Governor's School for Technology and the Arts in Petersburg;

—$300,000 to the University of Rochester Medical Center in Rochester, New York for its Institute of Biomedical Sciences;

—$350,000 to the Delta Foundation in Greenville, Mississippi for its Urban Revolving Business Fund;

—$300,000 to the Brooklyn (New York) campus of Long Island University, to support the renovation of a community-based performing arts facility;

—$500,000 to the Black Women's Forum in Los Angeles, California for site acquisition and construction of a multi-purpose center;

—$350,000 to Marin County, California for development of a cultural and community center in the Marin City region of the county;

—$50,000 to the City of Rialto, CA for construction at the city's Teen Center.

—$42,500,000 for Youthbuild, instead of $35,000,000 as proposed by the House and $40,000,000 as proposed by the Senate. The conferees agree that not more than $2,500,000 of the funds shall be used for capacity building activities; and

—$25,000,000 for the Neighborhood Initiatives program, as proposed by the House.

Deletes a provision earmarking $20,000,000 for Brownfields, as proposed by the House. The conferees agree to provide $25,000,000 for Brownfields in a separate account as proposed by the Senate.

Deletes a provision providing $70,000,000 for lead-based paint hazard reduction program and prohibiting funds for the healthy homes initiative, as proposed by the Senate. The conferees agree to provide $80,000,000 for the lead-based paint hazard reduction program and the healthy homes initiative in a separate account, as proposed by the House.

Inserts language proposed by the Senate that no more than $250,000 of the funds made available for emergencies may be used for a non-federal cost-share of a project funded by the Corps of Engineers.

The conferees agree that HUD shall not require additional states to implement the Integrated Disbursement and Information System (IDIS) until problems associated with it

are corrected. The problems include, but are not limited to, the lack of a fully functioning Electronic Data Interchange, full internet capacity, and complete reporting abilities. HUD shall report to Congress, no later than January 1, 1999, as to the specific corrective actions being taken to resolve existing system problems for current state users.

BROWNFIELDS REDEVELOPMENT

Appropriates $25,000,000 for brownfields redevelopment, as proposed by the Senate.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriates $1,600,000,000 for the HOME program, as proposed by the House instead of $1,550,000,000 as proposed by the Senate. An earmark of $17,500,000 is provided for housing counseling, instead of $10,000,000 as proposed by the House and $25,000,000 as proposed by the Senate.

The conference agreement directs rather than recommends that HUD develop a process for measuring the performance of housing counseling agencies as proposed by the House.

The conferees are aware that the McGuire House, an unoccupied low-income housing project in Prince George's County, Maryland, has been vacant for quite some time. The conferees, therefore, encourage HUD to work with the County to redevelop this property, thereby assisting in the economic development of the area.

HOMELESS ASSISTANCE GRANTS

Appropriates $975,000,000 for homeless assistance grants, as proposed by the House instead of $1,000,000,000 as proposed by the Senate.

Inserts language proposed by the House authorizing HUD to review obligated amounts, and to deobligate those funds if appropriate, particularly if it seems likely a contract is unlikely to be performed. The conferees note that deobligating these funds should result in a funding level significantly above $1,000,000,000.

Inserts language requiring at least 30% of the appropriation be directed to permanent housing, as proposed by the Senate.

Inserts language requiring a 25% match by grantees for services, as proposed by the Senate.

Inserts language proposed by the House authorizing HUD to use 1% of funds appropriated for technical assistance and for tracking systems needed to collect information on the unduplicated number of clients serviced and the disposition of the client exiting homeless programs.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

Appropriates $854,000,000 for housing for special populations, instead of $839,000,000 as proposed by the House and $870,000,000 as proposed by the Senate. For section 202 housing for the elderly, $660,000,000 is appropriated instead of $645,000,000 as proposed by the House and $676,000,000 as proposed by the Senate. The conferees reiterate Senate report language directing $1,000,000 of the funds to the Maryland Department of Housing and Community Development to build Caritas House and for expanding the St. Ann Adult Medical Day Care facility.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Limits obligations for direct loans to no more than $100,000,000 as proposed by the Senate instead of $50,000,000 as proposed by the House.

Deletes language proposed by the Senate providing $25,000,000 for enforcement of standards on FHA insured multifamily projects.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Limits obligations for the principal amount of direct loans to no more than $50,000,000, of which no more than $30,000,000 is for bridge financing, as proposed by the House, instead of limiting obligations for direct loans to no more than $120,000,000, of which no more than $100,000,000 was for bridge financing as proposed by the Senate.

Deletes report language proposed by the Senate directing HUD to refrain from conducting bulk mortgage sales of FHA-insured single family mortgages.

The conferees are concerned that HUD has invested considerable time and resources in developing a policy statement that clarifies its position on lender-paid mortgage broker fees and their legality under the Real Estate Settlement Procedures Act. Congress never intended payments by lenders to mortgage brokers for goods or facilities actually furnished or for services actually performed to be violations of subsections (a) or (b) (12 U.S.C. Sec. 2607) in its enactment of RESPA. Publishing a policy statement could provide invaluable guidance to consumers, brokers, and the courts. The conferees are concerned about the legal uncertainty that continues absent such a policy statement. The conferees direct HUD to clarify its position on lender payments to mortgage brokers within 90 days after the enactment of this appropriation Act. The conferees expect HUD to work with representatives of industry, Federal agencies, consumer groups, and other interested parties on this policy statement.

HUD is instituting a new, computerized, uniform physical inspection requirement for its FHA-insured and its subsidized multifamily housing. This new requirement is part of the Department's efforts to obtain an objective, comprehensive assessment of the condition of the overall HUD multifamily portfolio. The conferees understand that the housing industry generally supports these efforts, but the initial implementation of this new procedure will impose cost burdens on private companies with existing contracts with mortgage investors. For purposes of prudent and equitable implementation of the new system, the conferees believe HUD should contract for a portfolio-wide baseline review of its multifamily housing stock. The conferees expect HUD to use money in the General Insurance and Special Risk Fund or section 8 amounts or other funding, as appropriate and proportional, for the purpose of paying for all or part of the cost of implementing the new physical inspection standards.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriates $47,500,000 for research and technology, including $10,000,000 for PATH, as proposed by the House instead of $36,500,000 as proposed by the Senate.

Deletes language prohibiting funds from being used for demonstration programs unless they already exist or are authorized in this legislation, as proposed by the Senate. The conferees agree, however, that new demonstration programs not specifically authorized shall not receive funds from this account unless approved in the HUD Operating Plan or in a reprogramming request.

Inserts a modification directing, rather than urging, HUD to collaborate with the Swope Parkway Health Center in Kansas City, as proposed by the Senate.

Inserts direction to HUD requiring it to cooperate with other federal agencies and the housing industry, and to engage in PATH activities that will provide research, development, testing, and engineering protocols for building materials and methods, as described in the Industry Implementation Plan of the Residential National Construction Goals. The conferees direct HUD to furnish the VA, HUD and Independent Agencies subcommittees with an operating plan for PATH, including specific and measurable goals, no later than December 31, 1998, and a draft evaluation report describing progress made toward meeting those goals no later than April 30, 1999.

Inserts direction requesting from HUD a report due by June 30, 1999, on the impact on the welfare population residing in federally subsidized public housing located in those states that have declined federal Welfare-to-Work funds to determine if any positive or negative impact has occurred because of the state's decision to decline these federal funds.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Appropriates $40,000,000 for fair housing activities, as proposed by the House instead of $35,000,000 as proposed by the Senate. The conferees agree to the distribution of funds in the House report.

Deletes language proposed by the Senate directing HUD to develop policy guidelines on aspects of Fair Housing by August 1, 1999.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

Appropriates $80,000,000 for lead hazard reduction, as proposed by the House instead of $70,000,000 as proposed by the Senate.

Provides that $70,000,000 of the total appropriation shall be for lead hazard reduction, including $2,500,000 for CLEARCorps, as proposed by the House, and $10,000,000 shall be for the Healthy Homes Initiative, instead of $20,000,000 as proposed by the House. The conferees agree to the set-asides and directives contained in the House report.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriates $985,826,000 for salaries and expenses as proposed by the House instead of $992,826,000 as proposed by the Senate.

Inserts language proposed by the Senate prohibiting HUD from employing more than 77 schedule C and 20 non-career SES employees.

The House report requested a report from HUD regarding its procedures for determining whether various functions should be contracted out or performed in-house. The conferees are appreciative of HUD's timely response to this request, but are somewhat alarmed by the content of that response.

HUD's response seems to be saying that its only real procedures for determining whether a function should be contracted out are those procedures required under OMB Circular A–76, but that the Department has not actually conducted an A–76 review in a number of years. The response explains why, in HUD's view, this lack of reviews does not violate Circular A–76. However, the Committee's concern was not so much whether HUD contracting out decisions violate the law, but rather whether these decisions make sense. In particular, the Committee was concerned that HUD's desire to meet stringent

personnel reduction goals has led to contracting out of functions that could be performed more efficiently or less expensively in-house. The conferees reiterate these concerns, and urge the Department to reconsider whether it needs further controls and analytical procedures to make sure that contracting out is done only when it is cost effective to do so.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $81,910,000 for the Office of Inspector General, as proposed by the House instead of $66,850,000 as proposed by the Senate.

Inserts language clarifying the Inspector General's authority over personnel matters within the Office of Inspector General.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriates $16,000,000 for the Office of Federal Housing Enterprise Oversight (OFHEO) as proposed by the Senate, instead of $16,551,000 as proposed by the House.

ADMINISTRATIVE PROVISIONS

Inserts modification to language proposed by the Senate by eliminating additional public and assisted housing reform extenders.

Inserts language agreed to by the conferees clarifying Freddie Mac's ability to lower the costs of providing low downpayment loans by using lower cost methods of protecting against the risk of default with the approval of their safety and soundness regulator.

Deletes language proposed by the House providing for a lower rent subsidy based on the cost of an efficiency apartment instead of a one-bedroom. Inserts language proposed by the Senate to provide incentives for refinancing multifamily projects originally financed with FAF bonds.

Inserts language proposed by the Senate prohibiting prosecution of persons under the Fair Housing Act.

Deletes language proposed by the Senate requiring public notice and comment in rulemaking procedures.

Inserts modification to language proposed by the Senate to permanently make Brownfields an eligible activity under the CDBG program as proposed by the Senate.

Inserts language proposed by the Senate providing HUD with flexibility to make rehabilitation grants and loans in disposing of HUD-owned and HUD-held properties.

Deletes language proposed by the Senate making technical corrections to the Housing For Persons With AIDS (HOPWA) program.

Deletes language proposed by the House to extend public housing reforms.

Deletes language proposed by the House to delay for three months the reissuance of section 8 vouchers and certificates.

Inserts language proposed by the House making changes to the HOPWA formula to correct anomalies that result in the loss of funds for a state when the incidence of AIDS in a large city within the state increases.

Inserts language proposed by the House allowing PHAs to draw down capital grants funds on construction-related schedules and deposit the funds in an escrow account to collateralize bonds for construction and rehabilitation.

Inserts language proposed by the House eliminating the shopping incentive in the section 8 program.

Inserts language proposed by the House allowing HUD, through negotiated rulemaking, to review the current performance funding system (PFS).

Inserts language proposed by the Senate extending HUD's multifamily mortgage insurance risk-sharing programs through fiscal year 1999.

Inserts modification to language proposed by the Senate extending the FHA single-family streamlined downpayment demonstration program to every state.

Inserts language proposed by the Senate providing funding for implementing IDIS.

Inserts language proposed by the Senate making technical corrections to nursing home lease terms.

Deletes language proposed by the Senate prohibiting the use of enterprise zones and empowerment communities as criteria in awarding program grants. The conferees have dropped the prohibition against HUD awarding additional grant points because a jurisdiction has been designated as an empowerment zone or enterprise community. Instead, HUD is directed to establish criteria for identifying high-performing empowerment zones and enterprise communities and to provide the committees with the criteria and a list of all high-performing empowerment zones and enterprise communities. HUD further is directed to provide bonus points, where appropriate, only to such high-performing areas for purposes of awarding grants.

Deletes language proposed by the Senate requiring HUD to notify the Committees on Appropriations of all grant awards at least 24 hours before public or private announcements. The conferees are concerned that HUD has not provided adequate notice of awards on a timely basis and expect HUD to make timely notice of awards to all members, regardless of party affiliation.

Inserts language proposed by the Senate enabling Native Americans to have access to the use of emergency CDBG funds.

Deletes language proposed by the Senate requiring HUD to make all recaptured funds subject to a reprogramming request.

Deletes language proposed by the Senate prohibiting HUD from providing tuition payments under the community builders program. The conferees believe that education and educational opportunities are an important component of federal employment, but remain concerned over some costs that may be considered excessive. The conferees direct HUD, as part of its operating plan, to provide a review of all education programs and activities (including the Community Builders program) available to HUD employees, as well as a breakdown of all costs associated with these programs and activities. All proposed programs and activities shall be subject to approval as part of the operating plan approval process.

Inserts language proposed by the Senate to provide funding flexibility to a project in Bismarck, North Dakota.

Inserts language proposed by the House extending for one year a provision that waives the 15% public service cap for the City and County of Los Angeles. The conferees note their concern, however, about continuing this extension beyond this fiscal year. Therefore, HUD is directed to provide a report to the Subcommittees on VA, HUD and Independent Agencies on what the City and County do with these additional funds. In the report, the City and County should explain the nexus between the public services cap and the riots for which the cap was waived.

Deletes language proposed by the Senate making technical changes to portfolio reengineering legislation.

Inserts a modification to language proposed by the Senate requiring five months notice to residents and local governments of an owner's intent to prepay the mortgage note in preservation-eligible projects. The conferees direct HUD to provide guidance regarding the notice requirement so that it includes an explanation of alternative housing assistance, such as enhanced housing vouchers, that will be made available to residents in buildings where affordability restrictions are removed.

Inserts language proposed by the Senate clarifying that Indian Housing Authorities or tribally designated housing entities are eligible to receive Drug Elimination Grants.

Inserts language proposed by the Senate authorizing HUD to provide information and to buy information on the multifamily FHA-insured program.

Inserts language proposed by the Senate allowing HUD to auction HUD-held and HUD-owned multifamily mortgages until December 31, 2002.

Inserts language proposed by the Senate redirecting $250,000 to the Central Vermont Revolving Loan Fund.

Inserts modification to language proposed by the Senate requiring HUD to provide an annual report to Congress on management deficiencies found in the FHA audited financial statement by eliminating language that conditions implementation of the FHA loan limits on receipt of this report.

Deletes language proposed by the Senate requiring owners of preservation-eligible properties to file a one-year notice of prepayment.

Inserts modification to language proposed by the Senate requiring disclosure to consumers about the costs of FHA-insured mortgages as compared to conventionally insured mortgages and by changing the effective date of the disclosure.

Inserts modification to language proposed by the Senate by making excess rent rules applicable to certain section 236 projects.

Inserts modification to language increasing the FHA single family loan limits, as proposed by the Senate, allowing uniformity within metropolitan statistical areas.

Inserts language which would recapture 1996 HOPE VI grant funds awarded to the Housing Authority of Baltimore City (HABC) for development efforts at the Hollander Ridge housing development. The funds are to be recaptured if HUD decides to rescind the grant award. The bill also includes language which directs HUD to award the recaptured funds to HABC if HABC applies for a future HOPE VI grant for Hollander Ridge and the application meets the criteria of the applicable NOFA.

Inserts language agreed to by the conferees canceling any liability to the Federal Government for outstanding principal balance of the public facilities loan for the Town of Hobson City, Alabama.

Inserts language agreed to by the conferees providing a one day grace period for the City of Wichita and Sedgwick County, Kansas, for submission of Continuum of Care Homeless Assistance program.

Inserts new language increasing the community development block grants public service cap for the City of Miami. The City of Miami shall provide an annual report to HUD and the Committees on Appropriations on the use of these public service funds. The Department shall provide the Committees on Appropriations with a report on the lessons learned by the City's use of these funds.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Appropriates $26,431,000 for salaries and expenses as proposed by the House instead of

$26,931,000 as proposed by the Senate. The amount provided represents an increase of $2,500,000 above the budget request, which the conferees expect will be used by the Commission to continue reducing the backlog of maintenance requirements.

Language proposed by the Senate with respect to the Liberty Memorial Monument has not been retained.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

Appropriates $6,500,000 for salaries and expenses as proposed by the House and the Senate. Language contained in both the House and Senate bills which would limit the Board to three career Senior Executive Service positions has been retained.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Appropriates $80,000,000 for the Community Development Financial Institutions Fund, as proposed by the House, instead of $55,000,000 as proposed by the Senate. The conferees encourage the CDFI to give full and equal consideration to credit unions and specialized community development credit unions as eligible entities for grants, loans, and technical assistance. By their very existence, credit unions are grassroots community development institutions, and the CDFI should encourage and assist credit unions in taking a lead in their communities.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriates $47,000,000 for the Consumer Product Safety Commission, salaries and expenses, instead of $46,000,000 as proposed by the House and $46,500,000 as proposed by the Senate. The conferees agree to delete a general provision which was included in the House bill which appropriated an additional $5,000,000 for this account.

The conferees have included language in the bill which requires the Commission to contract with the National Academy of Sciences' Committee on Toxicology to study the potential toxicologic risks of all flame-retardant chemicals identified by the Commission as likely candidates for use in residential upholstered furniture for the purpose of meeting regulations proposed by the Commission for flame resistance of residential upholstered furniture. The NAS study shall assess toxicologic hazards to human health, including carcinogenicity, mutangenicity, neurotoxicity, and other chronic and acute effects to consumers exposed to fabrics intended to be used in residential upholstered furniture which would be chemically treated to meet the Commission's proposed flame resistance standards. The study shall also assess potential human exposures to such flame-retardant chemicals in residential upholstered furniture, and research needed to fill important data gaps related to toxicologic risks of flame-retardant chemicals. The NAS shall complete the report within 12 months of finalizing arrangements with the Commission, and shall submit the final report to the Congress. The Commission, before promulgating any notice of proposed rulemaking or final rule setting flammability standards for residential upholstered furniture, shall consider fully the findings of the NAS. The conferees have provided $500,000 for the NAS study.

In addition, the conferees direct that the General Accounting Office conduct a review of the process the Commission has conducted regarding a possible rulemaking establishing a standard for upholstered furniture flammability, including consideration of the potential toxicity of the chemicals which would be used as flame retardants, cost-benefit analysis, and consideration of the percentage of residential fire deaths stemming from small open flames relative to other sources. As part of this study, the conferees request the GAO to review the major causes of household fires, including fires caused by cigarette smoking and small open flames. The Commission is to consider the GAO findings and recommendations prior to promulgating a final rule on upholstered furniture flammability. This issue is addressed in Section 423.

The conferees direct the General Accounting Office to study and report on the effect of the child sleepwear standard currently in effect as a result of changes adopted by the Consumer Product Safety Commission in January, 1997. The GAO is to review children's burn incident data for the 18-month period of July 1997 through January 1999 and compare this data to child burn incident data from the prior four years. GAO shall also assess the information and education campaign which has been undertaken by the Commission and the apparel and retail industry since the new standards took effect in January 1997, to determine whether it effectively maximized children's safety. The Commission shall consider and substantively address the findings of the GAO and additional information collected through the National Electronic Information Surveillance System on burn data as it considers revisions to the children's sleepwear standards. This issue is addressed in section 429.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

Appropriates $425,500,000 for national and community service programs operating expenses as proposed by the Senate. The House proposed termination of the Corporation for National and Community Service from funds appropriated in fiscal year 1998.

Limits funds for administrative expenses to not more than $28,500,000, instead of $27,000,000 as proposed by the Senate. The conferees agree that additional funds are needed to achieve better financial management, and have provided $1,500,000 above the fiscal year 1998 level with the expectation that the Corporation will find $1,500,000 from existing lower priority administrative expenses activities and redirect those funds to urgent program administration needs such as financial management, data base and related financial systems development, and Year 2000 computer problems. The conferees note that approximately the same level of funding is provided for administrative expenses of the Corporation in the Labor-Health and Human Services-Education appropriations bill, making a total of approximately $57,000,000 available for program administration. To ensure the availability of additional funds for these urgent program administration needs, the conference agreement also includes bill language earmarking not to exceed $3,000,000 of administrative expenses funding for this purpose. In addition, the conferees understand that the majority of the $3,000,000 appropriated in fiscal year 1996 for reforms of the financial management system will be spent in fiscal years 1999 and 2000. The $3,000,000 appropriated in this bill, together with $3,000,000 appropriated in fiscal year 1996, will provide significant funding to improve financial management and other urgent program administration activities.

The conferees intend that the Corporation will submit to the House and Senate Committees on Appropriations within 60 days of the enactment of this Act a detailed plan for the expenditure of the $3,000,000 in funds reserved to meet urgent program administration needs. Further, the Corporation will provide regular updates to the House and Senate Committees on Appropriations every 60 days on the use of these funds in accordance with that plan. The conferees also intend that the Office of Inspector General will, within 30 calendar days after the submission of each such report, including the plan for the expenditure of the $3,000,000 for urgent needs, independently review and comment upon each report submitted by the Corporation.

Limits funds for quality and innovation activities to not more than $28,500,000, instead of $30,000,000 as proposed by the Senate.

Limits funds as proposed by the Senate to not more than: $2,500 for official reception and representation expenses; $70,000,000 for education awards, of which not to exceed $5,000,000 shall be available for national service scholarships for high school students performing community service; $227,000,000 for AmeriCorps grants, of which not to exceed $40,000,000 may be for national direct programs; $5,500,000 for the Points of Light Foundation; $18,000,000 for the civilian community corps; $43,000,000 for school-based and community-based service-learning programs; and $5,000,000 for audits and other evaluations.

Inserts language proposed by the Senate which prohibits using any funds for national service programs run by Federal agencies; provides that, to the maximum extent feasible, funds for the AmeriCorps program will be provided consistent with the recommendation of peer review panels; and provides that, to the maximum extent practicable, the level of matching funds shall be increased, education only awards shall be expanded, and the cost per participant shall be reduced.

The House proposed that the Corporation be terminated and did not include any of the foregoing limitations or provisions proposed by the Senate.

OFFICE OF INSPECTOR GENERAL

Appropriates $3,000,000 for the Office of Inspector General as proposed by the Senate. The House proposed the orderly termination of the Office of Inspector General from previously appropriated funds.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

Appropriates $10,195,000 for salaries and expenses as proposed by the House, instead of $10,000,000 as proposed by the Senate.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

Appropriates $650,000,000 for science and technology instead of $656,505,000 as provided by the House and $643,460,000 as provided by the Senate.

The conferees have agreed to the following increases to the budget request:

1. $1,250,000 for continuation of the California Regional PM 10 and 2.5 air quality study.

2. $2,500,000 for EPSCoR.

3. $400,000 for continuation of the study of livestock and agricultural pollution abatement at Tarleton State University.

4. $3,000,000 for the Water Environment Research Foundation.

5. $2,700,000 for continued research on urban waste management at the University of New Orleans.

6. $800,000 to establish an environmental molecular toxicology program at the University of Montana.

7. $2,000,000 for the Mickey Leland National Urban Air Toxics Research Center.

8. $4,000,000 for the American Water Works Association Research Foundation, including $1,000,000 for continued research on arsenic.

9. $2,000,000 for the National Decentralized Water Resource Capacity Development Project, in coordination with EPA, for continued training and research and development program.

10. $1,500,000 for the Integrated Petroleum Environmental Consortium project.

11. $800,000 for the National Center for Atlantic and Caribbean Reef Research at the Rosenstiel School of Marine and Atmospheric Science.

12. $1,900,000 for continued Salton Sea research, at the University of Redlands.

13. $1,800,000 for continued research on treatment technologies relating to perchlorate managed by AWWARF on behalf of the East Valley Water District, California.

14. $2,000,000 for the Lovelace National Environmental Respiratory Center.

15. $4,000,000 to CE-CERT at the University of California/Riverside for the development of a next generation environmental chamber to enable advanced research into atmospheric processes under low NO_x conditions ($3,000,000) and for the development of test track research facilities ($1,000,000).

16. $800,000 to the University of New Hampshire to develop, test, and evaluate innovative technologies for enhanced bioremediation of organically contaminated bedrock aquifers.

17. $2,500,000 for the Gulf Coast Hazardous Substance Research Center.

18. $1,000,000 for the development, design, and implementation of a research effort on tributyltin based ship bottom paints at Old Dominion University.

19. $1,750,000 for the National Jewish Medical and Research Center for research on the relationship between indoor and outdoor pollution and the development of respiratory diseases.

20. $800,000 for the university portion of the Southern Oxidants Study.

21. $1,250,000 for the Center for Air Toxic Metals at the Energy and Environmental Research Center.

22. $1,000,000 for the Texas Regional Institute for Environmental Studies to test new cost-effective environmental restoration technologies.

23. $1,000,000 for the Institute for Environmental and Industrial Science at Southwest Texas State University.

24. $6,000,000 for the Mine Waste Technology Program and the Heavy Metal Water Program at the National Environmental Waste Technology, Testing, and Evaluation Center.

25. $1,000,000 for the Alabama Center for Estuarine Studies.

26. $2,000,000 for the Center for Environmental Research, Education and Training at the University of Maryland-Baltimore County, for research on watershed science, ecological and environmental impacts of urban and suburban development, fate and transport of contaminants from urban and rural land use, and analysis of large spatial data sets.

27. $500,000 for the Brazos River Authority for poultry pollution abatement research in the Brazos Navasota watershed.

The conferees have agreed to the following reductions from the budget request:

1. $19,955,000 from the climate change research program.

2. $6,358,000 from the global change research program.

3. $4,000,200 from the Advanced Measurement Initiative.

4. $8,372,000 from the Project EMPACT.

5. $11,654,800 as a general reduction.

Within the funds provided for science and technology, the conferees direct that $2,000,000 be used to continue the initiative to transfer technology developed in Federal laboratories to meet the environmental needs of small companies in the Great Lakes region. This initiative should be accomplished through a NASA sponsored Midwest regional technology transfer center working in collaboration with an HBCU from the region.

For fiscal year 1999, the conferees have provided $46,700,000 for continued research on particulate matter (PM), an increase of $18,000,000 above the budget request. The conferees note that the actual obligation of 1998 funds has, for many reasons, not proceeded at the pace originally expected. Nevertheless, the Agency has established July, 2002 as the date for completion of the next NAAQS review, and it is thus imperative that research be well underway and where possible, providing important data for the review and decision-making process. The conferees strongly commend the Agency for its fine efforts to date in working with the National Academy of Sciences (NAS) and others on this important research matter, and expect that the research funds provided for fiscal year 1999 will be obligated as quickly as possible. In this regard, the Agency is instructed not to await approval of the annual operating plan prior to obligation of these funds.

As previously noted, the Agency has established July, 2002 as the date for completion of the next NAAQS review. Because of the time necessary to conduct additional PM research, the conferees are concerned that the schedule established by EPA may not allow for adequate consideration of research that will result from the enhanced fiscal years 1998 and 1999 appropriations. The conferees strongly urge EPA to amend its PM NAAQS review schedule by reducing the Agency's drafting time and internal review time to provide as much time as possible for the consideration of new research.

Finally, with respect to the speciation component of the Agency's PM monitoring plan, the conferees request that the NAS assist EPA's Clean Air Science Advisory Committee (CASAC) by providing recommendations regarding the number and location of monitors and specific objectives and operating conditions for the various types of speciation monitors in EPA's plan. Also, NAS should evaluate the adequacy of the speciation component of the monitoring plan to characterize those constituents of PM that are biologically active. The NAS is expected to facilitate a thorough peer review of the speciation component of EPA's monitoring plan by CASAC.

EPA's recently published Contaminated Sediment Management Strategy states that EPA will not proceed with clean-up of a contaminated sediment site if the short-term and long-term impacts of dredging are determined to cause more environmental harm than leaving the contaminants in place. The conferees believe, however, that EPA is proceeding with some orders to dredge even though the evaluations called for in EPA's own policies have not been undertaken. Further, a National Academy of Sciences evaluation of dredging technology required by the House Appropriations Committee in fiscal year 1998, is not yet available. The conferees expect EPA will implement its Contaminated Sediment Management Strategy by evaluating the short-term and long-term impacts of the proposed clean-up in relation to the reduction of risks to human health and the environment and other benefits.

It is vital that EPA and the Congress have the benefit of the NAS study on remediation technologies for contaminated sediments, including dredging, to assess the ability of various methods to attain the environmental objectives of the remediation, and the potential of these methods to cause greater harm to the environment or other problems. The conferees urge EPA to await the completion of the NAS study before spending any Superfund money on dredging, initiating any new dredging action, or issuing any more dredging orders. Exceptions to this should be considered where EPA has found on the record that the contaminated sediment poses a significant threat to the public health to which an urgent or time critical response is necessary, remedial and/or removal alternatives to dredging have been fully evaluated, an appropriate site for disposal of the contaminated material has been selected, and the potential impacts of dredging, associated disposal, and alternatives have been explained to the affected community. The Agency should take all reasonable steps to assure the expeditious completion of the NAS study.

The conferees understand that portions of EPA's 1994 draft dioxin reassessment have been widely criticized within the scientific community and by EPA's own Science Advisory Board (SAB). The SAB's report, "A Second Look at Dioxins" (November 1995) noted numerous weaknesses with the risk characterization and dose-response chapters of the reassessment. In particular, the SAB criticized EPA's conclusion that dioxins have the potential to produce a broad spectrum of effects in humans at or near current background levels. The SAB directed EPA to ensure that its conclusions were based on a more complete consideration of available scientific studies.

The conferees understand that EPA is preparing to release a revised reassessment for public review, followed by a second SAB review. The final dioxin reassessment, particularly the risk characterization chapter, will provide the basis for future federal policies and regulations relating to dioxin and other chemicals. The conferees believe it is essential that EPA fully address concerns raised by the SAB and recommend that the Agency reconvene a SAB panel which would include those members of the original Panel whose expertise is germane to the redrafted portions of the reassessment.

There are several aspects of tropospheric ozone formation that would benefit from targeted research and investigation, including NOx-limited conditions (as can be the case in rural areas and urban areas with cleaner air), multi-day stagnation events, and the changes in levels of ozone and particulate matter caused by emissions of ozone precursors in ambient air. Therefore, the conferees are providing $3,000,000 for the development of an environmental chamber to enable scientific research into the atmospheric processes involved in the formation of ozone and particulate matter. More precise tools are required to improve understanding and modeling of the potential of volatile organic compounds (VOCs) to affect ozone formation in the ambient air, including the process that forms pollutants in rural and cleaner urban environments, as recommended by the

1991 National Academy of Sciences/National Research Council's "Rethinking the Ozone Problem in Urban and Regional Air Pollution." The new large chamber will provide information that EPA and state regulators can use to develop more cost-effective strategies for controlling pollution. In particular, this chamber will allow more accurate measurements of positive and negative reactivity of VOC emissions from architectural coatings.

Not later than 45 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency (EPA) shall enter into an agreement with the National Academy of Sciences (NAS) to conduct a comprehensive study of the effects of copper in drinking water on human health. Once completed, the Administrator of the EPA shall review the NAS study, and report to the Congress on what plans the agency has to review the copper action level pursuant to section 1412(b)(9) of the Safe Drinking Water Act.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Appropriates $1,848,000,000 for environmental programs and management instead of $1,856,000,000 as proposed by the House and $1,840,500,000 as proposed by the Senate. The conferees have included bill language providing a limitation on the use of funds to implement or administer the interim guidance relating to title VI of the Civil Rights Act of 1964, with certain exceptions, as proposed by the House. The conferees note that this provision does not provide the Agency statutory authority to implement its Environmental Justice Guidance. Rather, it simply clarifies the applicability of the Interim Guidance with respect to certain pending cases as an administrative convenience for the Agency. With respect to any cases that may be pending before EPA and that are not or will not be covered by the Interim Guidance, the conferees urge EPA to resolve such cases as expeditiously as possible and without undue delay.

It is the conferees' understanding that the currently filed South Bronx complaint is covered by the Interim Guidance and should be dealt with expeditiously.

The conferees have also adopted new language prohibiting the use of funds to take certain actions for the purpose of implementing or preparing to implement the Kyoto Protocol, instead of language proposed by the House. The conferees note that this restriction on the use of funds shall not apply to the conduct of education activities and seminars by the Agency.

The conferees note that several programs funded through this Act conduct science and technology research that are associated partly with global climate change. To the extent that the conferees have funded this work, they have done so based on each program's individual merits of contributing to issues associated with domestic energy production, national energy security, energy efficiency and cost savings, related environmental assessments, and general energy emission improvements. The bill language is intended to prohibit funds provided in this bill from being used to implement actions called for solely under the Kyoto Protocol, prior to its ratification.

The Byrd-Hagel Resolution which passed in 1997 (S. Res. 98) remains the clearest statement of the will of the Senate with regards to the Kyoto Protocol, and the conferees are committed to ensuring that the Administration not implement the Kyoto Protocol without Congressional consent. The conferees recognize, however, that there are also long-standing energy research programs which have goals and objectives that, if met, could have positive effects on energy use and the environment. The conferees do not intend to preclude these programs from proceeding, provided they have been funded and approved by Congress.

To the extent future funding requests may be submitted which would increase funding for climate change activities prior to Senate consideration of the Kyoto Protocol (whether under the auspices of the Climate Change Technology Initiative or any other initiative), the Administration must do a better job of explaining the components of the programs, their anticipated goals and objectives, the justification for any funding increases, a discussion of how success will be measured, and a clear definition of how these programs are justified by goals and objectives independent of implementation of the Kyoto Protocol. The conferees expect these items to be included as part of the fiscal year 2000 budget submission for all affected agencies.

The conferees have agreed to the following increases to the budget request:

1. $2,500,000 for the Michigan Biotechnology Institute for continued development of viable cleanup technologies.

2. $1,300,000 for the Lake Wallenpaupack, Pennsylvania environmental restoration project.

3. $130,000 for the Saint Vincent watershed environmental restoration project.

4. $500,000 for continued activities of the Small Business Pollution Prevention Center at the University of Northern Iowa.

5. $1,300,000 for the Great Lakes National Program Office.

6. $750,000 for the painting and coating compliance project at the University of Northern Iowa.

7. $550,000 for continuation of the Idaho Water Initiative.

8. $1,700,000 for the Sacramento Regional County Sanitation District to continue the cost-shared Sacramento River Toxic Pollution Control Project. This appropriation and previously appropriated funds shall be administered by the Sacramento Regional County Sanitation District in accordance with the workplans submitted by the District.

9. $1,300,000 for continuation of a water reuse demonstration project in Yucca Valley ($500,000) and the continuation of a water distribution system study in Twenty-nine Palms ($800,000), California.

10. $600,000 for ongoing activities at the Canaan Valley Institute.

11. $3,000,000 for the Southwest Center for Environmental Research and Policy (SCERP).

12. $2,600,000 for the National Institute for Environmental Renewal to establish a regional environmental data center, and to develop an integrated, automated water quality monitoring and information system for watersheds impacting the Chesapeake Bay.

13. $500,000 for continuation of the Small Water Systems Institute at Montana State University.

14. $11,362,000 for rural water technical assistance activities and groundwater protection for a total program level of $13,050,000. The distribution of funds is as follows: $8,000,000 for the National Rural Water Association; $2,100,000 for the Rural Community Assistance Program; $400,000 for the Groundwater Protection Council; $1,550,000 for Small Flows Clearinghouse; and $1,000,000 for the National Environmental Training Center.

15. $900,000 for implementation of the National Biosolids Partnership Program.

16. $3,000,000 for continuation of the New York and New Jersey dredge decontamination project.

17. $900,000 for continued work on the water quality management plans for the Onondaga and Cayuga County, New York watersheds.

18. $400,000 for continued work on the Cortland County, New York aquifer protection plan, $150,000 of which is for planning and implementation of the Upper Susquehanna watershed.

19. $900,000 for continued work on the Soil Aquifer Treatment Demonstration Project.

20. $400,000 for operation of the Long Island Sound Office.

21. $900,000 for the Southern Appalachian Mountain Institute.

22. $900,000 for continued operations of the California Urban Environmental Research and Education Center.

23. $1,300,000 for a one-year demonstration of Project SEARCH (Special Environmental Assistance for Regulations of Communities and Habitat) in Idaho.

24. $2,200,000 for the National Center for Excellence for Environmental Management at the University of Findlay.

25. $400,000 to analyze the environmental and public health impacts of waste transfer stations in Hunts Point, South Bronx, New York, with inclusion of the community in the design and implementation of the study.

26. $100,000 to the Miami-Dade County Department of Environmental Resources management to expand the existing education program.

27. $200,000 for the Snohomish River Basin Work Group to perform a comprehensive watershed analysis, including a quantitative water quality study of the Snohomish River. Special attention in the study should be given to the lower reaches of the river.

28. $2,200,000 for the Federal Energy Technology Center and EPA Region III to conduct a comprehensive acid mine drainage cleanup program.

29. $400,000 to initiate a surface water improvement demonstration project in Mecklenberg, North Carolina.

30. $125,000 to the University of Louisville for the establishment of a regional environmental finance center at the Kentucky Institute for the Environment and Sustainable Development.

31. $200,000 to Ventura County, California for development of the Calleguas Creek watershed management plan.

32. $2,600,000 to Lycoming County, Pennsylvania to assist in the development of a comprehensive CSO plan.

33. $2,200,000 to the Lake Pontchartrain Basin Foundation circuit rider water quality initiative in Fluker Chapel and Mandeville, Louisiana.

34. $3,100,000 for the Environmental Technology Commercialization Center (ETC2) in Cleveland, Ohio.

35. $2,000,000 to support efforts to address the causes, mechanisms, and health and environmental effects of Pfiesteria.

36. $500,000 for treatment of uranium contamination of well heads within the Morongo Valley Community Service District, California.

37. $3,000,000 for the New River, California environmental restoration project by the Imperial Irrigation District.

38. $8,500,000 to the Salton Sea Authority for extensive planning, development, and permitting requirements.

39. $650,000 for water restoration activities at the City of Stockton, California.

40. $650,000 for watershed management initiatives at Santa Ana River, Riverside County, California.

41. $320,000 for the St. Mary's River, Maryland watershed management and monitoring program.

42. $1,500,000 for training grants under 104(g) of the Clean Water Act.

43. $500,000 for the Small Public Water System Technology Center at Western Kentucky University.

44. $500,000 for the Small Public Water System Technology Center at the University of Missouri-Columbia.

45. $500,000 for the Small Public Water System Technology Center at the University of New Hampshire.

46. $3,000,000 to continue the demonstration project involving leaking fuel tanks in rural Alaska villages.

47. $1,000,000 for water quality monitoring in the Tennessee River basin through the Alabama Department of Environmental Management.

48. $1,250,000 to continue the onsite wastewater treatment demonstration program through the Small Flows Clearinghouse.

49. $2,000,000 for the New York City watershed protection program.

50. $500,000 for EPA's Office of Sustainable Ecosystems and Communities and the Hawaii Department of Health to conduct demonstration projects to aid communities on the islands of Maui and Molokai to meet successfully the water quality permitting requirements for rehabilitating native Hawaiian fish ponds.

51. $2,500,000 for the King County, Washington molten carbonate fuel cell demonstration project.

52. $800,000 for the National Center for Vehicle Emissions Control and Safety for onboard diagnostic research.

53. $5,000,000 under section 104(b) of the Clean Water Act for America's Clean Water Foundation for implementation of on-farm environmental assessments for hog production operations, with the goal of improving surface and groundwater quality.

54. $500,000 for the Coordinated Tribal Water Quality Program through the Northwest Indian Fisheries Commission.

55. $500,000 for the Ala Wai Canal watershed improvement project.

56. $500,000 for a study of dioxin in the Ohio River basin.

57. $100,000 to continue the Design for the Environment for Farmers Program to address the unique environmental concerns of the American Pacific area and the need to develop and adopt sustainable agricultural practices for these fragile tropical ecosystems.

58. $1,000,000 for the Lake Champlain management plan.

59. $1,500,000 for the National Alternative Fuels Vehicle Training Program.

60. $250,000 for a pilot program to evaluate the most cost-effective technologies for treating non-point sources of phosphorus in the Lake Sammamish, Washington watershed.

61. $250,000 to work with farmers and the Natural Resources Conservation Service in Vermont to adopt best management practices to reduce phosphorus runoff into Lake Memphremagog.

62. $750,000 for the Chesapeake Bay Small Watershed Grants Program.

63. $1,000,000 to strengthen the State Small Business Ombudsman and Technical Assistance programs as authorized by section 507 of the Clean Air Act.

64. $500,000 for the Office of Regulatory Management and Information (ORMI) to involve small local governments in the regulatory process as envisioned by the Regulatory Flexibility Act (RFA) and the Small Business Regulatory Enforcement Fairness Act (SBREFA). ORMI serves as the coordinating body for EPA's SBREFA compliance. SBREFA and RFA require EPA to notify small entities—small businesses and small local governments—and actively involve them in the rulemaking process, including participation on SBREFA panels.

65. $200,000 for the Hawaii Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources to develop agriculturally based remediation technologies.

66. $100,000 for the City of Philadelphia to study the impact on the Delaware River watershed of vacant and abandoned land in Philadelphia, determine the environmental and economic benefits of remediation, and implement mitigation measures.

67. $2,000,000 for the Food and Agricultural Policy Research Institute's Missouri watershed initiative project to link economic and environmental data with ambient water quality.

68. $1,000,000 for the Animal Waste Management Consortium through the University of Missouri, working with Iowa State, North Carolina State, Michigan State, Oklahoma State, and Purdue Universities to supplement ongoing research, demonstration, and outreach projects associated with animal waste management.

69. $500,000 for the Environmentors projects involving the matching of young people with environmental science professionals to work on environmentally oriented research projects.

70. $1,000,000 for the City of West Palm Beach, Florida for its wetlands-based potable water reuse program including stormwater and wastewater recycling.

71. $300,000 for the Dry Creek Channel project in Sandy, Utah, to design and implement a non-point source project in conjunction with the ongoing Jordan River non-point source project, including the creation of wetlands to control urban stormwater runoff.

72. $2,000,000 for the University of Missouri Agroforestry Center to support the agroforestry floodplain initiative on non-point source pollution.

73. $300,000 for the Northeast States for coordinated air use management.

74. $1,000,000 for the Columbia Basin groundwater management assessment.

75. $500,000 for the Urban Rivers Awareness Program at the Academy of Natural Sciences in Philadelphia to develop a new environmental science program.

76. $2,000,000 for education, outreach, technical studies, and training to minimize lead hazards created during home improvement and repainting projects. To make lead dust testing more available and affordable, the conferees urge EPA to develop a relevant one-day sampling technician training course and to encourage recognition of this discipline.

77. $1,000,000 for an expansion of EPA's efforts related to the government purchase and use of environmentally preferable products under Executive Order 12873, including life cycle analysis.

78. $200,000 to develop a technical guidance manual for use by permit reviewers and product specifiers to ensure appropriate uses of preserved wood in applications including housing, piers, docks, bridges, utility poles, and railroad ties.

79. $2,000,000 for the State of Missouri Department of Natural Resources for a clandestine methamphetamine lab cleanup project.

80. $200,000 for the Fairmount Water Works Interpretive Center for environmental education activities.

81. $500,000 for the CCAR-Greenlink Compliance Assistance Center.

82. $500,000 for the City of Gainesville to address stormwater discharges from the Sweetwater Basin into Paines Prairie and the Florida Aquifer.

83. $400,000 for the Small Water Systems Technology Assistance Center at the University of Alaska in Sitka.

84. $500,000 for the Treasure Valley Hydrologic project.

85. $150,000 to sample and conduct hydrologic investigations of occurrence, distribution, and characteristics of radium in groundwater in the Magothy and Patapsco Aquifers in Anne Arundel, Baltimore and Harford Counties, Maryland.

86. $225,000 to enable the EPA and the Maryland Bureau of Mines to map and conduct a geologic/hydrologic investigation of the Kempton Abandoned Mine Complex in West Virginia and Maryland.

87. $225,000 to support a cooperative research and demonstration project with the State of Maryland to determine the feasibility of using poultry litter as a fuel to generate electric power.

88. $400,000 for Iberville Parish, Louisiana, to complete cleanup of Water District #3.

The conferees have agreed to the following reductions from the budget request:

1. $1,598,000 from the Urban Livability Program.

2. $1,000,000 from the OSWER Chemical Action Prevention program.

3. $1,000,000 from GLOBE.

4. $9,638,000 from the Montreal Protocol Multilateral Fund.

5. $86,002,000 from Climate Change Technology Initiative.

6. $10,331,000 from Office of Enforcement programs.

7. $11,500,000 from Project EMPACT.

8. $126,218,000 as a general reduction. In determining the base from which to apply the general reduction specified for this account, the Agency shall first deduct from the total the items of Congressional interest specifically listed in the conference report and statement of the managers for the fiscal year 1999 VA–HUD and Independent Agencies Appropriations Act, and in the House and Senate Committee reports.

9. $5,000,000 from sustainable development challenge grants.

The National Estuary Program has been fully funded at the budget request level, and the conferees direct that not more than $4,300,000 of this amount is available for EPA's intramural costs of the program. Similarly the conferees note that the National Environmental Education and Training Foundation has been funded at the statutory level.

The conferees note the success of the cooperative lead-based paint real estate notification program, and have been informed that additional resources for this program are no longer necessary.

Within the amounts provided for the Clean Water Action Plan, $3,500,000 is intended to support groundwater and source water protection efforts in priority watersheds that primarily encompass small communities and/or rural areas. These resources should support source water assessment and protection activities at the local level, integration of groundwater concerns into watershed assessment and restoration plans, implementation of wellhead protection programs locally, and/or field technicians supporting communities considering new groundwater/source

water ordinances targeted at high risk watersheds. The primary intent of this language is to assist small communities in meeting Federal drinking water standards and to assist those communities in contributing to the achievement of state water quality standards. These funds are to be distributed through a competitive solicitation and EPA is to report to the Committees on Appropriations within 60 days of enactment of this Act on its plans for such solicitation.

The conferees are concerned regarding the progress that has been made by the Agency in dealing with the matter of potential security risks associated with EPA's proposal to make available via the Internet or other means risk management plan (RMP) data submitted to the Agency pursuant to Clean Air Act section 112(r). The conferees strongly urge that EPA continue to work on this issue in close consultation with the Federal Bureau of Investigation and other security experts so that EPA may implement distribution of the RMP data in a manner that strikes the appropriate balance between methods of public dissemination and legitimate national security and anti-terrorist concerns. To that end, the conferees direct the Federal Bureau of Investigation to submit to Congress no later than December 1, 1998 a written report containing the Bureau's recommendations for the appropriate methods of public dissemination of RMP data submitted to the EPA pursuant to Clean Air Act section 112(r) and further direct the Agency to provide to the Congress monthly updates as to its progress in working with the FBI and other Federal agencies to develop appropriate RMP protocol guidelines. In this regard, the conferees expect the Agency to include a final proposal, including the use of such appropriate protocols, as part of the fiscal year 1999 operation plan.

The conferees are concerned that EPA is not providing for adequate public participation in the proposed regional haze rule-making. The conferees note that the EPA has noticed a supplemental, but strictly limited, comment period on "information related" to the proposed rule, i.e. the proposal submitted by the Western Governors and the recently enacted Inhofe Amendment to TEA-21. The conferees are concerned, however, that the notice precludes adequate discussion of the full WGA proposal and fails to provide adequate notice of how EPA proposes to integrate the Inhofe Amendment into the previously proposed rule. In addition to the procedural flaws, the conferees are concerned about the lack of consideration of issues that were inadequately addressed in the proposed rule, such as smoke from fires on public lands, road dust, and emissions from foreign sources, and other significant issues raised by the States. EPA is therefore strongly encouraged to re-propose the regional haze rule in its entirety for public comment so that the public can understand how EPA proposes to integrate these important issues into the rule. Finally, the conferees note with approval the House committee report language providing resources for the formation of additional visibility transport commissions to define reasonable progress for improving visibility in their respective Class I areas.

The conferees urge EPA to (1) develop, after a period of public comment, a guidance document to facilitate the conduct of water quality and designated use reviews for CSO-receiving waters; (2) provide technical and financial assistance to states and EPA regions to conduct these reviews; and (3) submit a report to the relevant authorizing and appropriations committees of the House and Senate by December 1, 1999 on the progress of meeting the requirements set forth above.

Of the funds provided for the Chesapeake Bay Program, the conferees direct that $200,000 shall be made available for the Alliance for the Chesapeake Bay to conduct a comprehensive evaluation of the Program, including a review of the institutional framework, progress in meeting watershed restoration commitments, and emerging issues which may affect present and future estuary conditions. The conferees expect the report to include options and recommendations for improving the Chesapeake Bay Program and be used as the basis for the development of a comprehensive plan to guide the restoration effort as it continues beyond the year 2000. The report and plan shall be completed for review and adoption by the Executive Council no later than the end of calendar year 2000.

Additionally, the conferees encourage the Agency to study the feasibility of real time automated water quality monitoring within the watershed of the Chesapeake Bay at its tributaries.

The conferees are concerned that the EPA has acted unilaterally to contract with a private entity for a study of the Salton Sea, and that this study will address matters related to the allocation of Colorado River waters, which is the exclusive responsibility of the Secretary of the Interior. The Administrator is directed to consult with the Salton Sea Authority and the Secretary of the Interior before initiating any action related to the Salton Sea, and the Administrator is prohibited from using any funds to support any work or work product related to the allocation of water from the Colorado River.

The conferees commend the work done by the Safety, Health and Environmental Management Division in the Office of Administration for their work to develop peer-reviewed tools and products for use by EPA and other Federal agencies to improve their compliance with environmental and occupational health and safety requirements. Particular note is taken of the thorough and effective use of peer review. The Agency is urged to assess the feasibility of making these important compliance tools available to state and local governments.

The conferees recognize the Agency's efforts in issuing a rule regarding the safe handling of halons. This rule, if properly enforced, should assure continued significant environmental benefits while placing only minimal burdens on industry. The conferees are concerned that the rule as written does not provide adequate guidance to the fire protection industry and others who handle halons as to what operating policies should be followed to comply with the rule.

The conferees strongly encourage the EPA to achieve compliance with this rule by requiring that no persons or entities may dispose of halon-containing equipment except by sending it for halon recycling to a manufacturer, fire equipment dealer, or recycler operating in accordance with ASTM, NFPA, and/or ISO industry standards (as referenced in the preamble of rule 63 Fed. Reg. 11084, March 5, 1998) and that no persons or entities shall dispose of halon or import halon which is recovered but not reclaimed except by sending it for halon recycling to a recycler operating in accordance with the ASTM, NFPA, and/or ISO industry standard. Imported reclaimed halon must meet industry standards.

EPA recently issued two reports to Congress addressing mercury emissions, including the "Mercury Study Report to Congress," issued in December, 1997, and the "Study of Hazardous Air Pollutant (HAP) Emissions from Electric Utility Steam Generating Units-Final Report to Congress," issued in February, 1998. In April, 1998, EPA entered into a settlement agreement whereby the Agency intends to make a regulatory determination by November 15, 1998 regarding the potential need for controls on utility mercury emissions. Research needs in this regard include unresolved issues about mercury speciation and the transport, fate, and effects of mercury. Moreover, currently there are no commercially available, cost-effective technologies to significantly control mercury emissions from utilities.

In order to help fill research gaps, EPA is participating in funding: (1) the joint Federal-State Lake Superior Study on mercury transport; and (2) the government-wide National Health and Nutrition Examination Survey on fish consumption and mercury ingestion. In addition to these studies, EPA is directed to enter into a contract, within 60 days of the enactment of this Act, with the National Academy of Sciences (NAS) to perform a comprehensive review of mercury health research and prepare recommendations on the appropriate level for a mercury exposure reference dose. The conferees intend that the NAS complete the study and recommendations within 18 months of entering into this contract, complete all work within a budget of $1,000,000 of available EPA funds. It is the conferees intent that there be no further extension of time for completion of the NAS study beyond 18 months from the date of the EPA contract. Finally, it is also the conferees intent that EPA not issue any regulatory determination for mercury emissions from utilities until EPA reviews the results of the NAS study.

OFFICE OF INSPECTOR GENERAL

Appropriates $31,154,000 for Office of Inspector General, the same as proposed by the House and the Senate.

BUILDINGS AND FACILITIES

Appropriates $56,948,000 for buildings and facilities instead of $60,948,000 as proposed by the House and $52,948,000 as proposed by the Senate. The conferees have provided $36,000,000 for continued construction of the new consolidated research facility at Research Triangle Park, North Carolina. With this year's funding, the conferees note that some $236,000,000 of the $272,700,000 authorized for this project has been appropriated.

HAZARDOUS SUBSTANCE SUPERFUND

Appropriates $1,500,000,000 for hazardous substance superfund as proposed by both the House and the Senate. The conferees have included bill language making available for obligation on October 1, 1999 an additional $650,000,000 for Superfund response actions, only if specific reauthorization of the Superfund occurs on or before August 1, 1999. The language requires the Congressional Budget Office to make appropriate scorekeeping adjustments if such reauthorization does not occur.

The conferees have also included bill language which deletes the sunset provisions contained in sections 119 (e)(2)(C) and 119 (g)(5) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. The deletion of these two provisions will make it possible for Superfund cleanup contractors to obtain more easily surety bonds for new contracts.

The conferees have agreed to the following fiscal year 1999 program levels:

$1,000,000,000 for Superfund response/ cleanup actions, including the budget request for Brownfields.

$155,000,000 for enforcement activities.

$130,000,000 for management and support, including $12,237,000 for the Office of Inspector General.

$40,000,000 for research and development activities, to be transferred to the Science and Technology account.

$60,000,000 for the National Institute of Environmental Health Sciences, including $23,000,000 for worker training and $37,000,000 for research activities.

$76,000,000 for the Agency for Toxic Substances and Disease Registry. Included within this level of funding is $2,000,000 for new children's health and medical monitoring activities, subject to a detailed spending plan to be submitted as part of the fiscal year 1999 operating plan. Also included within the funds provided herein is $4,000,000 for minority health professions, $2,500,000 for continuation of a health effects study on the consumption of Great Lakes fish, and $2,000,000 for continued work on the Toms River, New Jersey cancer evaluation and research project.

$39,000,000 for interagency activities, including $29,000,000 for activities of the Department of Justice, $650,000 for OSHA, $1,100,000 for FEMA, $2,450,000 for NOAA, $4,800,000 for the Coast Guard, and $1,000,000 for the Department of the Interior.

While the conferees have again this year provided the full budget request of $91,000,000 for the Brownfields program, there nevertheless remains concern that this growing program, though very important and worthy, is draining scarce resources from the equally important and worthy Superfund response program. In the short-term, the conferees strongly urge the Agency to fully review this program and make program reductions wherever feasible which do not adversely impact the integrity of the program. For the long-term, the conferees request the Agency to review other possible means of funding this program and report back to the Committees on Appropriations by April 1, 1999 on the results of this review.

The conferees remain concerned that EPA has begun cleanup activities at the Agriculture Street, New Orleans landfill Superfund site without including the option of using buyout authority. The conferees expect the Agency to continue to explore aggressively this option with local authorities, as well as other Federal agencies for a possible solution. The Agency is directed to report back to the Committees on Appropriations by January 15, 1999 on actions to address this problem.

The conferees expect EPA to finalize the guidance document governing disbursements of funds to parties performing response actions at a site where a special account has been established. The conferees further direct that special account funds be appropriately disbursed to the parties consenting to undertake response actions at the facility to reimburse such response efforts. The conferees recognize that the Agency is entitled to a reasonable retention of special account funds for past and future response costs of the United States and any affected State.

LEAKING UNDERGROUND STORAGE TANK PROGRAM

Appropriates $72,500,000 for leaking underground storage tank program instead of $70,000,000 as provided by the House and $75,000,000 as provided by the Senate. Bill language has been included which expands the use of LUST funds pursuant to new authorization under section 9004 (f) of the Solid Waste Disposal Act.

Again this year, the conferees direct that no less than 85 percent of the appropriated level be provided to the states and tribal governments.

OIL SPILL RESPONSE

Appropriates $15,000,000 for oil spill response, the same as proposed by the House and the Senate.

STATE AND TRIBAL ASSISTANCE GRANTS

Appropriates $3,386,750,000 for state and tribal assistance grants instead of $3,233,132,000 as proposed by the House and $3,255,000,000 as proposed by the Senate.

Bill language provides the following program levels:

$1,350,000,000 for Clean Water State Revolving Fund capitalization grants.

$775,000,000 for Safe Drinking Water State Revolving Fund capitalization grants.

$880,000,000 for state and tribal program/categorical grants, including $200,000,000 for section 319 non-point source pollution grants, $115,529,300 for section 106 water quality grants, and an increase above the budget request of $5,343,000 for section 103/105 air quality grants. The conferees note that the Clean Water Action Plan has been fully funded at the budget request level.

$50,000,000 for high priority U.S./ Mexico border projects. Within this amount, the conferees have provided $1,000,000 for the U.S./Mexico Foundation for Science. The amount provided for fiscal year 1999 represents a decrease of $25,000,000 below the fiscal year 1998 level. The conferees have agreed to this reduction in view of the fact that the recipients of border funds-principally the International Boundary and Water Commission, the North American Development Bank, and the Border Environment Cooperation Commission-have been slow to make project commitments. Of the $375,000,000 appropriated to date for this program, EPA anticipates it will have $124,000,000 that has not been committed to a particular project by the end of the fiscal year.

$30,000,000 for grants to address drinking water and wastewater infrastructure needs of Alaska rural and native villages.

$301,750,000 for special needs drinking water, wastewater and groundwater infrastructure grants.

The conferees have included bill language which reaffirms that funds appropriated this year, and in previous years, for grants for Drinking Water State Revolving Funds and other water infrastructure grant programs under section 1452 of the Safe Drinking Water Act are not to be reserved by the Administrator for conducting drinking water health effect studies. As in previous years, funding for health effects studies is provided under the Science and Technology account.

Bill language has also been included which for fiscal year 1999 and prior years permits states to include as principal amounts considered to be the cost of administering State Revolving Fund loans to eligible borrowers.

The conferees note that the categorical grant activity contains the following environmental grants, State/tribal program grants, and assistance and capacity building grants: (1) nonpoint source (sec. 319 of the Federal Water Pollution Control Act); (2) water quality cooperative agreements (sec. 104(b)(3) of FWPCA); (3) public water system supervision; (4) air resource assistance to State, local, and tribal governments (secs. 105 and 103 of the Clean Air Act); (5) radon State grants; (6) water pollution control agency resource supplementation (sec. 106 of the FWPCA); (7) wetlands State program development; (8) underground injection control; (9) Pesticides Program implementation; (10) lead grants; (11) hazardous waste financial assistance; (12) pesticides enforcement grants; (13) pollution prevention; (14) toxic substances enforcement grants; (15) Indians general assistance grants; and, (16) underground storage tanks. The funds provided in this account, exclusive of the funds for the SRFs and the special water and wastewater treatment projects, may be used by the Agency to enter into performance partnerships with States and tribes rather than media-specific categorical program grants, if requested by the States and tribes. The performance partnership/categorical grants are exempt from the Congressional reprogramming limitation.

The conferees agree that the special needs funds are provided as follows:

1. $30,000,000 for Boston Harbor wastewater needs.

2. $2,610,000 for continued wastewater needs in Bristol County, Massachusetts.

3. $6,525,000 for New Orleans wastewater needs.

4. $11,310,000 to implement combined sewer overflow improvements in Richmond ($5,655,000) and Lynchburg, ($5,655,000), Virginia.

5. $8,700,000 for continuation of the Rouge River National Wet Weather Demonstration project.

6. $3,045,000 for wastewater, sewer overflow, and water system needs of the Westfall Municipal Sewage Authority ($1,740,000), and Jefferson Township, Lackawanna County ($1,305,000), Pennsylvania .

7. $1,000,000 for the Olivenhain, California water infrastructure project.

8. $870,000 for the combined sewer overflow project for Sacramento, California.

9. $8,700,000 for water system improvements at Lake Hopatcong, New Jersey.

10. $13,050,000 for continued planning and implementation of a storm water abatement system in the Doan Brook Watershed Area, Ohio.

11. $7,395,000 for wastewater infrastructure needs for Jefferson Parish ($2,350,000); Baton Rouge ($2,000,000); and Grand Isle ($3,045,000), Louisiana.

12. $8,700,000 for alternative water source development for the Southwest Florida, St. John's River, Northwest Florida, and South Florida Water Management Districts.

13. $1,800,000 for wastewater infrastructure improvements for the City of Port Huron, Michigan.

14. $2,175,000 for the Grand Rapids, Michigan combined sewer overflow project.

15. $2,828,000 for water system and wastewater infrastructure requirements for the Somerset Township Municipal Authority ($1,088,000) and for the Johnstown-Cambria County Airport ($1,740,000), Pennsylvania.

16. $1,305,000 for ongoing work at the Geysers Recharge Project in Northern California.

17. $8,700,000 for continued clean water improvements of Onondaga Lake.

18. $7,047,000 for wastewater and water system improvement needs for the Centerville/Cumberland Valley Township ($261,000); the Houtzdale Borough Municipal Authority ($174,000); the Northern Blair Regional Sewer Authority ($696,000); the Richfield Borough Joint Municipal Authority ($348,000); Chambersburgh Borough ($2,175,000); the Letterkenny Reuse Authority ($522,000); the Lewistown Municipal Water Authority ($696,000); and the Hollidaysburg Borough ($2,175,000), Pennsylvania.

19. $8,700,000 for water supply and wastewater needs for the City of Paintsville ($1,900,000); Pike County, Mountain Water District ($2,200,000); the City of Fleming

Neon ($1,500,000); the City of Salyersville ($500,000); Wolfe County ($1,700,000); and the City of Booneville ($900,000), Kentucky.

20. $2,610,000 for wastewater infrastructure improvements at Artesia, New Mexico.

21. $4,000,000 for the St. Louis Metropolitan Sewer District Meramac River enhancement and wetlands protection project.

22. $5,350,000 for wastewater and sewer infrastructure needs for DeSoto County ($2,675,000) and the City of Jackson ($2,675,000), Mississippi.

23. $1,740,000 for wastewater facilities and improvements in Essex County, Massachsetts.

24. $3,000,000 for the Milwaukee Metropolitan Sewerage District interceptor system.

25. $1,305,000 for the Miami-Dade County sanitary sewer overflow demonstration project.

26. $2,610,000 for wastewater improvements at Florida City, Florida.

27. $2,450,000 for the basin stormwater retention and reuse project at Big Haynes Creek, Georgia.

28. $5,655,000 for the tunnel and reservoir project (TARP) of the Metropolitan Water Reclamation District in Chicago, Illinois.

29. $5,000,000 for sewer and stormwater infrastructure needs at Bozeman, Montana.

30. $4,900,000 for the Mille Lacs regional wastewater treatment facility, Minnesota.

31. $1,555,000 for wastewater, sewer, and water infrastructure needs in Lovelock ($1,305,000) and Moapa Valley Water District ($250,000), Nevada.

32. $3,750,000 for combined sewer overflow requirements of the Passaic Valley Sewerage Commission, New Jersey.

33. $12,500,000 for water, wastewater, and system infrastructure development and improvements for the Yucaipa Valley Water District ($4,500,000); the Lower Owens River Project in Inyo County ($3,000,000); the City of Barstow ($3,000,000); and the San Timoteo Creek environmental restoration project in Loma Linda ($2,000,000), California.

34. $1,740,000 for water reuse system improvements for Riverton, Utah.

35. $2,500,000 for water supply needs for Brownsville, Texas.

36. $1,741,000 for drinking water infrastructure needs for White Oak, Wolfe Branch Utility District ($653,000), and for Frankfort, Potter Chapel, and the Island Ford area, Sunbright Utility District ($1,088,000), Tennessee.

37. $4,350,000 for sewage treatment facilities to reduce nitrogen flowing into the Susquehanna River and ultimately into the Chesapeake Bay.

38. $283,000 for the reservoir restoration project in Albemarle City, North Carolina.

39. $1,305,000 for the water runoff and sewer treatment program of the San Diego Coastal Low Flow Storm Diversion Project.

40. $1,435,000 for wastewater infrastructure improvements for Springettsbury Township/City of York ($1,000,000) and Delta Borough ($435,000), Pennsylvania.

41. $2,133,000 for wastewater infrastructure improvements for the City of San Diego, California.

42. $3,000,000 for water supply needs of the Lake Marion Regional Water Agency, South Carolina.

43. $500,000 for a groundwater replenishment system for Orange County, California.

44. $1,305,000 for the Connecticut River, Massachusetts and Connecticut combined sewer overflow project.

45. $653,000 for the interceptor collection project at Avondale, Arizona.

46. $870,000 for the MERTS wastewater treatment facility at South Tongue Point, Oregon.

47. $1,000,000 for the Sonoma County Water Agency, Russian River Restoration project.

48. $2,500,000 for completion of the export pipeline replacement to protect Lake Tahoe.

49. $2,200,000 for the Charleston Water Conservancy District, Utah to meet sewer infrastructure needs associated with the 2002 Winter Olympic games.

50. $1,000,000 for the Ogden City, Utah water and sewer system.

51. $1,600,000 for the town of Mountain Village and Telluride, Colorado for a shared sewer system upgrade.

52. $2,500,000 for the City of Winterset, Iowa for sewer system improvements.

53. $7,000,000 for the Village of Hempstead, New York for water system improvements.

54. $500,000 for the City of Hartford, South Dakota for the upgrade of its wastewater treatment plant.

55. $2,000,000 for the City of Berlin, New Hampshire for water infrastructure improvements.

56. $5,000,000 for the City of Cumberland, Maryland to separate and relocate the city's combined sewer and stormwater system.

57. $4,750,000 for improvements to the St. Maries, Idaho drinking water system.

58. $1,200,000 for the village of Jemez Springs, New Mexico to improve its wastewater treatment system.

59. $3,500,000 for the City of Springfield, Vermont to upgrade its wastewater system.

60. $4,900,000 for the City of Grand Forks, North Dakota water treatment plant relocation project.

61. $5,600,000 for the Eastern Band of Cherokee Indians, North Carolina, Big Cove Community wastewater collection project.

62. $8,000,000 for Jackson County, Mississippi for remaining construction of pipeline and water treatment improvements.

63. $2,000,000 for Anderson County, Kentucky to renovate the Alton Water District's sewer system.

64. $1,550,000 for the City of Kinston, North Carolina wastewater treatment improvements.

65. $350,000 for the Green River Water District, Hart County, Kentucky, for water system improvements.

66. $1,200,000 for the Matanuska-Susitna Borough, Alaska water and sewer improvements.

67. $1,700,000 for the City of Anchorage for water system improvements involving the town of Girdwood, Alaska.

68. $1,000,000 for the City of Fairbanks, Alaska for water system improvements.

69. $1,000,000 for the Middleburg/Franklin Township, Pennsylvania wastewater improvement project.

70. $2,250,000 for the City of Sparks, Nevada to construct a water treatment facility including nitrogen removal.

71. $3,000,000 for Geneva County, Alabama drinking water system improvements.

72. $1,000,000 for the Goodwater Utilities Board, Alabama to connect the town of Goodwater with Alexander City.

73. $4,000,000 for the Kansas City Blue River wastewater treatment plant improvements.

74. $1,000,000 for Somerset County, Maryland wastewater treatment improvements in support of biological nutrient removal.

75. $2,500,000 for the three rivers wet weather demonstration project, Allegheny County, Pennsylvania, to eliminate separate sewer flows.

76. $1,000,000 to support Springfield, Missouri efforts for phosphorus removal at the Southwest Wastewater Treatment Plant.

77. $10,000,000 for a National Community Decentralized Wastewater Demonstration Project. The conferees expect this project will help "jump start" the process of technology transfer of various decentralized wastewater treatment options. Three geographically and geologically diverse sites have been determined for this project, and include Warren, Vermont ($1,500,000), Block Island/Green Hill Pond, Rhode Island ($3,000,000), and LaPine, Deschutes County, Oregon ($5,500,000). Each of these communities has already expended considerable resources in the development of these projects, and it is the conferees intention that such previous expenditures be counted toward a local cost share for these projects only of 25 percent.

78. $1,000,000 for the City of Arnold, Pennsylvania for sewer system infrastructure improvements.

79. $250,000 for the City of McCall, Idaho for water infrastructure improvements, including filtration needs.

80. $1,000,000 for wastewater treatment system improvements in the Lake Tomahawk Sanitary District, Wisconsin.

WORKING CAPITAL FUND

The conferees have included bill language which makes technical changes to the Agency's Working Capital Fund.

ADMINISTRATIVE PROVISION

The conferees have included new language, in lieu of language proposed by the Senate, which limits the use of appropriated funds to issue or to establish an interpretation or guidance relating to fats, oils, and greases which does not recognize and provide for the differences of environmental effects and physical, chemical, biological, and other characteristics of edible and non-edible fats, oils, and greases as defined in the Edible Oil Regulatory Reform Act, Public Law 104–55. The language further requires the Administrator to issue regulations amending 40 C.F.R. 112 to comply with the requirements of Public Law 104–55 not later than March 31, 1999.

The conferees have not included bill language proposed by the Senate regarding a limitation on the use of funds to enable the export of government-owned ships for dismantling.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

The conferees are in receipt of a report on Nuclear Magnetic Resonance (NMR) technology which focuses on new research opportunities. The report was developed by a committee of renowned NMR spectroscopists, assembled at the suggestion of the National Science Foundation. This recently released report calls for interagency collaboration to expand utilization of NMR. The conferees encourage the Science Advisor to review this report and, if appropriate, assist in developing an interagency solution for this important opportunity.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Appropriates $2,675,000 for the Council on Environmental Quality and Office of Environmental Quality as proposed by the House instead of $2,575,000 as proposed by the Senate. The conferees direct that no less than $100,000 of the appropriated amount be used by CEQ for work on the NEPA Reinvention project. The conferees expect that, among other Reinvention activities, CEQ will use these funds to support efforts to establish a memorandum of understanding between the Federal Energy Regulatory Commission and other appropriate Federal departments and agencies to expedite review of natural gas pipeline projects.

Again this year, bill language has been included which stipulates that for fiscal year 1999 there will be just one member of the Council on Environmental Quality and that individual will serve as chairman. Language is also included again this year which prohibits CEQ from using funds other than those appropriated directly to CEQ under this heading. The conferees expect CEQ to implement this provision in a manner consistent with its implementation during fiscal year 1998.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

Appropriates $307,745,000 for disaster relief as proposed by the House instead of $846,000,000 as proposed by the Senate.

The conferees have agreed to include language in the bill making available $40,000,000 from section 404 hazard mitigation grant funding available to the State of California for pilot projects to demonstrate seismic retrofit technology. Of this amount, FEMA is directed to use $5,000,000 in fiscal year 1999 to conduct a pilot project of seismic retrofit technology on an existing welded steel frame building at California State University, San Bernardino. FEMA is directed to report to the Committees on Appropriations of the House and Senate, on or before March 31, 1999, and again on or before June 30, 1999, regarding progress made toward completion of this retrofit and development of an essential data base. The conferees recommend that FEMA establish a steering committee to receive input from industry associations and the technical community regarding the appropriate use of updated building codes and industry standards in performing this type of retrofit.

SALARIES AND EXPENSES

Appropriates $171,138,000 for salaries and expenses as proposed by the House instead of $170,000,000 as proposed by the Senate.

While the conferees are unable to provide additional funds for salaries and expenses above the original budget request, the conferees strongly support adequate funding for consequence management planning activities associated with preparing for a terrorist incident involving chemical and/or biological weapons, and urge FEMA to make necessary resources available for such activities.

The conferees direct FEMA to provide $400,000 and necessary workyears, in addition to funds requested in the budget, to administer the dam safety program as authorized by section 12(e) of the National Dam Safety Program Act.

The conferees understand that there may be a need for a new headquarters facility for FEMA which meets its special needs. The Agency should review this matter and, if appropriate, develop a workable plan to address this requirement.

OFFICE OF INSPECTOR GENERAL

Appropriates $5,400,000 for the Office of Inspector General as proposed by the Senate instead of $4,930,000 as proposed by the House.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriates $240,824,000 for emergency management planning and assistance instead of $231,674,000 as proposed by the House and $239,000,000 as proposed by the Senate.

The conferees agree to provide $25,000,000 for the Project Impact program; $11,000,000 to address the requirements outlined in the July 9, 1998 budget amendment for anti-terrorism; $3,500,000 for an emergency operations center in Monroe County, Pennsylvania; $1,000,000 for a pilot program to demonstrate two-foot contour mapping by the Louisiana Oil Spill Coordinator's Office; $1,600,000 for development of an emergency communications system for Pointe Coupe Parish, Louisiana; and $400,000 for a University of Missouri-Columbia Fire and Rescue Training Institute pilot program for hazards materials response training.

The conferees have included language in the bill which modifies the House language with regard to a smoke detector pilot project. The conferees agree that $750,000 is to be provided to the U.S. Fire Administration to conduct a nation-wide pilot project to distribute smoke detectors in the 20 statistical areas at highest risk for residential fires. The program should also include an educational component designed to encourage the proper installation and maintenance of smoke detectors. The conferees note that previous smoke detector distribution and education programs have been successful by enlisting the support and cooperation of various state and local departments or organizations, and the Fire Administrator is encouraged to pursue such cooperation. The U.S. Fire Administration shall transmit the results of its pilot project to the Congress and the Consumer Product Safety Commission upon completion of the project.

In addition, the conferees agree to provide a total of $3,500,000 for the Dam Safety Program which is $2,000,000 above the budget request; and an increase of $5,500,000 for State and Local Assistance grants. The conferees expect state and local authorities to plan for a 50-50 cost share starting with fiscal year 2000. Finally, the conferees have included $824,000 for MERS equipment and direct FEMA to provide a report to the Committees on Appropriations which outlines the total requirements for the MERS program.

NATIONAL FLOOD INSURANCE FUND

The conferees have included bill language which authorizes the National Flood Insurance Program for fiscal year 1999. Without this authorization, new flood insurance policies could not be written throughout the fiscal year.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

Appropriates $2,619,000 for the Consumer Information Center as proposed by the House instead of $2,419,000 as proposed by the Senate.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Appropriates a total of $13,665,000,000 for National Aeronautics and Space Administration instead of $13,328,200,000 as proposed by the House and $13,615,000,000 as proposed by the Senate.

The conferees have included bill language in section 434 renaming NASA's Lewis Research Center in Cleveland, Ohio the John H. Glenn Research Center at Lewis Field, in honor of retiring U.S. Senator John H. Glenn. The conferees are taking this action in recognition of Senator Glenn's significant contributions and achievements in the field of space exploration and research.

The conferees agree to retain the current NASA account structure for fiscal year 1999, but have included provisions which will restrict the use of non-space station funds for space station related activities. The conferees direct NASA to provide as part of its fiscal year 2000 budget submission a separate account for the international space station. The conferees have taken this action because of concern that the current account structure may facilitate the easy movement of funding from other human space flight activities into the space station program without timely or adequate notification to the Congress.

The conferees agree to remove language included in the House bill which prohibits the use of fiscal year 1999 funds for initiation of the Triana mission to be positioned at the Earth-Sun LaGrange-1 point. The conferees understand that NASA has selected a peer reviewed mission concept with enhanced science, which may also incorporate commercial involvement. The conferees understand that the enhanced mission estimate is $75,000,000, with a Shuttle launch by December 2000, and expect that NASA will outline a funding plan for initiation of Triana in the operating plan.

The conferees agree to include a general provision which provides indemnification and cross-waivers of liability with regard to the X-33 and X-34 programs. The language included in the conference agreement is the Senate bill language with some technical changes.

Of the amounts approved in the following appropriations accounts, NASA must limit transfers of funds between programs and activities to not more than $500,000 without prior approval of the Committees on Appropriations. Further, no changes may be made to any account or program element if it is construed to be policy or a change in policy. Any activity or program cited in this report shall be construed as the position of the conferees and should not be subject to reductions or reprogramming without prior approval of the Committees on Appropriations of the House and Senate. Finally, it is the intent of the conferees that all carryover funds in the various appropriations accounts be subject to the normal reprogramming requirements outlined above.

In determining the base from which to apply the general reductions for NASA, the Agency shall first deduct from the total the items of Congressional interest specifically listed in the conference report and statement of the managers for the fiscal year 1999 VA-HUD and Independent Agencies Appropriations Act, and in the House and Senate Committee reports.

HUMAN SPACE FLIGHT

Appropriates $5,480,000,000 for human space flight. The House had proposed $5,309,000,000 in this account. The Senate had proposed two new accounts, International Space Station and Launch Vehicles and Payload Operations, with a total of $5,541,000,000. Within the amount provided, the appropriation for space shuttle is $3,028,000,000, the appropriation for payload and utilization is $182,000,000, and the appropriation for space station development related activities is $2,270,000,000.

The amount provided for space shuttle operations is $31,000,000 below the budget request. These funds have been transferred to the mission support account to cover emergent requirements in the areas of personnel compensation and travel. In addition, the conferees direct NASA to provide $3,000,000 for the U.S. Space and Rocket Center in Huntsville, Alabama.

The amount provided for the international space station program is $2,270,000,000, the same as the budget request. The first two elements of the station are essentially ready for launch in November and December of 1998. The critical third element, the Russian-provided service module, still requires some assembly and has been scheduled for launch in April of 1999. Currently the launch date of the service module is in a state of flux and

further delay will most likely occur. The conferees are very concerned about the status of the space station development schedule and in particular the impact of the economic and political situation in Russia. Because of this concern, the conferees will not endorse fiscal year 1999 transfer payments to the Russian Government at this time. The conferees have included a general provision which directs NASA to explore avenues other than government to government transfer payments to ensure adequate funding finds its way to the enterprises which are providing services and equipment for the space station program. The conferees will not approve any movement of funds to compensate for Russian nonperformance until a report is provided to the Committees on Appropriations of the House and Senate detailing the reasons for accepting or rejecting alternative financial arrangements, including government to government transfers, U.S. government to foreign contractor arrangements, and U.S. contractor to foreign contractor arrangements. The conferees expect to receive the report within 60 days of enactment of this Act.

SCIENCE, AERONAUTICS AND TECHNOLOGY

Appropriates $5,653,900,000 for science, aeronautics and technology. The House had proposed $5,541,600,000 in this account. The Senate had proposed two new accounts, science and technology, and aeronautics, space transportation, and technology, with a total of $5,562,400,000. The amount provided is $196,500,000 above the budget request for science, aeronautics and technology. The amount provided consists of:

$2,119,200,000 for space science, an increase of $60,800,000 to the budget request.

$263,500,000 for life and microgravity sciences, an increase of $21,500,000 to the budget request.

$1,413,800,000 for earth sciences, an increase of $41,800,000 to the budget request.

$1,338,900,000 for aeronautics and space transportation, an increase of $33,900,000 to the budget request.

$380,000,000 for mission support, no change from the budget request.

$138,500,000 for academic programs, an increase of $38,500,000 to the budget request.

Specific program adjustments are outlined below.

SPACE SCIENCE

The conferees agree to the following changes to the budget request:

1. A general reduction of $21,200,000.
2. An increase of $20,000,000 for the Mars 2001 program.
3. An increase of $10,500,000 for Cross Enterprise Advance Technology Development.
4. An increase of $12,000,000 for Next Generation Space Telescope.
5. An increase of $11,000,000 for Sun-Earth connecting advanced technology development to provide full funding for Solar-B, continue microsatellite technology, and support launch of solar stereo by 2002.
6. An increase of $1,000,000 for an astronomical satellite telescope operated at Western Kentucky University.
7. An increase of $10,000,000 for Space Solar Power.
8. An increase of $1,000,000 for the Near Earth Asteroid Tracking program.
9. An increase of $2,000,000 for a Science Center at Glendale Community College.
10. An increase of $2,500,000 for the Bishop Museum/Mauna Kea Astronomy Education Center.
11. An increase of $2,000,000 for the Chabot Observatory and Science Center, Oakland, CA.
12. An increase of $2,000,000 for a center on life in extreme thermal environments at Montana State University in Bozeman.
13. An increase of $2,000,000 for Montana State University in Bozeman to carry out research into advanced hardware and software technologies for development of advanced optoelectronic materials.
14. An increase of $2,000,000 for an atmospheric research small expendable deployed phase-B study.
15. An increase of $4,000,000 for the University of Alabama in Huntsville on behalf of the Center for Space Science and Technology Alliance to establish the National Center for Space Science and Technology adjacent to existing optics and material university research laboratories in Huntsville, Alabama.

LIFE AND MICROGRAVITY SCIENCES

The conferees agree to the following changes to the budget request:

1. An increase of $15,000,000 for a shuttle mission which accommodates research payloads. The conferees, remain concerned about the lack of shuttle-based science missions in fiscal year 1999. Additional research missions during space station assembly are critical for providing scientists the opportunity to develop research capabilities needed for optimal utilization of the International Space Station. Therefore, the conferees have provided $15,000,000 for such a mission. NASA is directed to submit, as part of its operating plan, a schedule for accomplishing this mission in fiscal year 1999.
2. An increase of $6,500,000 for space radiation research.

EARTH SCIENCES

The conferees agree to the following changes to the budget request.

1. A general reduction of $11,200,000.
2. An increase of $25,000,000 to support EOS AM–1 launch requirement, including interoperability of the EOS ground systems.
3. An increase of $10,000,000 for a remote sensing project at Mississippi State University.
4. An increase of $3,500,000 for the NASA International Earth Observing System Natural Resource Training Center at the University of Montana, Missoula.
5. An increase of $2,000,000 for Environmental Computer Center at Oregon State University.
6. An increase of $2,000,000 for an institute for research in commercial remote sensing applications at the University of Missouri-Columbia.
7. An increase of $1,000,000 for the Pipelines project at Iowa State University/Southern University-Baton Rouge.
8. An increase of $1,000,000 for the consortium for the application of space data to education (CASDE).
9. An increase of $5,500,000 for biodiversity-related science programs at the American Museum of Natural History.
10. An increase of $3,000,000 for the Regional Application Center in Cayuga County, New York.

AERONAUTICS AND SPACE TRANSPORTATION

The conferees agree to the following changes to the budget request.

1. A general reduction of $13,850,000.
2. An increase of $6,000,000 for studies of liquid flyback booster systems.
3. An increase of $4,000,000 for studies of a fifth stage solid rocket booster system.
4. An increase of $20,000,000 for NASA participation in the Air Force Military Space Plane project.
5. An increase of $6,000,000 for hybrid propulsion testing.
6. An increase of $5,000,000 for the six NASA Regional Technology Transfer Centers for programs to link women and minority owned businesses and businesses from distressed communities.
7. An increase of $2,000,000 for the Midwest Technology Transfer Center for the Garrett Morgan initiative throughout Ohio and the Great Lakes region.
8. An increase of $1,500,000 for MSE-Technology Applications, Western Environmental Technology Office.
9. An increase of $3,000,000 for a small business incubator program for two new incubators, at least one of which is to be located in Florida.
10. An increase of $250,000 for the Institute for Software Research (ISR) in Fairmont, West Virginia which will support a collaborative research effort between ISR and NASA Dryden to ensure cost effectiveness and safety for NASA programs through basic research.

MISSION COMMUNICATIONS

The conferees have provided $380,000,000 for Mission Communications, the same as the budget request and the Senate level and a reduction of $5,000,000 from the House proposed funding level.

ACADEMIC PROGRAMS

The conferees have agreed to the following changes to the budget request.

1. An increase of $5,600,000 for the National Space Grant College and Fellowship Program.
2. An increase of $5,400,000 for the NASA EPSCoR program. The increase results in a total funding level of $9,600,000 in fiscal year 1999. The conferees expect the program to be operated out of NASA headquarters and to permit each awardee to pursue research in any or all of the four NASA strategic enterprises. Finally, the conferees expect NASA to report to the Committees on Appropriations by March 1, 1999 on how it intends to aggressively expand future appropriations for this program so as to help diversify the university base which NASA research activities support.
3. An increase of $3,500,000 for academic and infrastructure needs at the University of Redlands.
4. An increase of $1,000,000 for a residential aerospace education center at NASA Glenn Research Center.
5. An increase of $2,000,000 for a center for advanced information technology at the University of Maryland, College Park.
6. An increase of $11,600,000 for Historically Black Colleges and Universities. Of this amount, $10,000,000 is to be applied to the SEMMA program as specified in House Report 105-610, and $1,600,000 is for a grant to Morgan State University for capital renovations and environmental remediation at the University's multipurpose facility to facilitate its effective use for the conduct of math and science education workshops to at-risk student in middle and high school.
7. An increase of $9,400,000 for the Partnership Awards program.

MISSION SUPPORT

Appropriates $2,511,100,000 for mission support instead of $2,458,600,000 as proposed by the House and $2,491,600,000 as proposed by the Senate. The amount provided includes $2,000,000 for settlement of claims associated with the Integrated Test Facility at the Dryden Flight Research Center, and $1,500,000 for completion of facilities at the Stennis Space Center. The amount provided also includes an increase of $31,000,000, derived from the

human space flight account, to cover emergent requirements related to lower than anticipated personnel retirements/buyouts, increased costs associated with retirement system changes, government-wide pay rate changes, and higher requirements for travel funding. The conferees hereby increase NASA's travel limitation by $1,400,000.

The conferees continue to believe that the Administrator should work closely with the City of Downey, California regarding the disposition and excessing of Parcels 1 and 2 of the NASA Industrial Plant, Downey, to the City. It is the agreement of the conferees that this property be conveyed to the City for economic/industrial development in an expeditious manner. The conferees direct the Administrator to submit a report by February 1, 1999, outlining a plan for transfer of Parcels 1 and 2 to the City of Downey. The report should identify any potential obstacles to timely transfer, including environmental considerations, proposals for overcoming those obstacles, and a timetable by which orderly transfer could be effected.

The conferees continue to prohibit the use of funds appropriated or otherwise made available to the National Aeronautics and Space Administration by this Act, or any other Act enacted before the date of enactment of this Act, by the Administrator of NASA to relocate aircraft of the National Aeronautics and Space Administration based east of the Mississippi River to the Dryden Flight Research Center in California.

OFFICE OF INSPECTOR GENERAL

Appropriates $20,000,000 for the Office of Inspector General as proposed by the Senate, instead of $19,000,000 as proposed by the House.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

Appropriates $2,000,000 for the National Credit Union Administration for the Community Development Revolving Loan Program for credit unions as authorized by Public Law 103-325, as proposed by the House instead of $1,000,000 as proposed by the Senate.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

Appropriates $2,770,000,000 for research and related activities instead of $2,815,000,000 as proposed by the House and $2,725,000,000 as proposed by the Senate. Bill language is included which provides a limitation of $257,460,000 for Polar research and operations support. The conferees have also included bill language which prohibits the expenditure of funds after September 30, 1998 for activities associated with the administration of the Internet.

Specific bill language which provided $50,000,000 for a comprehensive research initiative on plant genomes for economically significant crops as proposed by the Senate has not been included, however, the conferees have included $50,000,000 for such an initiative within the overall research program funded through this account. This amount represents an increase of $10,000,000 above the budget request.

The conferees note that the amount provided the research and related activities account represents an increase of nearly $225,000,000, or eight percent, over the comparable fiscal year 1998 level. The Foundation is expected to spread this increase across all research directorates in a proportional manner consistent with the budget proposal. Within this framework, the Foundation is expected to make every effort to maximize resources for the Ocean, Earth and Atmospheric Sciences programs. The conferees also note that the GLOBE program has been provided up to $2,000,000.

For the U.S. Arctic Research Program, the conferees have provided up to $22,000,000, an increase of up to $12,500,000 above the budget request. These additional funds are intended to support ongoing and planned high priority research in the Arctic region, including appropriate logistic needs. Prior to the obligation of these additional resources, the conferees expect the Foundation to provide a detailed spending plan on the use of these funds. Such plan should be submitted as part of the fiscal year 1999 operating plan.

The conferees have not included provisions as contained in the Senate report which created three new research centers for applied molecular biology and which provided funds to establish three new centers under the KDI program. The conferees believe that support for doctoral I and doctoral II institutions (as classified by the Carnegie Foundation) is critical if the nation is to fully develop its human resources with respect to science and engineering research. The conferees recognize that NSF support for these institutions currently exceeds $150,000,000 or about eight percent of the total NSF research budget. Nevertheless, the conferees expect the NSF to take all appropriate steps to enhance the resources available for doctoral I and II institutions, including taking steps to ensure that all directorates below the NSF-wide average increase grants for these institutions to achieve no less than this eight percent level. Moreover, the conferees direct the Foundation to review the need for the establishment of new centers to meet the purposes as proposed by the Senate, and review the desirability and feasibility of establishing a new and separate pool of resources to benefit doctoral I and II institutions. The conferees expect these reviews to be completed and submitted to the Committees on Appropriations no later than April 1, 1999.

The conferees believe that the "Grand Challenges" identified in the National Research Council's recent report, "Opportunities in Ocean Science," contains valuable perspectives on the benefit derived by broad coordinated research investigations. The NSF director shall communicate the findings of the report, and counsel with The National Ocean Leadership Council and the Office of Management and Budget, to define ocean science initiatives that will help realize the economic and environmental benefits described in the report.

Within amounts provided in this account, $1,500,000 is for continued operation of the RaDiUs database program. The conferees note that this database may represent a useful tool in the analysis of all research and development expenditures throughout the Federal government, and request the Foundation to report by May 1, 1999 on its assessment of the value and usefulness of this program. The amount provided is in addition to other amounts provided to the Foundation for CTI services.

MAJOR RESEARCH EQUIPMENT

Appropriates $90,000,000 for major research equipment as proposed by the House instead of $94,000,000 as proposed by the Senate. Included within this amount is $9,000,000 for the Millimeter Array, $22,000,000 for the Large Hadron Collider, $20,000,000 for Polar support aircraft upgrades, and $39,000,000 for continued maintenance and construction of new facilities in Antarctica.

EDUCATION AND HUMAN RESOURCES

Appropriates $662,000,000 for education and human resources instead of $642,500,000 as proposed by the House and $683,000,000 as proposed by the Senate.

The conferees have included bill language renaming the Alliances for Minority Participation (AMP) Program after retiring Congressman Louis Stokes. The purpose of the AMP Program is to build partnerships among different kinds of institutions of higher education for the express purpose of attracting and retaining minority students in academic programs that lead to degrees in science and engineering. Congressman Stokes has been equally committed to building partnerships and alliances throughout his distinguished career. It is therefore fitting that this program which embodies these important principles be redesignated the Louis Stokes Alliances for Minority Participation Program.

Within the amount provided, $46,000,000 is for the Informal Education Program, and an increase of $10,000,000 above the budget request is provided for the EPSCoR program.

The conferees have provided $13,500,000 through the education and human resources account for education reform initiatives targeted to underrepresented populations served through the nation's historically black colleges and universities (HBCUs). Of these amounts, $7,500,000 shall be allocated for graduate level activities, and $6,000,000 for undergraduate activities under the UPUR program established in House Report 105-297. The undergraduate funds are to be augmented with an additional $2,000,000 from the research and related activities account for a total UPUR program level for fiscal year 1999 of $8,000,000.

For fiscal year 1998, $6,000,000 was provided for this program by the NSF instead of $12,000,000 as intended by the conferees. As a result, fewer institutions were given the opportunity to compete for available resources. It is the intent of the conferees that all eligible institutions, including those which were granted awards in fiscal year 1998, be given equal opportunity to compete for funds provided for fiscal year 1999. It is also the intent of the conferees that awards be of sufficient size so as to meet the needs of the competing institutions. However, it is not the intent of the conferees that NSF establish either a minimum or a maximum award size in the determination of grant recipients. Rather, each application should be judged on its merits without regard to its proposed cost. Finally, the Foundation is urged to indicate in its fiscal year 2000 budget submission how it intends to sustain the UPUR initiative at appropriate funding levels.

SALARIES AND EXPENSES

Appropriates $144,000,000 for salaries and expenses as proposed by the House instead of $136,950,000 as proposed by the Senate.

OFFICE OF INSPECTOR GENERAL

Appropriates $5,200,000 for the Office of Inspector General as proposed by the House and the Senate.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriates $90,000,000 for the Neighborhood Reinvestment Corporation as proposed by the House instead of $60,000,000 as proposed by the Senate. Language is included which provides $25,000,000 for a pilot homeownership initiative, as proposed by the House.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriates $24,176,000 for salaries and expenses as proposed by the House, instead of $24,940,000 as proposed by the Senate.

TITLE IV—GENERAL PROVISIONS

Restores language proposed by the House and stricken by the Senate permitting EPA, NSF, and NASA funds to be used for an endowment for the United States/Mexico Foundation for Science, amended to make technical modifications to the language.

Retains language proposed by the Senate limiting the use of funds appropriated to the Department of the Housing and Urban Development.

Deletes language proposed by the House and stricken by the Senate establishing new loan limits for Federal Housing Administration mortgages, providing additional appropriations of $10,000,000 for VA's medical and prosthetic research account and $70,000,000 for the National Science Foundation's research and related activities account, and defining the term "area." The Senate proposed language establishing new loan limits for Federal Housing Administration mortgages under HUD's administrative provisions. New FHA loan limits and revised definitions are addressed under HUD's administrative provisions section, and the appropriations for the VA and NSF accounts are addressed under those appropriating paragraphs.

Inserts and modifies language proposed by the House, directing the Consumer Product Safety Commission to contract with the National Academy of Sciences for a study of flame retardant chemicals under consideration for use in upholstered furniture. The study is to be completed prior to promulgation of a notice of proposed rulemaking or final rulemaking.

Deletes language proposed by the House and stricken by the Senate reducing the amount of medical care funds with delayed availability. The total amount of funds with delayed availability is addressed under the medical care account.

Deletes language proposed by the House and stricken by the Senate regarding child sleepwear flammability standards, and inserts new language directing the Consumer Product Safety Commission to address sleepwear standards.

Deletes language proposed by the House and stricken by the Senate reducing funds for non-overhead administrative expenses of the Federal Housing Administration by a total of $303,999,998 and increasing funds for VA's medical care account by the same amount. All funds for these activities are addressed under the FHA and VA's medical care accounts.

Deletes language proposed by the House and stricken by the Senate prohibiting the use of FEMA funds to permit the use of seismic hazard mitigation program funds to relocate a hospital.

Restores language proposed by the House and stricken by the Senate prohibiting the use of funds in this Act for research on reducing methane emissions from livestock.

Restores language proposed by the House and stricken by the Senate prohibiting funds in this Act from being used to carry out Executive Order 13083 concerning federalism.

Deletes language proposed by the House and stricken by the Senate reducing funds for HUD's housing opportunities for persons with AIDS (HOPWA) account by $21,000,000 and increasing funds for VA's grants for construction of state extended care facilities account by the same amount. Funding for these activities is addressed under HUD's HOPWA and VA's grants for construction of state extended care facilities accounts.

Deletes language proposed by the House and stricken by the Senate restricting the use of funds in this Act for implementation of section 12B.2(b) of the Administrative Code of San Francisco.

Deletes language proposed by the Senate placing certain conditions on entities that receive grants providing emergency shelter for homeless individuals.

Inserts language proposed by the Senate modifying the National Fallen Firefighters Foundation Act to eliminate the cap on staffing, amended to make technical changes.

Inserts language proposed by the Senate prohibiting individuals convicted of methamphetamine manufacture from receiving public housing assistance.

Deletes language proposed by the Senate regarding maximum travel distance for veterans to health care facilities.

Deletes language proposed by the Senate regarding detailed justifications for salary and expenses activities of the agencies in the bill. While the committee of conference has deleted the bill language, it remains concerned with the lack of detail contained in the budget justifications submitted by some of the agencies in the bill. As such, all of the departments and agencies are directed to provide detailed justifications for all salary and expenses activities, including personnel compensation and benefits, consulting costs, professional services or technical service contracts regardless of the dollar amount, contracting out costs, travel and other standard object classifications for all headquarters offices, regional offices, or field installations and laboratories, including the number of full-time equivalents per office, and the personnel compensation, benefits and travel cost for each Secretary, Assistant Secretary, Administrator, or other major operating office.

Inserts language proposed by the Senate allowing the Office of Science and Technology Policy to contract with the National Academy of Sciences for a study to develop methods for evaluating federally funded research and development programs.

Inserts language proposed by the Senate which provides indemnification and cross-waivers of liability with regard to the X-33 and X-34 flight test programs.

Inserts language proposed by the Senate providing land allotments to Alaska native Vietnam-era veterans, amended to reduce the eligibility period to three years, decrease the amount of lands subject to allotment, and provide the Secretary of the Interior with discretion regarding which lands are subject to allotment, among other changes.

Inserts new language directing the National Aeronautics and Space Administration to report on alternative methods of contracting with Russian entities.

Inserts new language renaming NASA's Lewis Research Center in Cleveland, Ohio the John H. Glenn Research Center at Lewis Field, in honor of retiring U.S. Senator John H. Glenn.

Inserts new language waiving the statutory waiting period prior to adoption of new accounting standards for NASA.

TITLE VI—SINGLE FAMILY PROPERTY DISPOSITION

Inserts language providing HUD with additional flexibility to choose the most cost-effective methods of paying insurance claims and disposing of acquired notes or homes under FHA single family programs. Specifically, the provision:

(1) reorganizes the current section 204(a) of the National Housing Act and eliminates obsolete or redundant provisions;

(2) provides a new claims payment procedure that permits HUD to pay a claim upon assignment of the mortgage rather than upon conveyance of the property;

(3) authorizes HUD to take assignment of the notes and transfer them to private parties for servicing, foreclosure avoidance, foreclosure, property management, and asset disposition; and,

(4) provides HUD with authority, similar to the FHA multifamily disposition program, that allows FHA to be an equity participant in private entities.

Additionally, the provision allows a structured financing for asset disposition in which FHA retains an equity interest, thereby increasing the value of the asset over simple asset sales. It eliminates the precise statutory formula for determining insurance benefits due a mortgagee by allowing HUD to adjust the additions and deductions prospectively through administrative action, to reflect new information, changing conditions, and state law requirements.

The conferees wish to impress upon HUD the importance of an aggressive and effective loss mitigation program. Such a program could keep families in their homes longer and would, most certainly, decrease losses to the FHA insurance fund. Currently, HUD's mortgage servicers have no affirmative duty to undertake loss mitigation activities. Therefore, the conference agreement has included language requiring loss mitigation activities upon default of a mortgage. Failure by a mortgagee to engage in loss mitigation activities could result in a penalty of three times the amount of any insurance benefits claimed by the mortgagee. The conferees urge HUD, in conjunction with the lending community, to develop a comprehensive loss mitigation program and to propose to the Congress any statutory changes necessary to implement such a program.

Finally, the provision substitutes a requirement of disclosure of information regarding pre-foreclosure sales for the counseling currently required before use of pre-foreclosure sales and eliminates a requirement excluding the use of loss mitigation tools by enabling mortgagees to make better use of recasting and forbearance as part of loss mitigation. Inserts language requiring HUD to treat certain FHA single family assets in certain distressed neighborhoods differently than those in non-revitalization areas in order to make the areas sustainable and to diminish the number of properties sold to speculators. The provision is designed to stabilize the neighborhood by encouraging homeownership of good, decent, and structurally sound homes, and replaces the current "right of first refusal" and discount system.

HUD is required, in conjunction with local stakeholders, to establish revitalization areas. These areas are determined on the basis of whether they have a high proportion of low income households, a high number of troubled assets, or a low rate of homeownership.

Additionally, the legislation provides for the establishment of smaller asset control areas within the larger revitalization areas. In those targeted areas, HUD and local partners shall implement an agreement to increase the level of repair and the level of owner occupant purchasers in those specially targeted areas. To encourage these agreements, HUD is authorized to offer pricing discounts that are based on an appropriate appraisal. HUD is obligated to offer, and the local partners are obligated to take, all FHA single family assets that are or that become available in these areas.

Once the revitalization and asset control areas are determined, assets offered for sale

must be repaired so purchasers are not saddled with high repair costs. The conferees believe that adequate rehabilitation and renovations must be made to these homes to make them attractive to buyers as well as to increase the stability of the neighborhood. Therefore, rehabilitation standards should include whether the homes are in good, safe and habitable condition, whether major systems are dependable and in good repair, and whether the properties are marketable to owner occupants given the standards and preferences of the local community. Though preferred purchasers may incorporate higher rehabilitation standards, non-preferred purchasers must meet at least minimum property standards, as determined by HUD.

The conferees believe that increasing homeownership in these areas is particularly important if they are to become sustainable. Therefore, assets (within the control of the purchasers) in these areas must be sold to owner occupants in a proportion that matches, if not exceeds, the proportion of owner occupants in the metropolitan area. Though HUD is given the authority, in certain circumstances, to waive this provision, any deviations are expected to be rare and merit consultation with local units of government and other involved parties. The conferees do not intend for HUD to waive the homeownership requirement for solely economic consideration. Downward deviations should be only for the purpose of strengthening the revitalization of the areas in which they may occur.

The conferees direct HUD to report to Congress annually on the number and characteristics of areas designated, or rejected, as revitalization and asset control areas. The report should include the number of eligible assets within each area and the basis for any rejection of designation.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1999 recommended by the Committee of Conference, with comparisons to the fiscal year 1998 amount, the 1999 budget estimates, and the House and Senate bills for 1999 follow:

New budget (obligational) authority, fiscal year 1998	$88,392,163,000
Budget estimates of new (obligational) authority, fiscal year 1999	93,688,871,105
House bill, fiscal year 1999	94,375,545,030
Senate bill, fiscal year 1999	93,331,942,030
Conference agreement, fiscal year 1999	93,390,780,030
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1998	+4,998,617,030
Budget estimates of new (obligational) authority, fiscal year 1999	−298,091,075
House bill, fiscal year 1999	−984,765,000
Senate bill, fiscal year 1999	+58,838,000

JERRY LEWIS,
TOM DELAY,
JAMES T. WALSH,
DAVID L. HOBSON,
JOE KNOLLENBERG,
R. FRELINGHUYSEN,
MARK W. NEUMANN,
ROGER WICKER,
BOB LIVINGSTON,
LOUIS STOKES,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
CARRIE P. MEEK,
DAVID E. PRICE,
DAVE OBEY,
Managers on the Part of the House.

KIT BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
BEN NIGHTHORSE CAMPBELL,
LARRY E. CRAIG,
BARBARA A. MIKULSKI,
PATRICK LEAHY,
FRANK R. LAUTENBERG,
TOM HARKIN,
ROBERT C. BYRD,
Managers on the Part of the Senate.

ADDITIONAL LEAVE TIME FOR FEDERAL EMPLOYEES WHO SERVE AS ORGAN DONORS

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2943) to amend title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor, and for other purposes.

The Clerk read as follows:

H.R. 2943

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

SECTION 1. INCREASED LEAVE TIME TO SERVE AS AN ORGAN DONOR.

(a) IN GENERAL.—Subsection (b) of the first section 6327 of title 5, United States Code (relating to absence in connection with serving as a bone-marrow or organ donor) is amended to read as follows:

"(b) An employee may, in any calendar year, use—

"(1) not to exceed 7 days of leave under this section to serve as a bone-marrow donor; and

"(2) not to exceed 30 days of leave under this section to serve as an organ donor.".

(b) TECHNICAL AMENDMENTS.—(1) The second section 6327 of title 5, United States Code (relating to absence in connection with funerals of fellow Federal law enforcement officers) is redesignated as section 6328.

(2) The table of sections at the beginning of chapter 63 of title 5, United States Code, is amended by adding after the item relating to section 6327 the following:

"6328. Absence in connection with funerals of fellow Federal law enforcement officers.".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 2943.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

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

Mr. Speaker, I want to thank the gentleman from Maryland (Mr. CUMMINGS), the ranking member on the Subcommittee on Civil Service, for introducing this very important bill.

I also want to include my thanks to the gentleman from Florida (Mr. MICA), chairman of the Subcommittee on Civil Service. I also want to thank the gentleman from Indiana (Mr. BURTON), chairman of the Committee on Government Reform and Oversight and the gentleman from California (Mr. WAXMAN), the ranking member, for helping us bring this bill to the floor today. It is a very important piece of legislation, and I am proud to be a cosponsor of it with the gentleman from Maryland (Mr. CUMMINGS) as lead sponsor.

Mr. Speaker, thousands of Americans die every year and thousands more suffer unnecessarily because of the current shortage of transplantable organs and tissues. Kidneys are the most needed organs for transplantation, accounting for 69 percent of all organ waiting list registrations.

While the 7 days Federal law currently allows for recovery from bone marrow donation is adequate, recovery periods for kidney donations run much longer. We must avoid situations where our leave policies deter people from donating organs.

Through this legislation, the Federal Government will become a leader in encouraging individuals to perform the valuable public service of donating organs. Specifically, this legislation will enable those Federal employees who want to donate an organ to do so with the assurance that the Federal Government will give them an adequate amount of time to recuperate from the important life saving procedure they voluntarily undergo.

This legislation serves as a guide for other employees throughout our country to provide similar benefits to those individuals who undertake this important public service.

I want to encourage my colleagues to join me in wholeheartedly and enthusiastically supporting this legislation to help Federal employees and agencies meet this important health care need.

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

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

Mr. Speaker, I first want to take a moment to thank the gentleman from Indiana (Mr. BURTON), the chairman of the committee, the gentleman from California (Mr. WAXMAN), our ranking member, and particularly the gentleman from Florida (Mr. MICA) who is our ranking subcommittee chairman for the cooperation they gave me in making sure that this bill came to the floor today. I really thank them.

I also thank our entire subcommittee which worked very cooperatively in a

bipartisan spirit to make this bill happen.

Mr. Speaker, in the last 20 years, important medical breakthroughs such as tissue typing and new drug therapy have allowed for a larger number of successful organ transplants and a longer survival rate for transplant recipients. Certain organs such as single kidney, a lobe of a lung, a segment of the liver, or a portion of the pancreas can be transplanted from living donors, making it possible for them to save lives of family members, coworkers, and friends, and thus bring life to life.

I introduced H.R. 2943 because it supports Federal employees who make the life saving decision to become living organ or bone marrow donors by granting them additional time to recover from making a donation.

This bill also has the support of the American Society of Transplant Physicians, the largest professional transplant organization in the United States. In a letter expressing their support for the bill, the ASTP stated, and I quote, "A lack of leave time has served as a significant impediment and disincentive for individuals willing to share the gift of life."

Currently, Federal employees make use of up to 7 days of leave in each calendar year to serve as an organ or bone marrow donor. Yet, experience has shown that an organ transplant operation and postoperative recovery for living donors may take as long as 6 to 8 weeks.

In order to address this disparity, I worked with the Office of Personnel Management and the Department of Health and Human Services in drafting this legislation to increase the amount of leave that may be used for organ donation to 30 days. The amount of leave that may be used for bone marrow donation will remain at 7 days because that is generally adequate for bone marrow donations.

Under this legislation, donors will not have to be concerned with using their personal sick or annual leave for these vital medical procedures because the leave granted is an addition to what they routinely earn.

Since the first kidney transplant in 1954, hundreds of patients have received successful transplants from living donors. Yet, each day, while 55 people receive an organ transplant, another 10 people on the waiting list die because not enough organs are available.

A new name is added to a waiting list every 18 minutes in the United States. Last year, only 15,000 people donated, leaving 35,000 people desperately in need. Currently, over 58,000 are waiting for a life saving organ transplant.

One lung can help another person breathe. One kidney can free someone from dialysis. A portion of a liver could save the life of a patient dying from disease. One's bone marrow could help repair another person's damaged joints. Every year, Federal employees donate one of these organs to save a life.

This legislation will give Federal employees who may consider becoming organ donors the assurance that they will be granted an adequate amount of time to recuperate from the life saving process they voluntarily undertake. It will also serve as a guide and encouragement to other employers, public and private, to provide a similar benefit to their employees.

Ultimately, this bill will benefit the 58,000 people who are on the organ transplant waiting list. As I said earlier, this is a piece of legislation which will bring life to life. I urge all Members to give it their support.

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

Mrs. MORELLA. Mr. Speaker, I have no other requests for time, and I continue to reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield 4 minutes to the distinguished gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I very much thank the gentleman for yielding to me.

Mr. Speaker, I rise in strong support of the bill of the gentleman from Maryland (Mr. CUMMINGS), and I rise also to thank the gentleman for this innovative and important piece of legislation and to compliment him and the gentlewoman from Maryland on the third bill of this particular session of the House. It shows a very productive commitment to Federal employees.

We are now awash in life saving techniques, but we have not learned how to get maximum use out of them or to assure equality in their distribution. The bone marrow provision that allows 7 days' leave appears to be appropriate; but when it comes to an organ transplant, we are dealing with an operation that itself is a high risk operation.

If we really want to encourage people to donate organs such as kidneys, where the need is greatest, we are going to have to move to provide a greater incentive. One thing we ought to do is to assure persons generous enough to offer an organ that there would be the minimum risk to the person who has stepped forward.

If that person is a Federal employee, the last thing we would want the employee to think is that I do not have very much time that I should take, so I better rush back. The 30-day incentive is important to finally getting people to understand that offering these organs is a very important act of generosity.

In today's paper, it may have been yesterday's paper, is a story of a husband and a wife. The husband is donating the kidney to the wife, or vice versa. I forget which. It does not really matter. What does matter is that the odds are tremendously against, I think it is 1 in 25,000, that a husband and a wife would be married, these people are not kin, and would match in a vital organ.

The spouse that was receiving the organ did not want the other spouse to give the organ, and the reason simply is that there is a risk in undergoing a major operation to give a healthy organ to someone who has an unhealthy organ.

Anything we can do to encourage what is already a process underused is something we ought to move forward to do. It is astonishing how few organs are available given the number of organs that should be available.

The incentive that the bill of the gentleman from Maryland (Mr. CUMMINGS) offers today is akin to the leadership the Federal Government has always taken with respect to blood donations. Blood donations are allowed on the premises. We allow the Red Cross to set up on our premises. We allow employees to go down on government time because we recognize how important it is to donate blood.

Today we have moved from blood to other vital life giving substances and organs, sharing not only blood, but we now can share vital organs. This is a very small loss in productivity or time to the government. Particularly what it offers is life and hope.

□ 1515

This is a model that I expect certainly large employers around the country to follow.

Mr. Speaker, I thank the gentleman for the important breakthrough that the Cummings bill provides.

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

Mr. Speaker, just today there was an article in the Washington Post about a woman named Nancy Nearing who, along with her husband, Steve, made a very critical decision, and that was to donate an organ to her boss, whose name is Art Helms. This took place back on September 10. I am very pleased to say that Ms. Nearing and Mr. Helms are doing fine.

These were two people that were contractors for the Federal Trade Commission. This is the kind of legislation that, if it were effective for contractors and these types of Federal agents, would truly benefit them.

I think that as we move forward with this legislation, as I know that the Members of the House will agree with me, it is so wonderful to know that out of the 3,665 living organ transplants taking place per year, there were only 153 who were not family members, and Mrs. Nearing and Mr. Helms participated as one of the 153.

So we say to them as a Congress as we discuss this legislation, we thank them for that spirit, and just as they had the spirit, as Mrs. Nearing and her husband Steve had that wonderful spirit to give life to life, that hopefully

this legislation will cause others to look at the situation with regard to organ transplantation and do similar acts of courage.

Finally, I would like to take a moment to again thank the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Florida (Mr. MICA), and all of those who have taken part in making sure that this legislation came to the floor.

I would also like to take a moment to thank former staffer John Alexander who worked very hard on this legislation; Ms. Tania Shand of my staff, and Kymberly Graves and Kimberly Miller, all working hard to try to make a difference in people's lives. I do believe, Mr. Speaker, that this legislation will touch the lives of many and make their lives better.

As I have often said, we only have one life to live. This is no dress rehearsal and this so happens to be that life.

Mr. Speaker, at this time I include for the RECORD a letter from John F. Neylan, President of the American Society of Transplant Physicians.

AMERICAN SOCIETY OF
TRANSPLANT PHYSICIANS,
Thorofare, NJ, October 1, 1998.

Hon. ELIJAH E. CUMMINGS,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE CUMMINGS: The American Society of Transplant Physicians (ASTP) commends you for your continuing efforts to improve our nation's system for organ donation and transplantation. The ASTP is the largest professional transplant organization in the United States and represents over 1,200 physicians, surgeons and scientists. During the last few years, the Society has greatly appreciated the opportunity to work with you and your staff in addressing many important organ transplantation issues.

The ASTP applauds your most recent efforts to improve organ donation by introducing legislation, H.R. 2943, to increase the amount of leave time available to Federal employees serving as organ donors. In the past, a lack of leave time has served as a significant impediment and disincentive for individuals willing to share the gift-of-life. The provision in your legislation allowing for 30 days of paid leave following an organ donation is a very positive first-step in addressing this issue. We look forward to working with you in the 106th Congress to further expand upon this initial policy to provide appropriate leave times for living donors.

As we have discussed in the past, the problems that our nation faces in the allocation of organs and tissues for transplantation, a precious and scarce resource, are complex, and continue to evolve from both a medical and policy perspective. However, the real answer to dealing with the dilemma of allocating and distributing an inadequate supply of organs is through efforts such as yours to increase donation.

On behalf of the thousands of U.S. patients currently awaiting organ transplants, we commend you for your leadership in this area. In addition, we look forward to continuing to work with you in the future to improve the field of transplantation medicine.

Sincerely,

JOHN F. NEYLAN,
President.

Mr. Speaker, I urge all of the Members of the House to vote in favor of this legislation, and I yield back the balance of my time.

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

I thank the gentleman for his eloquent statement, but even more than that, for introducing the bill which I am proud to support and cosponsor.

There is just no doubt that we hope that this bill will encourage Federal employees to recognize the importance of organ donation and will indeed give, as has been mentioned, a gift of life to the recipients. I urge strong passage by our colleagues of this bill.

Mr. STARK. Mr. Speaker, I am proud to join with my colleagues today in support of organ donations. As we all know, organs are a gift of life for too many people.

This bill today will give federal employees the extra time they need to be organ donors. It is an excellent idea and one that I hope we all will pass and support.

I would like to take a minute to discuss a bill that I have introduced to help increase the number of available organs for transplants. H.R. 1605, the Gift of Life Congressional Medal Act will provide recognition for those families who have chosen to make the ultimate gift.

The enactment of this legislation, which doesn't cost taxpayers a penny, will not only honor the individual organ donor and their loved ones, but will also heighten the awareness of the organ shortage—ultimately resulting in more organ donation.

There is a major under-supply of available and suitable organ donors.

Currently, there are 50,000 individuals waiting for an organ transplant in the United States. The number of people on the list has more than doubled since 1990 and a new name is added to the national patient waiting list approximately every 18 minutes. Despite the numerous problems that organ donation programs have faced and conquered over the years, a major problem still exists.

The demand for organs will continue to grow with the improvement of medical technologies. Without expanded efforts to increase the supply of organ donations, the supply of suitable organs will continue to lag behind the need.

For the many would-be organ recipients, the consequence of shortage is death. It is clear that expanded efforts are necessary in order to increase the number of organ donors.

According to some researchers, it may be possible to increase by 80 percent the number of organ donations in the United States through incentive programs and public education. A Congressional medal recognizing donors and their families can play a very important and effective role in our efforts to encourage such donation.

Our proposed Gift of Life Medal Program will be administered by the regional organ procurement organizations (OPOs) and managed by the entity administering the Organ Procurement and Transplantation Network. Once the decision to donate an organ has been made, the donor or the family member of the donor will be asked by the regional OPO whether participation in the Gift of Life Medal Program is desired.

The OPO will give each donor or family member the option of receiving a Gift of Life Medal, recognizing that some may not want to participate. If requested, a public presentation will be made to honor the donor. A presentation by a local official, community leader or Member of Congress would be a tremendous opportunity to increase the awareness concerning the desperate need for organ donation.

Every action has been taken to insure that the issuance of the Gift of Life Medals results in no net cost to the government. In addition, I am proud to report that the legislation has the strong support of the United Network for Organ Sharing (UNOS) and the Coalition on Donation.

Any one of us, or any member of our families, could need a life saving transplant tomorrow. We would then be placed on a waiting list to await our turn—or our death.

So, I ask that our colleagues help bring an end to waiting lists and recognize the enormous faith and courage displayed by organ donors and their families. Please join me as a cosponsor of The Gift of Life Congressional Medal Act. These donors offer others a second chance by providing the most precious gift imaginable—the gift of life.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and pass the bill, H.R. 2943.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CONVEYANCE OF FEDERAL LAND IN NEW CASTLE, NEW HAMPSHIRE

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4614) to provide for the conveyance of Federal land in New Castle, New Hampshire, to the town of New Castle, New Hampshire, and to require the release of certain restrictions with respect to land in such town, as amended.

The Clerk read as follows:

H.R. 4614

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

SECTION 1. LAND CONVEYANCE, FEDERAL LAND, NEW CASTLE, NEW HAMPSHIRE.

(a) CONVEYANCE REQUIRED.—Notwithstanding any provision of law (including the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.)), the Administrator of General Services shall convey, by quitclaim deed and without consideration, to the town of New Castle, New Hampshire (in this section referred to as the "Town"), the interest of the United States in a parcel of real property consisting of approximately 2 acres located in New Castle, New Hampshire, and currently administered

by the Secretary of Transportation and leased to the Town under United States Coast Guard license number DTCGZ51283-97-RP-011L.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined as set forth in the United States Coast Guard license described in such subsection.

(c) TERMS AND CONDITIONS.—The Administrator may require such terms and conditions, including the reservation of easements and other rights, in connection with the conveyance under subsection (a) as the Administrator, after consultation with the Commandant of the United States Coast Guard, considers appropriate to protect the interests of the United States.

(d) REPLACEMENT OF LAND.—Notwithstanding any provision of the Land and Water Conservation Fund Act of 1965 (Public Law 88-578; 16 U.S.C. 460*l*-4–460*l*-11) or any other law, the real property conveyed under subsection (a) may be used to replace Land and Water Conservation Fund-assisted land in New Castle, New Hampshire, under project number 33-00077. The real property conveyed under subsection (a) shall be of reasonably equivalent recreational usefulness and location. Such replacement shall occur not later than one year after the date of the enactment of this Act.

Amend the title so as to read: "To provide for the conveyance of Federal land in New Castle, New Hampshire, to the town of New Castle, New Hampshire, and to provide that such land be used to replace certain land for use as a cemetery.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentleman from Ohio (Mr. KUCINICH) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire (Mr. SUNUNU) be permitted to control the time on this side of the aisle.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from California?

There was no objection.

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

Mr. Speaker, under New Hampshire State law, cities and towns are required to provide for public cemeteries within their own local boundaries. Since 1994, the town of New Castle, New Hampshire, has been working to acquire just 2 acres of surplus Federal property through the Federal Property and Administrative Services Act to meet this important public need. New Castle, however, is an island, a small community, a little bit more than 1 square mile, and there exists very limited land available for this purpose of cemetery expansion. Moreover, the town's present cemetery is filled to capacity, and the need for additional space has become urgent.

New Castle has identified a 2-acre parcel of land that would be appropriate and enable the town to meet the State's requirement. Although the town owns the identified parcel, it is presently dedicated to recreational use under a National Park Service land and water conservation program. In order to use this parcel for cemetery use, the town must replace it with 2 additional acres that would then be dedicated to recreational use.

The town had hoped to fulfill the Park Service replacement requirement with a 2-acre parcel that it currently leases from the United States Coast Guard right there on New Castle. However, after a 7-month delay, the town was finally informed by the Park Service that it would have to take ownership of that parcel it currently leases. In light of this, the town has been pursuing ownership of the land under the no-cost public benefit provisions of the Federal Property and Administrative Services Act.

The Coast Guard has stated in a letter to me their intention to declare this property that is currently under lease to the town as excess. That land would then be presented to the GSA, the General Services Administration, for disposal. Furthermore, the Park Service has indicated in a letter to the State of New Hampshire, that has been working with the town on this important issue, that it "has no objection" to the town's replacement approach for converting land under this program for cemetery use. Given the urgency of this particular situation, I think it appropriate that we consider a legislative approach through which this transfer could be expedited.

Therefore, in the interest of meeting this very real public need in as timely a fashion as possible, I have introduced this legislation, H.R. 4614, which directs the Administrator of General Services to convey to the town of New Castle the 2-acre parcel of land that it currently leases from the Coast Guard once the Coast Guard declares that property as excess. I am entering into the RECORD several letters of correspondence, including those mentioned above, as well as letters from the town of New Castle, the State Department of Resources and Economic Development, and the Commandant of the United States Coast Guard declaring his intention to excess the property. These letters clearly describe the urgent request by the town, the intent of the Coast Guard to excess the property, and the willingness of the Park Service to accept the town's proposal.

Even after the passage of this legislation, implementation will require the continued cooperation of three major Federal agencies: the GSA, the Park Service, and the Coast Guard. Their cooperation is going to be required, working with the State and the town of New Castle, to make sure that this moves forward in as timely a manner as possible. They each have responsibilities in order to ensure a smooth transition of these properties. I would encourage each of these agencies to act quickly to accomplish the needed tasks. I am very pleased that the officials from the GSA and the Park Service have already taken the time to visit the properties.

In summary, this legislation will help the State of New Hampshire and the town of New Castle deal with an urgent public need. The 2-acre property is already leased by the town at no cost, and they also already pay to maintain the property for recreational use. The bill will simply transfer ownership of this parcel so that the town may have the peace of mind knowing that their citizens can be buried with dignity.

Mr. Speaker, I urge passage of this bill, and I reserve the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. WAXMAN), the distinguished ranking member of our committee.

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

Mr. Speaker, I rise in opposition to this bill. It is special legislation; as such, it treats Federal land as a new kind of "pork" for Congress to distribute. The administration opposes this bill because it would give away Federal land that is not excess to the government. This is a dangerous precedent to set, especially immediately before midterm elections.

I am also concerned that the majority chose to bypass the full House Committee on Government Reform and Oversight. This bill has never been the subject of a hearing. We thought this bill would be brought to the committee. We are disappointed that the committee has been sidestepped and that our concerns cannot be addressed by the full committee.

The minority first learned of this bill less than 2 weeks ago. It was considered by the Subcommittee on Government Management, Information and Technology in markup just last Monday. I urged the subcommittee to hold a hearing on the bill and, at the very least, seek the administration's position on the bill. We now have the administration's position, and they are opposed to it. I have the statement of administrative position here, and I would like to quote from it:

> The administration opposes House passage of H.R. 4614 which would convey Federal land to the town of New Castle, New Hampshire. H.R. 4614 would convey Federal land, which has not been declared excess, in a manner inconsistent with the process established under the Federal Property and Administrative Services Act of 1949 for the fair and efficient utilization and disposal of excess and surplus Federal property.

The procedure by which the city could have pursued the matter, they did not require an act of Congress, they could have asked for an administrative procedure. Instead, they have come to the Congress and asked for this special

legislation. I think it is a type of "pork" for the Congress of the United States to bypass the ordinary procedures for deciding how to deal with land. It creates a bad precedent. It has been assembled hastily, it has not been considered by the full committee, and finally and significantly, there are administrative alternatives for the town that better address its needs.

Mr. Speaker, for that reason, I urge my colleagues to oppose this legislation.

Mr. SUNUNU. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I thank the gentleman for yielding me this time, since I earlier yielded all of the time to author of the bill, the gentleman from New Hampshire (Mr. SUNUNU).

The gentleman from California who has just spoken knows that after questions were raised in subcommittee we had a full airing with members of the various agencies in the Federal Government, and I do not know where this administration thing was squeezed out of somebody downtown, but we had the concurrence, I believe, of the agencies involved, and I must say I find it rather strange to call land for a cemetery pork. I did not know we called dead bodies pork, and that rather offends me, frankly.

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

Mr. Speaker, I would like to further address some of the concerns that were raised by the minority. As the Chairman has pointed out, we had an informative hearing on the bill. While it was not a previously scheduled hearing specifically for this legislation, it allowed an opportunity to address many of the minority's concerns.

Subsequent to that we had a meeting with officials of the GSA, of the Park Service, and even of the Coast Guard with both majority and minority staff to address their concerns.

□ 1530

In fact, in particular they raised the concern that we be careful about the precedent, and the majority is very mindful of that. There was a request that we get notification of the town, that indeed they intended to use this transfer process specifically to enable them to expand their cemetery, which is obviously an enormous public need, certainly not a case for pork.

In order to address those concerns, the town put together a letter from the town officials the, chairman of the Board of Selectmen, that they went even through the trouble to have notarized for minority staff. I ask that that be included in the RECORD.

Mr. Speaker, I will quote it,

We wish to make it clear at this time that the converted Land and Water Conservation Fund land, once approved for conversion, will not be used for any special purpose. It is the town's intention to develop the land as need arises for cemetery use only.

Not only have they provided this notarized letter in response to the concerns of the minority, previously, in 1995, the town passed a warrant in town meeting to ensure, to see if the town will vote to authorize the selectmen to negotiate with the appropriate State and Federal officials to use the site of Great Island Common for cemetery purposes.

Obviously, it is the full intention of the town to meet what is not just a serious but an urgent public need. To label it as anything else I think is somewhat disingenuous. There is no question that the Park Service could grant a temporary waiver so that the town could go forward, but the town would still have to replace the land and in that case a transfer would be necessary. This legislation would be extremely helpful in moving that process forward.

Not only is there a great deal of uncertainty about how long any administrative process would take; history shows that in order to get a clear response from the Park Service that they would have to take ownership of the land, the town had to wait a full 7 months.

Mr. Speaker, we could wait for a great deal of time for the administrative process to take its course. But the fact of the matter is I think the vast majority of Americans would agree that for the sake of a transfer of 2 acres that the town is currently leasing anyway, it would certainly give the citizens of the town peace of mind that they deserve. That they do not need to bury their dead at sea, that they do not need to inappropriately bury people in the aisles of cemeteries that they have existing, which sounds somewhat unusual, but it is in fact alternatives that have already been considered.

Mr. Speaker, I submit the following letters for the RECORD:

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Philadelphia, PA, January 23, 1996.

JOSEPH F. QUINN, *Director,*
Officer of Recreation Services, Dept. of Resources & Economic Development, Division of Parks & Recreation, Concord, NH.

DEAR JOE: This is in response to your request for NPS consideration of concepts for conversions at three Land and Water Conservation Fund assisted sites. These sites are:

33–00260—26 acres of the 6f protected Gorham Common.

33–00139—1.42 acres of 6f protected land in Conway, NH.

33–00077—2 acres of the 6f protected Grat Island Common.

We have reviewed the preliminary information submitted by your office regarding these proposed conversions and have no objection at this time to the approach you suggest for projects 260 and 77. As you know, final NPS approval of a conversion request can only be given after review and approval of a formal conversion package which includes full documentation. If you decide to proceed with conversion for projects 260 and 77 full documentation must be submitted at that time.

In reviewing the conversion concept for project 33–00139 we find that the parcel now being considered as substitution land is not large enough to formulate an acceptable replacement for the land to be converted. We encourage the Town of Conway to look for an alternative site which will avoid loss of 6f protected land.

If you need any additional information on any of these proposals please contact me.

Sincerely,

CYNTHIA WILKERSON.

THE STATE OF NEW HAMPSHIRE
TOWN OF NEW CASTLE
TOWN WARRANT FOR 1995

Rockingham, SS—New Castle

To the Inhabitants of the Town of New Castle, In the County of Rockingham and the State of New Hampshire, qualified to vote in town affairs:

You are hereby notified to meet at the New Castle Recreation Center, Great Island Common in said New Castle, on Tuesday, the ninth of May, 1995 at ten o'clock in the forenoon, to act upon Article I through VIII.

The second session of the Annual Town Meeting will commence at 2 o'clock in the afternoon to act upon the following subjects: Article IX through XVII.

Article I: To choose all necessary Town Officers for the following year. The polls for the election of Town Officers and Ballot Articles will open at ten o'clock in the forenoon and shall not be closed before seven o'clock in the afternoon.

Article XII: To see if the Town will vote to authorize the Selectmen to negotiate with the appropriate State and Federal Officials for the purpose of granting permission for the Town to establish a municipal cemetery on the northern side of Great Island Common in a presently wooded area unused for recreational purposes. Said cemetery to be laid out in an area not to exceed 250′ (two hundred, fifty feet) by 400′ (four hundred feet) and to conform with all applicable state laws and any requirements established by local, state, and federal authority.

TOWN OF NEW CASTLE, NEW HAMPSHIRE
ANNUAL TOWN MEETING HELD AT GREAT ISLAND COMMON—MAY 14, 1996

Articles 1 through 15 were voted by ballot with the results indicated. The polls were opened by Moderator Wayne Semprini at 10 AM and closed at 7 PM.

Article 1: Balloting for town officers produced the following results:

Town Clerk (one year): Henry F. Bedford, 174 votes.

Selectman (three years): Clinton H. Springer, 118 votes.

Treasurer (one year): Wm. B. Marshall, III, 168 votes.

Tax Collector (one year): Pamela P. Cullen, 175 votes.

Moderator (two years): Wayne Semprini, 174 votes.

Trustee of Trust Funds (three yrs): Russell N. Cox, 173 votes.

Library Trustee (three years): Pamela F. Stearns, 169 votes.

Cemetery Trustee (three years): William E. Lanham, 175 votes.

Budget Committee (three years): Robert W. Beechar, 158 votes.

Fire Ward (three years): Andrew Schulte, 8 write-in votes.

Supervisor Checklist (six years): Marcia L. Whitehouse, 177 votes.

ARTICLE 12: Zoning Amendment #11 as specified in the warrant was ADOPTED by a ballot vote of 165 YES to 16 NO.

I attest this to be a true copy.

PAMELA P. CULLEN.

Sept. 28, 1998, Justice of the Peace.

TOWN OF NEW CASTLE,
OFFICE OF THE SELECTMEN,
New Castle, NH, September 28, 1998.

Hon. STEPHEN HORN,
Chairman, Subcommittee on Government Management, Information, and Technology, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: In behalf of the town in general and the Board of Selectmen in particular, I wish to thank you and the Subcommittee for your willingness to assist us in resolving what has become a pressing public need in our town. New Castle is in critical need of cemetery space and has been attempting to acquire additional land to meet this need since 1995.

As you know, the Town of New Castle is a small island community of approximately 512 acres. Under New Hampshire State law, communities are required to provide for public cemeteries within their own limits. However, our present 2.4 acre cemetery is filled to capacity, and the need for additional space has become urgent. Having no other suitable land available to us for this purpose, we are seeking to convert the use of approximately 2 acres of undeveloped land on Great Island Common that is currently dedicated to recreational use under the Land and Water Conservation Fund Act (LWCF). This parcel would be replaced with 2 acres of additional land which the Town will acquire from the United States Coast Guard.

We wish to make it clear at this time that the converted LWCF land, once approved for conversion, will not be used for any commercial purpose. It is the Town's intention to develop the land as need arises for cemetery use only. This is the only purpose for which the LWCF land in question would be converted, and it would remain as cemetery space in perpetuity. Enclosed is a copy of the 1995 Town Warrant Article approved by the voters of New Castle that supports establishing a cemetery on Great Island Common property.

Once again, thank you for your assistance in this most important matter.

Very truly yours,

CLINTON H. SPRINGER,
Chairman, Board of Selectmen.

Witness this Monday, Sept. 28, 1998.

PAME LA P. CULLEN,
Justice of the Peace.

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

Mr. KUCINICH. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I thank the gentleman from Ohio (Mr. KUCINICH) for yielding me this time.

Mr. Speaker, I want to correct the RECORD. This bill was introduced a matter of weeks ago. There was no hearing on this legislation. The gentleman from New Hampshire said there was a hearing. There was no hearing on this legislation. There was a discussion among Members where I suggested to the chairman of the subcommittee that we have a hearing.

The next week, there was several administrative agencies brought before the committee. The Coast Guard was not there. It was represented that the Coast Guard was there; they were not there. The Park Service was there. The GSA was there, but it was my understanding they said they could not endorse the bill. They wanted to do some further checking on the matter.

The Democrats who were present allowed the bill to get out of the subcommittee with the idea that it was going to come to the full committee and then we would know whether there was a problem or not.

Now, no one dredged out anything from the administration. They have come forward with their determination that the existing law allows a streamlined administrative procedure to deal with this very issue. It does not require an act of Congress, and they do not want to set a precedent where congressmen can just drop bills in, distribute property, and never have an opportunity for a hearing where concerned citizens might express their point of view.

I have no disagreement or any knowledge about whether this land ought to be handled the way the gentleman from New Hampshire would like to handle it. But it is not, it seems to me, up to the Members of the House to decide this question when there is an administrative process to make that determination.

I do think it is troubling that Members of Congress, without hearings, should come up with bills to settle these matters. A Member could go home and say, "Look what I have done. I have got you this piece of land." Is that any different than, "Look, I have got this government money to distribute for the interest of my constituents"? It seems to me the kind of thing that Members of Congress take credit for all the time, but it ought not to be handled in this slipshod manner.

Any chairman of a subcommittee who cared about the substance would give a full opportunity for everyone to get input into it and know what we are doing before legislation moves forward. Any chairman of a subcommittee who wanted to give people a full opportunity to participate in the legislative process ought to have at least held up and let the full committee consider the legislation.

I think that it is not illegitimate for the administration to give their views on this, whether Members agree with their views or not. I agree that they are expressing the fact that this would be a dangerous precedent, and for this reason I strongly urge Members to oppose the bill.

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

Mr. Speaker, I am disappointed that the ranking member of the full committee does not feel that the Members meeting where we discussed this legislation and other legislation, the staff meeting where these issues were addressed, were not sufficient to deal with the issues raised in the depth that he would like to have dealt with, and I understand that concern. We are all busy. We all have schedules to keep, and we do not always have the time that we would like to to delve into matters of detail.

The gentleman mentions the concern of the administration's position. And as I stated earlier, certainly from the perspective of the town and the State having received a letter from the Park Service stating that there was no objection to the proposal, I think there was some natural assumption that the administration would be somewhat supportive or at least accommodating of moving forward with a solution that meets such an urgent public need with all good speed.

The fact of the matter is that the town has tried to work through formal channels to the best extent that they can, providing a proposal to the State Department of Resources and Economic Development, that was then passed on through to the Park Service, corresponding with them over a period of years.

As I mentioned, it took 7 months just for the Park Service to respond to the town that the lease that they currently have on the property would not be sufficient and that they had to take ownership.

The Ranking Member suggests that this is just shocking that Congress would actually try to work, or any Member of Congress would actually try to work to actively help a town or a State that it is representing deal with some of the Federal bureaucracy that we face every day here in Washington. That we might try to facilitate public benefit transfer that is actually quite common.

Just a month ago in the committee, we supported legislation that happened to grant land to a town in the State of California, approximately 200 acres. Certainly, the ranking member would point out, and correctly so, that because of the size and scope of that transfer, 200 acres, we had a hearing on that transfer. I think that was appropriate. And if we had ample time in this session of Congress, we might be able to schedule a more formal hearing.

But the fact is, there is a need that the town of New Castle has to bury its dead. We are talking about 2 acres of land. Not 200 acres of land, but 2 acres of land that the town is currently leasing and the town would take ownership of that land so that they can bury their dead with dignity. That may be a problem to some on the committee or the subcommittee. But the fact of the matter is, this bill was originally voiced through the subcommittee because, I believe, of the effort of the majority and minority on the committee to

work together on issues like this to form some bipartisan consensus.

The gentleman from California (Mr. HORN) the subcommittee chairman, has been good enough to schedule many bills of the minority in the past and to deal with them as expeditiously as he deals with bills that majority members might submit, and I think his fairness is to be commended in this case.

Mr. Speaker, I think we should be able to come to some bipartisan agreement that this bill makes sense. It is fair. It serves a public need, not a special interest need. I urge support for H.R. 4614, as amended.

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

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

Mr. Speaker, first of all, I would like to repeat that this bill has not been considered by the full Committee on Government Reform and Oversight. It has not been fully vetted through the committee. And when we had our discussion in subcommittee, it was our understanding that the full committee would address this legislation. So, there is a question here of the adequacy of the process.

And while I think all of us in this Congress would admire the spirited defense which the gentleman from New Hampshire (Mr. SUNUNU) gives to the needs of his constituents, we at the same time have to be bound by a process in order to make government work for all the people.

I would agree that the gentleman presents a case that there is a critical need for cemetery space. But there is an administrative process through the Department of Interior that works faster and better than this bill, I would submit. And the town, it is my understanding, is pursuing this approach and the Department of the Interior is working with the town and the State to help.

Mr. Speaker, I think we do have to be concerned that we have not had a full airing here, not withstanding the good intentions of the gentleman from California (Mr. WAXMAN), our ranking member who I have the greatest respect for, and of the gentleman from New Hampshire. Because at the time of the meeting, it is my understanding that the National Park Service had not seen the property, that GSA had and continues to express concerns.

We had a half-hour meeting with the administration officers where they explained the administration process, where they gave the gentleman from New Hampshire and our staff technical advice on language. But I believe they specifically refused to give an administration opinion at that time.

It is my understanding further that the property is not surplus, that the National Park Service still has concerns with the Coast Guard property and with respect to its size, in that it is small, it has easements, and of course that the emergency situation can be addressed administratively. Current law would appear to provide a better solution.

The town and the State of New Hampshire are aware of an administrative remedy that will provide for the immediate conversion of the park land for use as a cemetery. The town, as I mentioned earlier, is actively pursuing this avenue. At least I believe it is.

Mr. SUNUNU. Mr. Speaker, will the gentleman yield?

Mr. KUCINICH. I yield to the gentleman from New Hampshire.

Mr. SUNUNU. Mr. Speaker, it is true, however, that even if the Park Service was to grant such a waiver, they would still have to replace the land with a transfer under the Land and Water Conservation requirements.

Mr. KUCINICH. Mr. Speaker, reclaiming my time, it is my understanding that the town does not have to replace the land; that the State does, under an agreement with the Department of the Interior.

Mr. SUNUNU. Mr. Speaker, if the gentleman would continue to yield, the town is actually under contract from the State. They have full legal requirement for the replacement.

Mr. KUCINICH. Mr. Speaker, is the gentleman then saying that the town does have to replace the land, or does not?

Mr. SUNUNU. Mr. Speaker, that is correct.

Mr. KUCINICH. It does or does not?

Mr. SUNUNU. It is my understanding that they have contracted with the State, are under contractual obligation with the State to meet the requirements of the LWCF to replace the land.

Mr. KUCINICH. Mr. Speaker, again reclaiming my time, we may have a disagreement in our perception on that. It is my understanding that the town does not have to replace the land; that the State of New Hampshire does, and this is under agreement with the Department of the Interior. I would be happy to continue the colloquy with my friend from New Hampshire if he has better information.

Mr. Speaker, I would also like to say that the bill as drafted may have serious weaknesses, which is another question which relates to process. Early reports from the Department of the Interior indicates that the land to be conveyed is probably not adequate to serve as replacement property for park land. And we know that the Coast Guard wants to retain easements across the property.

There is a great concern on our side of the aisle about the Federal property disposal process and that it not be subverted. That is the reason why the administration opposes this bill. I would be happy to yield to the gentleman from New Hampshire (Mr. SUNUNU) to hear a response.

Mr. SUNUNU. Mr. Speaker, if the gentleman would continue to yield, I would enter in a copy of the agreement that the town has with the State, and also the language of the regulations which says: The terms "State" as used herein means the State which is party to this agreement and the political subdivision or public agency to which the funds are to be transferred pursuant to the agreement.

So, I believe the town also has a contractual obligation to meet the requirements of the LWCF.

Mr. KUCINICH. Mr. Speaker, again reclaiming my time, we may have some ambiguity here, because the State is under a legal obligation with the Department of Interior. The town may also be included, but the State is the one who is ultimately responsible. And the National Park Service indicated to us that the State was on the hook.

Mr. Speaker, this colloquy in itself proves the need for further hearings on this.

Mr. Speaker, I yield to the gentleman from California (Mr. WAXMAN).

□ 1545

Mr. WAXMAN. Mr. Speaker, the gentleman is absolutely correct. This is the type of thing that should have been hashed out in a hearing, and if not in a hearing, a markup. But what happened with this legislation is that there was never a hearing. The meeting with some of these agencies was with the staff and not the Members. There was, we thought, an understanding that the subcommittee would report the bill out and we would have a chance to get full recommendations from these agencies before the bill went to the full committee, and then there was no full committee hearing.

The bill is suddenly on the House floor. I guess there might have been some anticipation that there was going to be opposition. But whether that was the case or not, this is just not the way the legislative process should be conducted. If we allow a bill out of subcommittee on the understanding, as I hear it from the subcommittee chairman, that we would go to the full committee, and we would have a chance to look at our concerns and be able to raise them in the full committee, it just seems to me incumbent on all of us, in terms of comity and working with each other, not to run then to the floor, passing up the full committee, passing up all hearings, and then telling everybody this is a bill that is only a couple of acres.

Mr. KUCINICH. Mr. Speaker, the gentleman from California (Mr. WAXMAN) is correct, the staff meeting was at 1 o'clock on Monday, the 27th of September. That was 2 hours before the subcommittee markup, and the subcommittee markup was at 3 o'clock that same day. I think that serves to

illustrate the concerns that the gentleman from California (Mr. WAXMAN) continues to express.

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

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

I think that far from indicating any weakness in the legislation, the colloquy we just had and the remarks made is nothing more than a spirited defense of the kind of bureaucracy that gives Washington a bad name.

I think there is no question that granting the land to the town would meet the contractual obligation under the Land and Water Conservation Fund requirements. Granting the land to the State would probably also achieve the same ends but, in all likelihood, the State would continue to give full responsibility to the town itself to continue to maintain, to continue to use for recreational purposes.

What we are quibbling about here is the kind of regulatory red tape that the vast majority of Americans find repulsive about Washington. What we are trying to do here is to look at a process that exists, the public benefit transfer, which is actually fairly clear language for Washington, and to use a piece of legislation to make sure that we move these two acres of land to the ownership of the town to meet its needs for a public cemetery as quickly as is expeditious.

But, at the same time, we are not going to leave the GSA or the Park Service out of the process. They are not cut out of the process. And as has been described, they have actually visited the site. They are going to be involved in the ultimate administrative transfer of the land.

I think it is appropriate that we, as public servants, as elected officials, do what we can to give a community in this kind of a situation, with these kinds of problems, the benefit of moving forward with a process that they do not find frustrating and that they do not find fraught with red tape. And I think some of the description of the legalities and the technicalities are only evidence that the people's worst fears about bureaucracy and the defenders of bureaucracy in this institution are well-founded.

We are talking about two acres. In the dear colleague letter that was sent around by the ranking member, the gentleman from California, and the gentleman from Ohio, they raise the grave concern that it might not be quite enough land because there may be a slight difference in the two-acre parcel on the common and the roughly two-acre parcel that the town is currently leasing. Well, the grave concern consists of a difference of perhaps a tenth of an acre, or two-tenths of an acre, the kind of difference that will only be determined with a fair and appropriate survey of the exact acreage of the land. Once again, the kind of minutia, the bureaucracy, the red tape that I think the vast majority of Americans find objectionable.

I think there is no question that the GSA, as is called for in the legislation, will protect the interests of the United States. We have language in the legislation to protect the interests of the Coast Guard as well. We certainly want to make sure they have the right-of-way they need; that they can use the roadway that cuts through the property to get to anything that they might need. And those interests are protected in the legislation because it makes good sense to do so, but also because the interests of the town, the interests of the Coast Guard, and the interests of the country are all one in the same.

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

Mr. KUCINICH. May I inquire of the Speaker how much time remains for each side?

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The gentleman from New Hampshire (Mr. SUNUNU) has 5½ minutes remaining; the gentleman from Ohio (Mr. KUCINICH) has 7 minutes remaining.

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

With respect to those who are concerned about bureaucracies, and I certainly am, I would submit there is an easy administrative procedure already in the law and that we are creating a bureaucracy through all of the machinations involved in this bill. This bill creates the problems in terms of creating the circumstance for a property transfer, problems that we have been all trying to fix. And that such property transfer, which this legislation would effect, sets and creates a bad precedent.

I would like to further state that I do not believe that what we are submitting here is so much an attempt to sanctify the bureaucratic process as to insist on the preeminence of the legislative process; that, in fact, as Members of Congress, we are entitled to request full hearing on any legislation that comes before a committee. And while we engaged, I thought, in a constructive discussion in subcommittee, we were given assurances that we would have a full discussion in the full committee. Such a discussion has not occurred.

I do not think that any Member of Congress would attempt to diminish the importance of a hearing on any piece of legislation, because that, in fact, my colleagues, is the purpose for our being in the Congress of the United States; to be able to assess information that is brought before us, to be able to make as judicious a decision as we can about a legislative matter, and to be able to vote, if we may, on any legislation in front of a committee. To jump over the committee process, I believe, does not serve the process of the Congress well and does not properly show respect for the legislative process, as much as I am sure my colleagues do respect the legislative process.

It is, indeed, a work of mercy to bury the dead. It is a work of mercy which I think we all recognize and we all respect. But I would submit that we cannot bury our legislative responsibilities and we cannot bury administrative process in our desire to bury the dead. This legislation must submit, as all other legislation in the Congress of the United States must submit, to some kind of a review process in the committee. And the fact that we are bypassing that really does not give us adequate opportunity, I believe, to be able to respect the real needs of the people of New Hampshire in regards to this.

I do not think that anyone would disagree with the merits of the case which the gentleman from New Hampshire would present on behalf of his constituents, but we have strong disagreement as to how to advance that, and how do we advance it by vitiating the legislative process itself.

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

Mr. SUNUNU. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, just to get a few things clarified, we are not shy about holding hearings in this committee and subcommittee. We have had over 80 subcommittee hearings in this Congress, as my colleague, the gentleman from Ohio, knows.

When we had this markup last week, it was strictly understood that it was a voice vote. Nobody asked for a rollcall on this. And we did that as a courtesy to the minority, I believe, on a couple of bills. Then, when it was not scheduled by the full committee, that was a decision at that level, not our level; that it looks like this will go through, why do we not get it on the consent calendar since the full committee cannot meet until Thursday and the last day of the Congress is presumably Friday. And the decision was, "Well, it seems to have been worked out, the gentleman from New Hampshire (Mr. SUNUNU) has met with the various agencies, so let us just put it on the calendar here."

Now, of course, I am afraid we have a little bit of the politics of the full committee rather than the politics of the subcommittee, which I would think the gentleman from Ohio would admit is one of the most bipartisan subcommittees in this Congress. And I would hope we would support this measure.

Mr. KUCINICH. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, our objection to this legislation has nothing

to do with the politics of the full committee, the subcommittee, or the Democratic versus Republican parties. Our concern is that a bill went out of subcommittee with our understanding that between the time it went out of subcommittee and it was taken up in full committee we would find out more about it from the administrative agencies that were never brought in to testify before a hearing of the subcommittee. And it was with that understanding that the Democratic Members of the subcommittee did not ask for a rollcall vote but let it go on a voice vote.

Mr. SUNUNU. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from New Hampshire.

Mr. SUNUNU. Mr. Speaker, the gentleman from Ohio has stated that he does not have any questions about the merit of the bill. Now the gentleman from California is stating we do not have enough information. If the gentleman from California could clarify which position prevails.

Mr. WAXMAN. Reclaiming my time, Mr. Speaker, I object to this bill on process because, it seems to me, that because of the expedience of time running out, we did not get the process. Because of the gentleman's concern about the time running out and the full committee not meeting, the bill was brought to the floor without meeting the commitment that we thought we had that we would have a full committee markup on the legislation. And not just to have a markup, but because in the meantime we would hear from the administration.

Now, the administration has told us that on the substance this is not a good idea. It is a very dangerous precedent. And, besides, I am also informed, and I never wanted to become an expert in this area, but there is this administrative procedure where the people in New Hampshire could have gone and said that there are two parcels of land and they want both parcels for the cemetery. They could have gotten agreement through the administrative procedure to do that and then, at some later date, they would have to come up with another parcel to make up for the one parcel that was dedicated for park land that is now going to be used for cemetery land.

If this bill were to pass, I fear that what the gentleman has done has created more bureaucratic confusion than what would happen if the people of New Hampshire went right through the established immediate procedures in the law, because they would have to go through a process that would take more time and would be more cumbersome.

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

Mr. SUNUNU. Mr. Speaker, I yield myself 1 minute.

With all due respect to the gentleman from California, Mr. Speaker, that did not make much sense to me at all. While it is true that the Park Service could grant a waiver such that the town could begin work on the cemetery today, the requirement to replace that land remains. There would be still a full requirement to transfer ownership of two acres of land to the town.

The town has worked over the last 2 years to identify a parcel of land appropriate for such transfer. They happen to be leasing two acres of land from the Coast Guard as we speak that is a very appropriate parcel for them to take ownership of. They wanted to work through the status quo and say, because we lease the land, because we maintain the land, because it is used for parks and recreation, would that fit our obligation under Land and Water Conservation Fund. And the government's response, after 7 months, was: "No, you have to take ownership of the land."

In and of itself, I think that represents the concerns of the town for the delays that might be inherent in the process. And anything we can do to move it along is appropriate for the town.

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

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

First of all, I want to again point out that the town has had a cemetery problem for 2 years. The State has 1 year to identify a suitable replacement, and there are concerns that the Coast Guard property may not work.

Now, I say that all in the context of I wish that we had had some hearings at a full committee level and, therefore, we could have brought all these points into a debate. And the bill was only introduced 2 weeks ago.

Mr. Speaker, I am going to be calling for a recorded vote, but before I get to that, I am going to yield the remainder of my time to the gentleman from New Hampshire so that he can state his concerns for his constituents in New Hampshire. And I want the people in New Hampshire to know that we are also concerned about their problems, but we do have a legislative process that we have to regard here.

Mr. Speaker, I yield the balance of my time to the gentleman from New Hampshire (Mr. SUNUNU).

□ 1600

Mr. SUNUNU. Mr. Speaker, my concern is not just for my constituents or just for the State. The fact of the matter is, I am concerned that we have a Federal Government that is responsive, that fulfills its duties and its obligations to reach out to those cities or towns or States that might be in need where there is an appropriate Federal role. And in this particular case, I think there is clearly a Federal role.

We have land in the town that is encumbered by Federal regulation. We have a town that has been looking to find an appropriate solution to their public need for cemetery space. They currently lease 2 acres. They would like to take ownership of those 2 acres.

We have a process called the public benefit transfer that has been used many times before. And, in fact, we have used legislation to move that process forward in an expedited way before and move that legislation through this legislative body on numerous occasions. And I think that is an appropriate way to address the concerns of the town and the concerns of the State so that they might bury their dead in dignity.

As I described, the legislation here protects the interest of the Coast Guard, it protects the interest of the Park Service, it calls on the town to make sure that it meets all the requirements that the GSA might put on the land when it is transferred. The Park Service has previously written a letter to the State that states, "We have reviewed the preliminary information submitted by your office regarding these proposed conversions and have no objection."

Now, that is not the be all and end all from the administration, but it is a clear example or clear point that the issues were raised by the town and the State as early as 1995; that they have tried to make sure that everyone has had the information that they need throughout the entire process.

I think what we have here is an opportunity to do the right thing for the town, to transfer 2 acres, not 200 acres as the legislation that the committee dealt with for California was done just a month ago, but just 2 acres so that the people in the town of New Castle can have peace of mind.

We have moved this legislation through the subcommittee. We have tried to address the concerns of the minority. We have had the opportunity to meet with minority and majority staff and other representatives from the administration.

I am disappointed that the administration sent over a fax today, October 5, saying that they have decided to oppose the bill. They could not send that a week ago apparently. They could not send it 2 weeks ago. They could not send it 2 years ago when the Park Service was saying that they have no objection. I am disappointed that we have received such a late response at such a late date, but I think in some ways that just points to the need for this body to do whatever it can to move the legislation forward on behalf of the people of the State of New Hampshire.

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

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from California (Mr. HORN) that

the House suspend the rules and pass the bill, H.R. 4614, as amended.

The question was taken.

Mr. KUCINICH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

TRAVEL AND TRANSPORTATION REFORM ACT OF 1997

Mr. HORN. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 930) to require Federal employees to use Federal travel charge cards for all payments of expenses of official Government travel, to amend title 31, United States Code, to establish requirements for prepayment audits of Federal agency transportation expenses, to authorize reimbursement of Federal agency employees for taxes incurred on travel or transportation reimbursements, and to authorize test programs for the payment of Federal employee travel expenses and relocation expenses.

The Clerk read as follows:

Senate amendments:

Page 2, line 5, strike out "1997" and insert "1998".

Page 3, after line 4 insert:

(b) AGENCY EXEMPTION.—The head of a Federal agency or the designee of such head may exempt any payment, person, type or class of payments, or type or class of agency personnel from subsection (a) if the agency head or the designee determines the exemption to be necessary in the interest of the agency. Not later than 30 days after granting such an exemption, the head of such agency or the designee shall notify the Administrator of General Services in writing of such exemption stating the reasons for the exemption.

Page 3, line 5, strike out "(b)" and insert "(c)".

Page 3, line 22, strike out "(c)" and insert "(d)".

Page 5, line 9, strike out "(d)" and insert "(e)".

Page 5, line 20, strike out "(c)" and insert "(d)".

Page 6, line 2, strike out "(c)" and insert "(d)".

Page 6, line 11, strike out "(e)" and insert "(f)".

Page 7, after line 5 insert:

(g) REIMBURSEMENT OF TRAVEL EXPENSES.—In accordance with regulations prescribed by the Administrator of General Services, the head of an agency shall ensure that the agency reimburses an employee who submits a proper voucher for allowable travel expenses in accordance with applicable travel regulations within 30 days after submission of the voucher. If an agency fails to reimburse an employee who has submitted a proper voucher within 30 days after submission of the voucher, the agency shall pay the employee a late payment fee as prescribed by the Administrator.

Page 14, line 11, strike out "1997" and insert "1998".

Page 15, line 23, strike out "1997" and insert "1998".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentleman from Ohio (Mr. KUCINICH) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

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

Mr. Speaker, H.R. 930, the Travel and Transportation Reform Act, was passed by this House in April of 1997. According to the Congressional Budget Office, this legislation will save approximately $100 million in discretionary savings over 5 years by making agency travel and transportation systems more efficient.

One important change made by the bill deals with the taxes that are levied by State and local governments on Federal travelers. Such taxes can amount to hundreds of dollars per trip. Unofficial OMB estimates are that travelers pay perhaps $350 million in taxes.

Agencies should consider using centrally billed credit card accounts and other automated reservation billing and paying systems to avoid such charges. The solution would be best for both the employees and the Federal Government.

The Senate made a few changes in H.R. 930. The first change authorized additional exemptions from the requirement that agency personnel use the credit card when traveling on official government business. The other change authorized agencies to pay the interest charge to employees when the agency is late in reimbursing the travel expenses incurred by a particular employee. I think many of us have had that experience.

These changes are not controversial. I urge their support by my colleagues.

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

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

Mr. Speaker, I rise in support of H.R. 930, as amended.

I would like to thank the gentleman from California (Mr. HORN) for working closely with the minority in drafting this bill and bringing it to this point. The other body has made some minor but common-sense changes to the House-passed legislation, and I support its current form and urge passage of the bill.

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

Mr. HORN. Mr. Speaker, I thank the gentleman from Ohio (Mr. KUCINICH) for his helpfulness on this matter, and I yield back the balance of my time.

Mr. KUCINICH. Mr. Speaker, I thank the gentleman from California (Mr. HORN) for the chance to work with him, and I, too, yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 930.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FEDERAL ACTIVITIES INVENTORY REFORM ACT OF 1998

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 314) to provide a process for identifying the functions of the Federal Government that are not inherently governmental functions, and for other purposes.

The Clerk read as follows:

S. 314

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Activities Inventory Reform Act of 1998".

SEC. 2. ANNUAL LISTS OF GOVERNMENT ACTIVITIES NOT INHERENTLY GOVERNMENTAL IN NATURE.

(a) LISTS REQUIRED.—Not later than the end of the third quarter of each fiscal year, the head of each executive agency shall submit to the Director of the Office of Management and Budget a list of activities performed by Federal Government sources for the executive agency that, in the judgment of the head of the executive agency, are not inherently governmental functions. The entry for an activity on the list shall include the following:

(1) The fiscal year for which the activity first appeared on a list prepared under this section.

(2) The number of full-time employees (or its equivalent) that are necessary for the performance of the activity by a Federal Government source.

(3) The name of a Federal Government employee responsible for the activity from whom additional information about the activity may be obtained.

(b) OMB REVIEW AND CONSULTATION.—The Director of the Office of Management and Budget shall review the executive agency's list for a fiscal year and consult with the head of the executive agency regarding the content of the final list for that fiscal year.

(c) PUBLIC AVAILABILITY OF LISTS.—

(1) PUBLICATION.—Upon the completion of the review and consultation regarding a list of an executive agency—

(A) the head of the executive agency shall promptly transmit a copy of the list to Congress and make the list available to the public; and

(B) the Director of the Office of Management and Budget shall promptly publish in the Federal Register a notice that the list is available to the public.

(2) CHANGES.—If the list changes after the publication of the notice as a result of the resolution of a challenge under section 3, the head of the executive agency shall promptly—

(A) make each such change available to the public and transmit a copy of the change to Congress; and

(B) publish in the Federal Register a notice that the change is available to the public.

(d) COMPETITION REQUIRED.—Within a reasonable time after the date on which a notice of the public availability of a list is published under subsection (c), the head of the executive agency concerned shall review the activities on the list. Each time that the head of the executive agency considers contracting with a private sector source for the performance of such an activity, the head of the executive agency shall use a competitive process to select the source (except as may otherwise be provided in a law other than this Act, an Executive order, regulations, or any Executive branch circular setting forth requirements or guidance that is issued by competent executive authority). The Director of the Office of Management and Budget shall issue guidance for the administration of this subsection.

(e) REALISTIC AND FAIR COST COMPARISONS.—For the purpose of determining whether to contract with a source in the private sector for the performance of an executive agency activity on the list on the basis of a comparison of the costs of procuring services from such a source with the costs of performing that activity by the executive agency, the head of the executive agency shall ensure that all costs (including the costs of quality assurance, technical monitoring of the performance of such function, liability insurance, employee retirement and disability benefits, and all other overhead costs) are considered and that the costs considered are realistic and fair.

SEC. 3. CHALLENGES TO THE LIST.

(a) CHALLENGE AUTHORIZED.—An interested party may submit to an executive agency a challenge of an omission of a particular activity from, or an inclusion of a particular activity on, a list for which a notice of public availability has been published under section 2.

(b) INTERESTED PARTY DEFINED.—For the purposes of this section, the term "interested party", with respect to an activity referred to in subsection (a), means the following:

(1) A private sector source that—

(A) is an actual or prospective offeror for any contract, or other form of agreement, to perform the activity; and

(B) has a direct economic interest in performing the activity that would be adversely affected by a determination not to procure the performance of the activity from a private sector source.

(2) A representative of any business or professional association that includes within its membership private sector sources referred to in paragraph (1).

(3) An officer or employee of an organization within an executive agency that is an actual or prospective offeror to perform the activity.

(4) The head of any labor organization referred to in section 7103(a)(4) of title 5, United States Code, that includes within its membership officers or employees of an organization referred to in paragraph (3).

(c) TIME FOR SUBMISSION.—A challenge to a list shall be submitted to the executive agency concerned within 30 days after the publication of the notice of the public availability of the list under section 2.

(d) INITIAL DECISION.—Within 28 days after an executive agency receives a challenge, an official designated by the head of the executive agency shall—

(1) decide the challenge; and

(2) transmit to the party submitting the challenge a written notification of the decision together with a discussion of the rationale for the decision and an explanation of the party's right to appeal under subsection (e).

(e) APPEAL.—

(1) AUTHORIZATION OF APPEAL.—An interested party may appeal an adverse decision of the official to the head of the executive agency within 10 days after receiving a notification of the decision under subsection (d).

(2) DECISION ON APPEAL.—Within 10 days after the head of an executive agency receives an appeal of a decision under paragraph (1), the head of the executive agency shall decide the appeal and transmit to the party submitting the appeal a written notification of the decision together with a discussion of the rationale for the decision.

SEC. 4. APPLICABILITY.

(a) EXECUTIVE AGENCIES COVERED.—Except as provided in subsection (b), this Act applies to the following executive agencies:

(1) EXECUTIVE DEPARTMENT.—An executive department named in section 101 of title 5, United States Code.

(2) MILITARY DEPARTMENT.—A military department named in section 102 of title 5, United States Code.

(3) INDEPENDENT ESTABLISHMENT.—An independent establishment, as defined in section 104 of title 5, United States Code.

(b) EXCEPTIONS.—This Act does not apply to or with respect to the following:

(1) GENERAL ACCOUNTING OFFICE.—The General Accounting Office.

(2) GOVERNMENT CORPORATION.—A Government corporation or a Government controlled corporation, as those terms are defined in section 103 of title 5, United States Code.

(3) NONAPPROPRIATED FUNDS INSTRUMENTALITY.—A part of a department or agency if all of the employees of that part of the department or agency are employees referred to in section 2105(c) of title 5, United States Code.

(4) CERTAIN DEPOT-LEVEL MAINTENANCE AND REPAIR.—Depot-level maintenance and repair of the Department of Defense (as defined in section 2460 of title 10, United States Code).

SEC. 5. DEFINITIONS.

In this Act:

(1) FEDERAL GOVERNMENT SOURCE.—The term "Federal Government source", with respect to performance of an activity, means any organization within an executive agency that uses Federal Government employees to perform the activity.

(2) INHERENTLY GOVERNMENTAL FUNCTION.—

(A) DEFINITION.—The term "inherently governmental function" means a function that is so intimately related to the public interest as to require performance by Federal Government employees.

(B) FUNCTIONS INCLUDED.—The term includes activities that require either the exercise of discretion in applying Federal Government authority or the making of value judgments in making decisions for the Federal Government, including judgments relating to monetary transactions and entitlements. An inherently governmental function involves, among other things, the interpretation and execution of the laws of the United States so as—

(i) to bind the United States to take or not to take some action by contract, policy, regulation, authorization, order, or otherwise;

(ii) to determine, protect, and advance United States economic, political, territorial, property, or other interests by military or diplomatic action, civil or criminal judicial proceedings, contract management, or otherwise;

(iii) to significantly affect the life, liberty, or property of private persons;

(iv) to commission, appoint, direct, or control officers or employees of the United States; or

(v) to exert ultimate control over the acquisition, use, or disposition of the property, real or personal, tangible or intangible, of the United States, including the collection, control, or disbursement of appropriated and other Federal funds.

(C) FUNCTIONS EXCLUDED.—The term does not normally include—

(i) gathering information for or providing advice, opinions, recommendations, or ideas to Federal Government officials; or

(ii) any function that is primarily ministerial and internal in nature (such as building security, mail operations, operation of cafeterias, housekeeping, facilities operations and maintenance, warehouse operations, motor vehicle fleet management operations, or other routine electrical or mechanical services).

SEC. 6. EFFECTIVE DATE.

This Act shall take effect on October 1, 1998.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Ohio (Mr. KUCINICH) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

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

Mr. Speaker, this legislation will require agencies to identify their commercial activities and to review those activities. Current policy in these areas state, number one, that agencies ought to rely on private sources for commercial activities and on government sources for inherently governmental activities; number two, that agencies should not initiate new commercial activities if they can get a contractor to perform that activity; and number three, that agencies will subject their in-house commercial activities to competition.

The government should not be in the business of competition with private business. In the private sector, specialization in competition has reduced costs and improved performance and consumer choice. The most competitive sectors of the economy are also the most innovative. We need to bring home value to taxpayers. This legislation is a tool to do a favor for every U.S. taxpayer.

Mr. Speaker, I yield whatever time he may consume to the gentleman from Virginia (Mr. BATEMAN), for a colloquy.

Mr. BATEMAN. Mr. Speaker, I thank the very able gentleman from Texas (Mr. SESSIONS) for yielding time for this colloquy.

Mr. Speaker, although the Committee on National Security did not have the opportunity to formally review S. 314, it is my understanding that the bill in its final form attempts to address the committee's concerns in

two areas. First, section 4(b)(4) of the bill would exclude all depot level repair and maintenance activities as defined in section 2460 of Title X, United States Code from the requirements of this legislation.

Secondly, the bill would not change or supersede existing statutory requirements regarding competitive procedures used by the Department of Defense, as provided by section 2461 of Title X, United States Code.

Mr. SESSIONS. Mr. Speaker, will the gentleman yield?

Mr. BATEMAN. I am happy to yield to the gentleman from Texas.

Mr. SESSIONS. Mr. Speaker, I would like to state to the honorable gentleman from Virginia, the subcommittee chairman, that he is correct, this is exactly as the language is and as stated. The Committee on Government Reform and Oversight is well aware of the extensive work by the Committee on National Security over the years in addressing the contracting out process within the Department of Defense.

I agree with the assertion of the gentleman from Virginia (Mr. BATEMAN) that this bill specifically excludes the Department of Defense's depot maintenance function from the new procedures established by the bill and does nothing to alter or supersede existing statutory requirements with regard to the contracting out of the Department of Defense commercial or industrial activities.

Mr. BATEMAN. Mr. Speaker, I thank my friend, the gentleman from Texas (Mr. SESSIONS), and also the gentleman from Ohio (Mr. KUCINICH).

Mr. SESSIONS. Mr. Speaker, I thank the gentleman from Virginia (Mr. BATEMAN) also.

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

Mr. Speaker, I want to say that I have worked with the minority on this legislation, and I want to state very clearly that the gentleman from Ohio (Mr. KUCINICH) and I have not only worked on this, but have a good working relationship.

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

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

Mr. Speaker, I rise in opposition to the bill. I think that this is the time for some plain speaking. Everyone should be aware that S. 314, the Federal Activities Inventory Reform Act of 1998, is the first step down the road towards privatizing much of the Federal Government.

The goals of the sponsor of this bill are plain from the legislative history. S. 314, as originally introduced in both the House and the Senate, would have required the Federal Government to privatize all the activities it performed which could be done by the private sector. I believe it was a recipe for the wholesale dismantling of much of the Federal Government as it now exists.

The bill before us, much to the credit of the gentleman from Texas (Mr. SESSIONS), has been moderated from its inception, but the goals remain the same. The means are incremental, but the ends are unchanged. The purpose of the bill is to force the Federal Government to identify likely targets for privatization or contracting out. The Federal contractors would like the government to help them identify new business opportunities.

This legislation raises fundamental issues which have a profound and lasting impact on the structure of the Federal Government, on Federal employees, and on the American public. Unfortunately, the bill assumes that the debate on the proper role of government has already been settled. Its aim is to drive more and more of the services, the Federal Government provides to taxpayers, into the private sector by contracting out.

Supporters of this bill say that government should not be in competition with business. Well, that certainly sounds right in a free enterprise economy, but the fact of the matter is, from the beginning of this Nation, our Founders recognized an appropriate role for government. Our Founders thought that government would be here to form a more perfect union, to establish justice, to ensure domestic tranquility, to provide for the common defense, to promote the general welfare and to secure the blessings of liberty to ourselves and our posterity.

Based on those principles, we established and ordained a Constitution, Mr. Speaker. Based on those principles, the Government of the United States today provides for Social Security for tens of millions of Americans; for health care in the form of Medicare and Medicaid, a whole range of programs, for tens of millions of Americans; for education for our young people; and, yes, for the defense of our Nation.

There is a proper role for government in our society, and we have to be aware that in describing the role of government we are speaking of the commonwealth of this Nation; not only at a national level, but at a State and local level as well.

People across this country understand that government does play a vital role. In an area that I am personally familiar with, that of municipal electric systems, there are over 2,000 municipally-owned electric systems in the United States of America; part of a long legacy of public power.

□ 1615

We have public parks, we have public recreation centers, we have public sewer systems. We have all these things which belong to the people because they have paid for it with their money.

There is a proper role for the government in society. This is something that always comes up in the debate over privatization. The roles of the Federal Government and the private sector are distinct. The role of the government is to provide a service. The taxpayers of our Nation pay a lot of money to make sure they get those services. They also rightly expect that the people providing those services be held accountable to them through our system of democratically elected representatives.

That is another point about privatization. Who is accountable when we privatize government services? In a system where government provides the services, elected representatives must be accountable. But in a privatized system, accountability is obscured.

The words of James Madison inscribed on the Library of Congress are instructive: "The safety and happiness of society are the objects at which all political institutions aim and to which all such institutions must be sacrificed."

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

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. DUNCAN) who is the sponsor of this bill.

Mr. DUNCAN. Mr. Speaker, I rise in strong support of S. 314. I thank the gentleman from Texas (Mr. SESSIONS) for yielding me this time. This legislation is now called the Federal Activities Inventory Reform Act. It is, I think, a bipartisan and I believe a very noncontroversial bill. In fact, the administration issued a statement on Friday saying, quote, this bill is consistent with administration efforts to reform Federal procurement and ensure that the taxpayers receive the best value.

This bill was introduced by my good friend Senator THOMAS in the Senate, and I introduced the companion, H.R. 716, which was cosponsored by 69 Members of this body. The legislation passed in the Senate unanimously. It passed by unanimous consent. I want to thank the gentleman from Texas (Mr. SESSIONS) for his very hard work on this legislation and the positive contributions he has made and also the contributions by the gentleman from California (Mr. HORN), the chairman.

S. 314 is supported, Mr. Speaker, by the Administration and by over 100 organizations, including the U.S. Chamber of Commerce, the National Federation of Independent Business, the Small Business Legislative Council and many, many others. This legislation will help eliminate some government competition with small businesses.

When the last White House Conference on Small Businesses met, it listed government competition as one of its very top concerns. S. 314 will address this problem. It requires that each Federal agency annually compile

a list of commercial activities currently being performed by Federal employees and to submit this list to the Office of Management and Budget. It then gives Federal agencies the authority to contract out to private sector sources the commercial activities which are currently performed by Federal employees. This bill would not require the Federal Government to contract out everything. Let me repeat that, Mr. Speaker. It would not require or force the Federal Government to contract everything out, or anything, really. Only when the private sector can show it can provide a good or service more cost effectively and efficiently would a function be contracted out. This will ensure that the taxpayers receive the very best service from their government at the lowest possible cost.

For many years the Federal Government has been providing commercial goods and services which are available in the private sector. This is not a new problem. In fact, since the Eisenhower administration in 1955, it has been U.S. policy that "the Federal Government will not start or carry on any commercial activity to provide a service or product for its own use if such product or service can be procured from private enterprise through ordinary business channels."

I think every administration since the Eisenhower administration has agreed with or issued statements similar to that issued in 1955 by the Eisenhower administration. Yet every day in almost every congressional district, big government agencies are competing with small businesses. It is difficult enough for small businesses to survive against ordinary competition. But when they have to take on the Federal Government, too, it is simply too much.

In 1987, the Congressional Budget Office estimated that 1.4 million Federal employees were engaged in so-called commercial activities. The Heritage Foundation has estimated that if we contracted out these commercial activities to private industry, we could save taxpayers at least $9 billion a year. I have seen other estimates that this legislation could result in saving as much as $40 billion a year.

This bill will require that Federal agencies get out of private industry and stick to performing those functions that only government can do well. At the same time it will allow our great private enterprise system to do those things it does best, providing commercial goods and services in a competitive environment.

S. 314 is a very modest proposal. It does not require the government to contract everything out. I realize that the government performs a number of functions that only the government should do. In fact, this legislation specifically exempts those functions which are inherently governmental in nature. If the government can do something cheaper and better than the private sector, then it will be allowed to continue to do it under this legislation.

This is a small step, Mr. Speaker, in the overall big picture. However, this legislation will be a significant step in helping our small businesses to survive.

Before I conclude, I would like to once again thank Senator CRAIG THOMAS, the gentleman from California (Mr. HORN) and the gentleman from Texas (Mr. SESSIONS). I want them to know that I appreciate their efforts on this legislation. I urge support for this noncontroversial legislation which will help shrink the size of the Federal Government, encourage growth in the private sector and save taxpayers potentially billions of dollars.

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California (Mr. HORN), the chairman of the subcommittee.

Mr. HORN. Mr. Speaker, I thank the gentleman from Texas, the vice chairman of the subcommittee, for yielding time. He has done an outstanding job just as the gentleman from Tennessee (Mr. DUNCAN) who is chairman of the House's Subcommittee on Aviation. This would not have happened without them and the fine staffs that support all of us.

Mr. Speaker, I am pleased that the House is poised to pass S. 314, the Federal Activities Inventory Reform, or FAIR Act. This legislation has become a consensus compromise bill. It is an important step in the process of ensuring that the component agencies of the Federal Government deliver performance to the taxpayers they serve. This legislation combined with the Government Performance and Results Act, the Chief Financial Officers Act and other procurement and fiscal management reforms will result in an improved Federal Government.

Mr. Speaker, it is high time we passed this legislation. It is long overdue. We can do a lot for our constituents and a real favor for them in the pocketbook by voting for S. 314.

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume. As someone who stands about 5'6½", I am not here to talk about being in defense of anything big, and particularly big government. As someone who has worked in local government, I can understand the difficulties which people can have in dealing with big bureaucracies and things like that.

I was struck by my good colleague the gentleman from Tennessee's remarks about the small business being attacked by big government. Back in Cleveland, Ohio, where I am from, the neighborhoods where I live, I do not think small business has been under attack by big government as much as they have been under attack by big business.

For example, to my good colleague, look at what is happening across this country with the old mom-and-pop drug stores. Do you know of any that exist in the country anymore in the face of the Rite-Aids and the CVS and all the other drug store chains that just come into neighborhoods and destroy them? Government never does anything like that. But big business does.

Look at the supermarkets. Remember the little mom-and-pop stores that you had in your neighborhood where you could go buy your milk and bread and whatever you needed for your family? Find those in America anymore. They have not been wiped out by government. They have been wiped out by the big supermarket chains.

Look at the gas stations. Remember the independent gas station owners? Find one today, anywhere. They were not wiped out by government. They were wiped out by big oil companies. Go to the five-and-dime, wiped out by the Wal-Marts of the world.

We have to stand here to debate a bill, but I also think that it is important to put it in its proper context. The difficulties that small businesses have today in this country are of concern to all of us. They have a problem with high utility rates, they have problems with taxes which we try to address, they certainly have some problems with regulations which we have talked about. But I do not think their problem is that they are under attack by the combined efforts of government to provide service for the people.

Now, the private sector has goals and the public sector has goals and sometimes their aims are mutually exclusive. The private sector is there to make a profit. I think that is all well and good, because, let us face it, money makes the world go around. People in business want to make money. That is what America is all about. That is what capitalism is all about. We have been doing that in this country for many years and everybody ought to have a chance to take part of that American dream of being able to make something of themselves, make a good living, support their family, have the good things in life. But the goal of the private sector is to make a profit. It is not to transmit democratic values. We cannot go to the private sector and ask them to do what we want them to do because it is private business. That is what we are told. It is none of our business. It is private business. We respect that. That is the system. But government has a legitimate role in providing service. Government has to make sure that the safety and happiness of the society are considered. That does not have to be the aims of the private sector. Business generally operates on one motive, the profit motive. There may

be a little role in some places for the private sector in participation with the government.

I remember back in Cleveland years ago we did not have enough snowplows to deal with a snowstorm. We could not wait to order the plows in order to serve the people. We had to contract it out. We contracted the snowplowing out so we could get the snow off the ground. That is common sense. That is an area where the private sector was able to help. There are areas where the private sector can help. But we must remember that the private sector is motivated by very different goals.

This bill seems to proceed from a number of assumptions that must be challenged. First of all, it proceeds from the assumption that the Federal workforce is too large. Yet the current administration has made great strides in making the Federal Government more efficient through the longest running reform effort in American history. These policies have already saved American taxpayers over $130 billion. The size of the Federal workforce has been reduced through attrition and buyouts by over 320,000 employees. We now have the smallest Federal workforce since John F. Kennedy was President. As a percentage of the total workforce, the Federal Government is the smallest, Mr. Speaker, since 1931.

Another false assumption this bill makes is that the Federal Government is not contracting out enough. Let us look at this. The fact is we spend more on the contracting of services, close to $120 billion in fiscal year 1997, than we spend on pay and retirement for the entire civilian workforce. In fact, some of the more recently created Federal agencies like the Department of Energy, the National Aeronautics and Space Administration and the EPA have relied from the start on contracting out services rather than performing them directly.

□ 1630

Those two are subjects for debate, but it is a fact that it is happening. A 1994 OMB report found contracting out for services to be the fastest growing area of federal procurement.

Now on one hand I do not agree with the administration's approach in contracting out. I have a difference of opinion on that. I believe there is a role for government in the society. On the other hand, we cannot say that contracting out does not exist because this administration has been a strong supporter of contracting out, and so, therefore, one has to wonder why we need a bill that lays the groundwork for contracting out even more.

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

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

Mr. Speaker, I have great respect for the gentleman from Ohio and his arguments. I think that they have been brought forth not only in the discussions that we have had in subcommittee, but also in private, about not only the nature of is S. 314, but also the spirit of bipartisanship that we have worked out, and I would like to advise the gentleman from Ohio (Mr. KUCINICH) at this time that I do not have any further speakers.

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

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

Mr. Speaker, I want to also echo the comments of the gentleman from Texas (Mr. SESSIONS), because it has been very gratifying to have a chance to work with him on this. We do have a difference of opinion, but I have a great deal of respect for his political acumen and his dedication to people, and I want to thank him for the chance to work with him.

Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I rise with some concerns about this measure, S. 314. I was not aware that it was scheduled for the suspension calendar. I am a little surprised to see it here because it takes on a profound policy. I know my colleague from Tennessee and others have been working on this matter, but it is not like the national government does not contract anything out in terms of enlisting the talents of the private sector and the free market in our economy to serve the functions and provide the services that the national government holds itself out to provide. In fact, we do $110 billion worth of contracting out annually.

As I see it, there are some concerns here, and one has to do with this would have an impact upon the OMB circular A–76 policy, the cost comparison study system. Currently Federal employees regularly lose the competitions conducted under this OMB circular 76. Only a few years ago Federal employees lost almost 70 percent of all those contracts. The various provisions that are inherent in A–76 which provides the ability to appeal and to challenge these types of contracting out are impacted by this measure regard the list anticipated by this measure.

Private competition of work and government tasks which are inherently governmental represent a serious problem. This measure would allow contractors to protest agency decisions through this listing process. In addition the bill would allow contractors and employee groups to challenge agency listing in Federal courts so we could end up with a lot of court challenges that are not meaningful.

The whole concept to require public private competitions under a policy with so called cost comparison studies regardless of how well Federal employees are actually performing these jobs is flawed.

The savings generated from such a disruptive system of competitions would surely be short lived and could very well disappear. Contracted out work is unlikely to ever be brought back "in House" because of the expense of recapitalizing in house capacity and re-assembling and retraining necessary staff.

This concept fails in a number of ways. I understand the administration favors this, but I am underwhelmed by that. Most administrations want all the flexibility in all the funds they can get. I think those of us in Congress have learned through experience that this is not a matter of personalities or party, it is a matter of sound practices.

Federal employees have already made significant positive efforts. They have experienced severe cut backs of employees and cooperated in much of the downsizing and many of the other activities that have gone on. As my colleague from Ohio pointed out, we have 320,000 fewer employees today than when President Clinton and AL GORE, our vice president, took office. I think that speaks to the fact that we have been making these decisions, and that these changes have been done in a cooperative way. I do not think that this legislation frankly at this time however reconfigured is needed.

Mr. Speaker, I rise with some concerns about this measure, S. 314. I am surprised to see this bill on the suspension calendar because it challenges and takes on a profound policy. I know my colleague from Tennessee and others have been working on this matter for some time. During this period, the bill's language has been streamlined down several times. However, it is not like the national government does not contract anything out in terms of soliciting the talents of the private sector and the free market in our economy that serve the functions and provide the services that the national government holds itself to provide. In fact, we contract out $110 billion annually. Federal employees across my state of Minnesota and our nation have already participated and contributed greatly in conjunction with the Vice President's reinventing government program. I am concerned that this bill further jeopardizes the role of federal employees in competing for jobs. We should provide adequate resources and tools necessary our valued federal employees.

This bill simply requires federal agencies produce each year a list of all activities which are not inherently governmental, but which are performed by federal employees. The lists are to be submitted to the Office of Management and Budget (OMB), which would make the list publicly available. Furthermore, the bill requires agencies to review the activities on the list and whenever the agency head considers using a private sector company to perform an activity on the list, a competitive process must be used to select the firm to perform the activity.

I understand the Administration favors this bill. Most Administrations want all the flexibility in all the funds they can get. I think those of us in Congress have learned through experience that this is not a matter of personalities

or party, it is a matter of sound practices of having and rewarding. Federal employees are already subjected to severe cuts and have cooperated in much of the downsizing and many of the other activities that have taken place. We have 320,000 fewer federal employees today than when President Clinton and Vice President GORE took office. I think that speaks the fact that they have been making these tries, and that has been done in a cooperative vantage. I do not think that this legislation frankly at this time is needed.

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

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

Mr. Speaker, I would once again state that what we are attempting to do here is to completely discuss S. 314. I have been engaged in, involved in a lot of discussions with the gentleman from Ohio and would like to state that some of the things which I have just heard from the gentleman from Minnesota (Mr. VENTO) I do not believe are actually included in the actual bill that would be presented today for agreement.

Mr. Speaker, at this time I very respectfully reserve the balance of my time.

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

Mr. Speaker, this homily that we would make to privatization today deserves some closer inspection because the Federal Government is already spending vast amounts of money on service contracts. Unfortunately in many cases that money is not being well spent. According to both the Office of Management and Budget and the General Accounting Office contract administration is one of the highest risk activities which the government engages in.

Examples abound. Senate hearings uncovered 27 billion a year in Medicare fraud. In 1995 25 billion in payments to defense contractors could not be matched to invoices, and in many cases the Department of Defense relies on contractors themselves to identify overpayments. At one Department of Energy site a contractor poured toxic waste on radioactive wastes into the ground and stored more in leaky drums. Whether from outright theft, charges of unallowable costs, lack of top level management, attention to contract management or ineffective contract administration and auditing, the Federal Government is losing billions of dollars a year, and it seems to me that this bill puts the cart before the horse. If we are truly interested in more cost-effective management, we should drastically improve contract management before moving to contract out billions more in services. Yet unfortunately the legislation does not speak to this.

The legislation before us also seems to have a one-sided approach which favors contractors at the expense of Federal employees and the American public. Although it requires agencies to conduct inventories of services performed by Federal employees, no such inventory is required of work by contractors.

The intent of this bill is to identify activities which might be privatized, yet we have no idea how much of the Federal government's activities are already being performed by the private sector or how big the contractor work force is. Such an inventory would also be useful in helping agencies control waste, fraud and abuse.

Now, finally, Mr. Speaker, the bill will inevitably and inappropriately politicize the outsourcing process.

At the conclusion of a constitutional convention Benjamin Franklin was asked, "What have you?"

And he answered:

"A republic, if you can keep it."

And I say outsourcing and privatization is a piecemeal dismantling of our republic.

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

Mr. Speaker, I am grateful for the opportunity of this vote being scheduled today. I want to also openly thank my colleague, the gentleman from Ohio (Mr. KUCINICH) who most ably has not only represented a perspective of not only a perspective that he has but that many Americans have. I have great respect for that. Now more than ever there are dialogs and discussions that ensue all across our country, ones that Mr. KUCINICH and I and others in our subcommittee and all over Congress that we talk about. I believe today that we have a bill that is a strong balance, a balanced one that has not only been negotiated, but one that has been very carefully moved through, and I want to thank my colleague as well as the gentleman from Tennessee (Mr. DUNCAN) for their support in what we are doing today.

Mr. Speaker, I urge my colleagues to support S. 314.

Mr. HEFLEY. Mr. Speaker, as Chairman of the Subcommittee on Military Installation and Facilities for the National Security Committee, I would like to thank Chairman HORN and Mr. SESSIONS for their hard work and persistence on S. 314, the "Federal Activities Inventory Reform Act of 1998" or the "FAIR Act". It is legislation of the utmost importance to the taxpayers and commercial contractors of America.

I am very pleased that this Congress has passed legislation in which the Congress clearly states its policy toward commercial activities to augment the current and extensive OMB Circular A–76, already in place. This legislative initiative is an important step toward the promotion of public-private competition that will ultimately result in enhanced quality and performance, reductions in costs, and increased choices in the government contracting arena.

The FAIR Act rightfully and deliberately provides for the protection of those activities that are inherently governmental and that should be precluded from being contracted out at anytime or under any circumstances. However, it appears to me and other Members that this legislation's intent also is to promote competition to ensure that the American taxpayers get the biggest "bang for their buck". Where the private sector can show that they can do it better, quicker, and cheaper, the government must step aside.

Myself, Chairman HORN, Mr. SESSIONS, and other Members have heard from concerned American businesses who relay example after example of Federal agencies aggressively and proactively attempting to infringe upon their established market base when the agencies are not capable of performing the same commercial activities better, quicker, and cheaper.

One example of such unfair encroachment against the private sector by a Federal agency is occurring within the Department of Defense's (DoD) Defense Logistics Agency (DLA), specifically in its Defense Automated Printing Services (DAPS). It has come to my and other Members' attention that DAPS is embarking on a high-technology military specification collection and subscription service which is in direct competition with services currently offered by private, tax-paying businesses. These businesses have invested decades of capital in this highly technical area. They have a proven track record worldwide of successfully developing, updating, servicing, and marketing these subscription based military product offerings to their customers.

It is unclear to me why DAPS, an in-house government service should be attempting to replace services currently and successfully provided by the private sector. And in addition, targeting these businesses' markets with the very same tax dollars paid in by these businesses.

In this vein, I would like to document for the record what I believe is the intent of S. 314:

(1) To halt these unfair practices by the Federal agencies in the instances when they do not have the competitive edge over their commercial contractors and are not inherently governmental in nature.

(2) To prohibit funds appropriated to the Defense Logistics Agency or Defense Automated Printing Services to offer or sell technical document subscriptions delivered via online means such as internet delivery or provided on CD-Rom in Portable Document Form and including free Adobe software with a value added index/search engine (a/k/a the ASSIST database), such activities being flagrant examples of government aggressively competing with established private sector businesses currently in this market?

I would also like to document for the record my hope that since the House did not adopt the original version of this legislation, which provided even tougher safeguards against unfair government practices toward the commercial sector, that Chairman HORN and his Subcommittee revisit this issue next year, hold hearings on this subject, and pursue passage of legislation that furthers these goals.

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

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

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is

on the motion offered by the gentleman from Texas (Mr. SESSIONS) that the House suspend the rules and pass the Senate bill, S. 314.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 3694, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. BILBRAY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight, October 5, 1998, to file a conference report on the bill (H.R. 3694) to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

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

There was no objection.

TIM LEE CARTER POST OFFICE BUILDING

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3864) to designate the post office located at 203 West Paige Street, in Tompkinsville, Kentucky, and the "Tim Lee Carter Post Office Building."

The Clerk read as follows:

H.R. 3864

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

SECTION 1. DESIGNATION.

The post office located at 203 West Paige Street, in Tompkinsville, Kentucky, shall be known and designated as the "Tim Lee Carter Post Office Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the post office referred to in section 1 shall be deemed to be a reference to the "Tim Lee Carter Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Pennsylvania (Mr. FATTAH) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this matter.

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

There was no objection.

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

Mr. Speaker, H.R. 3864 was introduced on May 13, 1998, by the distinguished Member from Kentucky (Mr. WHITFIELD) and cosponsored by the entire House delegation from the State of Kentucky pursuant to the policy of the Committee on Government Reform and Oversight. The bill designates the post office located at 203 West Paige Street in Tompkinsville, Kentucky, as the Tim Lee Carter post office building.

Mr. Speaker, Mr. Tim Lee Carter was a true Kentuckian. He was born in Tompkinsville, Monroe County, in 1910 and attended public school there and graduated from Western Kentucky State College. He later earned his medical degree from the University of Tennessee but returned to Monroe County to practice medicine from 1940 to 1964. Dr. Carter volunteered for military service and was a combat medic for 3½ years during World War II, serving as a captain in the 38th infantry division. Dr. Carter was elected to serve his community as a Republican Member in the 89th Congress and to the seven succeeding terms from 1965 to 1981. He was not a candidate for the 98th Congress, and after his retirement from public service he went back home in Kentucky and resumed the practice of medicine.

Representative Carter was the first Republican Member of Congress to seek withdrawal of our troops from Vietnam, but he never wavered in his support for American troops. He was well known in Kentucky for his efforts to improve one of our Nation's poorest districts, working tirelessly for better schools, water systems, libraries, airports, roads and recreation. He was the only practicing physician in Congress during much of his time here in Washington.

□ 1645

Much of his work during this time was on legislation affecting health care and hospitals. He considered his major legislative achievement the law that provided for preventative medical care for poor children. He was one of the earliest advocates of national insurance for catastrophic illnesses.

Representative Tim Lee Carter died in Kentucky in 1987 and is interred in Tompkinsville.

Mr. Speaker, it is appropriate that the post office building in Tompkinsville be named for our former colleague, the Honorable Tim Lee Carter.

I urge all of our colleagues to support this legislation that honors a gentleman who clearly had the vision to follow his conscience and serve all people without regard for their station in life.

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

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

As the ranking Democrat on the Subcommittee on the Postal Service, I am pleased to join my colleague the gentleman from Texas (Mr. SESSIONS) in bringing to the House floor, not only this piece of legislation, but two additional ones naming post offices after three distinguished and deserving individuals. But obviously it is a great pleasure that two of these will be named after colleagues who served with us here in the House.

As for our former colleague from Kentucky who has passed on, he represents one of a number of physicians who served here in the House, some who we get to serve with today, like the gentleman from Oklahoma (Mr. COBURN) and the gentlewoman from the Virgin Islands (Ms. CHRISTIAN-GREEN) and the gentleman from Iowa (Mr. GANSKE) and others.

His service, however, went far beyond the House. As has been indicated, he has had a decidedly extraordinary career as a public servant and has done a great deal. So it is with great pleasure that I join in the comments that have been made.

Mr. DUNCAN. Mr. Speaker, in January of 1965, my father was sworn into Congress. My brother and I and my mother's father, Jacob Swisher, got to stand on the Floor alongside him because there was so much room on the Republican side.

The 1964 elections had seen big Republican losses, and the Democrats ended up with a 295 to 140 majority in the House.

Among the very small band of freshmen Republicans elected to the 89th Congress were my father, John Duncan, and the man who was soon to become his best friend in the House, Dr. Tim Lee Carter.

Dr. Carter represented a Kentucky District that joined in part the Tennessee District represented by my father.

Early in their service, they went on a trip with Congressman Bill Stanton of Ohio to Vietnam, other parts of Southeast Asia, and India. They went at their own expense.

The were men from the same region, who represented similar kinds of people—people who were patriotic, particularly in times of war, but who did not believe in wasteful big government and who basically wanted the government to leave them alone.

Both my father and Dr. Carter attended the University of Tennessee, although not together. Dr. Carter graduated from the UT Medical School in Memphis, while my father was a lawyer who did his undergraduate work at UT in Knoxville.

I remember that Dr. Carter was very typical of most family doctors of that era—kind, helpful, dignified. But, he also was a no-nonsense man who received nationwide publicity at the 1972 Republican National Convention in Miami when he punched out a radical young hippie who was very arrogantly harassing Dr. Carter and the people with him.

He was a man who served this Nation with great honor and integrity. I am very pleased

that we are going to name this Post Office building after Dr. Tim Lee Carter. He was a great American, and this is a very well-deserved tribute.

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

Mr. SESSIONS. Mr. Speaker, I have no more speakers, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. SESSIONS) that the House suspend the rules and pass the bill, H.R. 3864.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

THOMAS P. FOGLIETTA POST OFFICE BUILDING

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4000) to designate the United States Postal Service building located at 400 Edgmont Avenue, Chester, Pennsylvania, as the "Thomas P. Foglietta Post Office Building," as amended.

The Clerk read as follows:

H.R. 4000

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

SECTION 1. THOMAS M. FOGLIETTA POST OFFICE BUILDING.

(a) DESIGNATION.—The United States Postal Service building located at 400 Edgmont Avenue, in Chester, Pennsylvania, shall be known and designated as the "Thomas M. Foglietta Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the "Thomas M. Foglietta Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Pennsylvania (Mr. FATTAH) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4000.

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

There was no objection.

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

Mr. Speaker, H.R. 4000 was introduced by the gentleman from Pennsylvania (Mr. FATTAH), our distinguished colleague and a gentleman who sits on this subcommittee with me. The legislation was introduced on June 5, 1998 and is cosponsored by the entire House delegation from the State of Pennsylvania pursuant to the policy of the Committee on Government Reform and Oversight.

H.R. 4000 designates the building of the United States Postal Service located at 400 Edgmont Avenue, Chester, Pennsylvania as the "Thomas P. Foglietta Post Office Building."

Mr. Foglietta started his career as a public servant by serving in the Philadelphia city council. He represented Pennsylvania's First Congressional District for almost 9 terms when he was appointed to be the current Ambassador to Italy, which occurred earlier this year.

While in Congress, Mr. Foglietta served on the House Committee on Foreign Affairs, the House Subcommittee on Transportation of the Committee on Appropriations, and the Subcommittee on Military Construction. Mr. Foglietta is presently this Nation's Ambassador to Italy.

Mr. Speaker, this bill was amended by the Committee on Government Reform and Oversight to correct the middle initial of Mr. Foglietta's name from P. to M., which is a technical but important amendment.

Mr. Speaker, I urge all Members to support this legislation.

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

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

Mr. Speaker, I also would seek to rise in support of H.R. 4000. Let me thank my colleague for his kind remarks.

This House knows all too well of the service of Congressman Tom Foglietta from the city of Philadelphia. In the First Congressional District, he served here for a great many years. I first knew him, however, as a city council person, in fact, a Republican member of the city council of Philadelphia for some 20 years prior to his election to the House first as an independent and then as a Member of the Democratic party.

He has had a wide and varied career, but, nonetheless, he is someone who served the city of Philadelphia and our suburbs, including the city of Chester, with distinction.

He was confirmed unanimously by the United States Senate to go forward and represent our country as our Ambassador to Italy. He is someone who rightfully and richly deserves this honor.

I thank the gentleman from Texas for outlining in more detail his resume and bio.

Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. TRAFICANT) to allow him to make a comment on this bill.

Mr. TRAFICANT. Mr. Speaker, from what I understand, I think the gentleman who yielded me the time is the successor to our individual here today, the Ambassador to Italy.

I just wanted to say that this has been a very unusual Member, a good friend, absolutely deserving of this tribute. But the fact was, as had been stated, he was elected as an independent and then joined the Democratic caucus, but served for years in Philadelphia as a Republican.

Mr. Foglietta, Ambassador Foglietta is known as a friend to all the people. I guess that anybody going into that post office now can pay their own little bit of tribute when they send off one of those little pieces of mail, one of those stamps.

So I want to congratulate the committee for bestowing this tribute. It is worthy. It is deserving. I hope our Ambassador continues his fine service and has a good, long life.

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

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

Mr. Speaker, once again, I think we have heard kind remarks about one of our former colleagues. We not only wish him the best for his continued success but also that of our country in regard to his service to our country.

I am just going to add, and it will probably be in what the gentleman from Pennsylvania submits, but I believe that the First District of Pennsylvania was well represented. It is the city about brotherly love. They will be honored with a post office in his honor.

Mr. BORSKI. Mr. Speaker, I rise today to pay tribute to my great friend, Tom Foglietta, and to support H.R. 4000, which designates the Thomas P. Foglietta Post Office Building. Thomas Foglietta is our current Ambassador to Italy and former Member of Congress. He is an individual who has worked hard to serve his country, and I can think of nobody more deserving of this honor.

Tom Foglietta has a long history of public service that dates far back before his first day in the U.S. Congress. At the age of 26, Tom became the youngest individual in the history of the City of Philadelphia to be elected to the City Council. I might add, reluctantly, that he was elected as a Republican. During his 20 years in that institution, Tom served his constituents well as the Minority Leader.

In 1975, Tom was the Republican candidate for Mayor of Philadelphia against Frank Rizzo, who was then a Democrat. Although unsuccessful in his bid, Tom gained the valuable political experience he would need to pull off a stunning upset victory five years later.

In 1980, Tom Foglietta undertook his first run for Congress, as an independent against a well-established Democratic incumbent. Against all odds, Tom won, and managed to stave off fierce challenges in 1982, 1984, and 1986. Tom's election was an inspiration to me, when I won my first election to Congress in 1982 as a long-shot against an incumbent Republican.

Since his first day in Congress, Tom Foglietta has worked tirelessly for all of his diverse constituency, and has fought for the survival of the city he holds so dearly in his heart. At a time when our nation's cities needed a stronger voice in Congress, Tom founded and co-

chaired the Congressional Urban Caucus. And as a senior member of the Appropriations Committee, Tom fought hard to secure much-needed federal resources for Philadelphia's transportation system, including SEPTA, the Philadelphia International Airport, and the Ports of Philadelphia.

Tom Foglietta has also worked tirelessly to keep important federal facilities and jobs in Philadelphia. Few Congressmen have fought as hard to prevent an important military base from closing as Tom did with the Philadelphia Naval Shipyard. After the closure decision, Tom did not give up on the Shipyard and its people, working hard to bring private-sector investment and jobs to the facility.

Tom's public service extends far beyond the city limits of Philadelphia and the shores of our country. In 1991, he was appointed to the House Foreign Affairs Committee, and its Subcommittee on Asia and Arms Control. He quickly developed a grasp of important foreign policy issues, and became a passionate supporter of human rights for people across the globe. In 1985, he even escorted South Korean leader Kim Dae Jung to his country amidst reports that Mr. Kim faced arrest or assassination. What perhaps moved me the most was Tom's response to the earthquake in Italy. Immediately after the devastating quake, Tom flew to his ancestral birthplace to help those left homeless and distraught by the disaster.

Mr. Speaker, I can think of no better way to honor Tom's 40 years of public service and devotion to the people of Philadelphia than to have a public building in that city bear his name. I join my colleagues as we honor a man who has served our country with great distinction and character.

Ms. DELAURO. Mr. Speaker, I rise in support of H.R. 4000, a bill to designate the U.S. Post Office in Chester, Pennsylvania as the "Thomas P. Foglietta Post Office Building."

Tom Foglietta's years of government service at the local and national levels, his foreign policy expertise, and his 1997 appointment to U.S. Ambassador to Italy, make him thoroughly deserving of this post office name designation.

After two decades on the Philadelphia City Council—starting as the Council's youngest member at age 25, Tom Foglietta continued to serve Pennsylvania and the nation during 16 years in Congress. As a local legislator and later founder of the Congressional Urban Caucus, Tom comprehends the range of challenges our nation faces. He has applied his understanding of the cities both here at home and abroad. And he has proven that he can ably represent America's rich diversity overseas.

Tom Foglietta's congressional work on foreign affairs and defense issues has allowed him to ably serve our nation's interests with an important ally—Italy. His distinguished career allowed him both to represent our country's interests and to preserve and strengthen the vital relationship between the United States and Italy.

I'm proud to support this naming bill, and I'm proud to call Tom Foglietta my friend.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. SESSIONS) that the House suspend the rules and pass the bill, H.R. 4000, as amended.

(The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to designate the United States Postal Service building located at 400 Edgmont Avenue, Chester, Pennsylvania, as the 'Thomas M. Foglietta Post Office Building'.".

A motion to reconsider was laid on the table.

ROXANNE H. JONES POST OFFICE BUILDING

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4001) to designate the United States Postal Service building located at 2601 North 16th Street, Philadelphia, Pennsylvania, as the "Roxanne H. Jones Post Office Building."

The Clerk read as follows:

H.R. 4001

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

SECTION 1. ROXANNE H. JONES POST OFFICE BUILDING.

(a) DESIGNATION.—The United States Postal Service building located at 2601 North 16th Street, in Philadelphia, Pennsylvania, shall be known and designated as the "Roxanne H. Jones Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the "Roxanne H. Jones Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Pennsylvania (Mr. FATTAH) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4001.

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

There was no objection.

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

Mr. Speaker, H.R. 4001 was introduced by the gentleman from Pennsylvania (Mr. FATTAH), also one of my colleagues on the subcommittee. The legislation was introduced on June 5, 1998 and is cosponsored by the entire House delegation from the State of Pennsylvania pursuant to the policy of the Committee on Government Reform and Oversight.

H.R. 4001 designates the building of the United States Postal Service located at 2601 North 16th Street in Philadelphia as the Roxanne H. Jones Post Office Building.

In 1984, Roxanne H. Jones became the first African American elected to the Pennsylvania State Senate. She was reelected for two additional terms before her untimely death in 1997.

Ms. Jones was involved in numerous community and professional organizations. She helped the founding of the Philadelphia Citizens in Action, participated in the National Welfare Rights Organization, and worked diligently on the Philadelphia Commission on Human Relations.

As a former welfare recipient, Ms. Jones was committed to improving the conditions of people who were on welfare. While in the Pennsylvania State Senate, she was instrumental in passing legislation to help break the cycle of welfare dependency. She supported legislation expanding affordable housing and obtaining State funding for drug treatment centers for mothers and their children who were addicted to drugs.

Mr. Speaker, I urge our colleagues to support H.R. 4001, naming a post office in honor of Ms. Roxanne H. Jones who performed selflessly for the people of her State and community.

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

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

Mr. Speaker, let me thank the gentleman and, through him, the majority for allowing this and these other bills that we have handled to come to the floor under this expedited procedure.

The late Senator Roxanne Jones is someone who I served with in the State Senate of Pennsylvania. Before that, as I worked as a member of the State House, I had an opportunity to visit the upper chamber from time to time to seek her guidance and wisdom as I sought to move legislation through that chamber. She is someone who, however, I knew well before that.

She led many a demonstration, protest, meeting, conference on issues related to the plight of those more disadvantaged, perhaps, than some others in our city of Philadelphia, which has been referred to as the city of brotherly love, but Roxanne also suggested that it was also the city of sisterly affection, if you will.

She was both brilliant and beautiful and brave. I saw her lead demonstrations and sleep-ins in the rotunda of the capitol fighting on behalf of issues that many other legislators from time to time wanted to ignore.

She helped successfully pass legislation years ago that moved people from welfare to work through a provision of job training and day care and transportation subsidies that saw in Pennsylvania, under both Republican and Democratic governors, our welfare

rolls go down by some 300,000 through the provision of helping people off of the welfare roles, which is something that was before its time as it became an issue of national occurrence.

Her efforts in terms of drug treatment were not just to secure treatment for young women who were drug addicted, but to make sure that they did not have to make the unfortunate choice of separating themselves from their children. She fought for successfully the first drug treatment facilities in our State so that women could come and also bring their children along so that they could be there and close by.

She was someone who worked hard up until her untimely death. Her chief of staff, Michael Joynes, and others served the city of Philadelphia and their constituents well, people who continue to remember her.

□ 1700

She was also a parent of children and as a mother saw to it that her own children were well taken care of. Yes, she was a national leader on issues of aid to the poor and a state Senator. She also was someone who placed her faith in God, worked very hard, and rose above the ordinary and achieved the extraordinary.

Mr. Speaker, I thank my colleagues for allowing this great honor to be bestowed upon her, but in truth, she bestowed upon us a great honor.

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

Mr. SESSIONS. Mr. Speaker, I thank my colleague from Pennsylvania for his grace and charm in enunciating the love of Philadelphia and Pennsylvania for both of these people.

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

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from Pennsylvania (Mr. SESSIONS) that the House suspend the rules and pass the bill, H.R. 4001.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

INDIAN FEDERAL RECOGNITION ADMINISTRATIVE PROCEDURES ACT OF 1998

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1154) to provide for administrative procedures to extend Federal recognition to certain Indian groups, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1154

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Indian Federal Recognition Administrative Procedures Act of 1998".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to establish an administrative procedure to extend Federal recognition to certain Indian groups;

(2) to extend to Indian groups which are determined to be Indian tribes the protection, services, and benefits available from the Federal Government pursuant to the Federal trust responsibility;

(3) to extend to Indian groups which are determined to be Indian tribes the immunities and privileges available to other acknowledged Indian tribes by virtue of their status as Indian tribes with a government-to-government relationship with the United States;

(4) to ensure that when the Federal Government extends acknowledgment to an Indian tribe, it does so with a consistent legal, factual, and historical basis;

(5) to establish a commission which will act in a supporting role to petitioning groups applying for recognition;

(6) to provide clear and consistent standards of administrative review of documented petitions for acknowledgment;

(7) to clarify evidentiary standards and expedite the administrative review process by providing adequate resources to process petitions; and

(8) to remove the acknowledgment process from the Bureau of Indian Affairs and invest it in the Commission on Indian Recognition.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) ACKNOWLEDGMENT; ACKNOWLEDGED.—The term "acknowledgment" or "acknowledged" means a determination by the Commission on Indian Recognition that an Indian group constitutes an Indian tribe with a government-to-government relationship with the United States, and whose members are recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(2) BUREAU.—The term "Bureau" means the Bureau of Indian Affairs.

(3) COMMISSION.—The term "Commission" means the Commission on Indian Recognition established pursuant to section 4.

(4) COMMUNITY.—The term "community" means any group of people which, in the context of the history, geography, culture, and social organization of the group, sustains consistent interactions and significant social relationships within its membership and whose members are differentiated from and identified as distinct from nonmembers.

(5) CONTINUOUSLY; CONTINUOUS.—The term "continuously" or "continuous" means extending from the given date to the present substantially without interruption; proof of any matter required shall be deemed without substantial interruption if such proof is available at least for every fifth year.

(6) DEPARTMENT.—The term "Department" means the Department of the Interior.

(7) DOCUMENTED PETITION.—The term "documented petition" means the detailed, factual exposition and arguments, including all documentary evidence, necessary to demonstrate that arguments specifically address the mandatory criteria established in section 5.

(8) HISTORICAL; HISTORICALLY.—The term "historical" or "historically" means dating from first sustained contact with non-Indians.

(9) INDIAN GROUP; GROUP.—The term "Indian group" or "group" means any Indian or Alaska Native tribe, band, pueblo, village or community within the United States that the Secretary does not acknowledge to be an Indian tribe.

(10) INDIAN TRIBE; TRIBE.—The term "Indian tribe" or "tribe" means any Indian or Alaska Native tribe, band, pueblo, village or community within the United States included on the Secretary's annual list of acknowledged tribes.

(11) INDIGENOUS.—The term "indigenous" means native to the United States in that at least part of the petitioner's traditional territory extended into what is now within the boundaries of the United States.

(12) LETTER OF INTENT.—The term "letter of intent" means an undocumented letter or resolution which is dated and signed by the governing body of an Indian group and submitted to the Commission indicating the group's intent to submit a petition for acknowledgment as an Indian tribe.

(13) MEMBER OF AN INDIAN GROUP.—The term "member of an Indian group" means an individual who is recognized by an Indian group as meeting its membership criteria.

(14) MEMBER OF AN INDIAN TRIBE.—The term "member of an Indian tribe" means an individual who—

(A) meets the membership requirements of the tribe as set forth in its governing document;

(B) in the absence of a governing document which sets out these requirements, has been recognized as a member collectively by those persons comprising the tribal governing body and has consistently maintained tribal relations with the tribe; or

(C) is listed on the tribal membership rolls as a member, if such rolls are kept.

(15) PETITION.—The term "petition" means a petition for acknowledgment submitted or transferred to the Commission pursuant to section 5.

(16) PETITIONER.—The term "petitioner" means any group which has submitted a petition or letter of intent to the Commission requesting acknowledgment as an Indian tribe or has a petition or letter of intent transferred to the Commission under section 5(a).

(17) PREVIOUS FEDERAL ACKNOWLEDGMENT.—The term "previous Federal acknowledgment" means any action by the Federal Government the character of which is clearly premised on identification of a tribal political entity and clearly indicates the recognition of a government-to-government relationship between that entity and the Federal Government.

(18) RESTORATION.—The term "restoration" means the reextension of acknowledgment to any previously acknowledged tribe which may have had its acknowledged status abrogated or diminished by reason of congressional legislation expressly terminating that status.

(19) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(20) TREATY.—The term "treaty" means any treaty—

(A) negotiated and ratified by the United States on or before March 3, 1871, with, or on behalf of, any Indian group or Indian tribe;

(B) made by any government with, or on behalf of, any Indian group or Indian tribe, from which Federal Government subsequently acquired territory by purchase, conquest, annexation, or cession; or

(C) negotiated by the United States with, or on behalf of, any Indian group, whether or not the treaty was subsequently ratified.

(21) TRIBAL ROLL.—The term "tribal roll" means a list exclusively of those individuals who have been determined by the tribe to meet the tribe's membership requirements as set forth in its governing document or, in the absence of a governing document setting forth those requirements, have been recognized as members by the tribe's governing body. In either case, those individuals on a tribal roll must have affirmatively demonstrated consent to being listed as members.

(22) UNITED STATES.—The term "United States" means the 48 contiguous States, Alaska,

and Hawaii; and does not include territories or possessions.

SEC. 4. COMMISSION ON INDIAN RECOGNITION.

(a) ESTABLISHMENT.—There is established within the Department of the Interior the Commission on Indian Recognition. The Commission shall report directly to the Assistant Secretary of Indian Affairs.

(b) MEMBERSHIP.—

(1) IN GENERAL.—(A) The Commission shall consist of 3 members appointed by the Secretary.

(B) In making appointments to the Commission, the Secretary shall give careful consideration to—

(i) recommendations received from Indian tribes;

(ii) recommendations from Indian groups and professional organizations; and

(iii) individuals who have a background in Indian law or policy, anthropology, or history.

(2) AFFILIATIONS.—

(A) No more than 2 members of the Commission may be members of the same political party.

(B) No more than 1 member of the Commission may be an employee of the Department of the Interior.

(3) TERMS.—(A) Each member of the Commission shall be appointed for a term of 4 years, except as provided in subparagraph (B).

(B) As designated by the Secretary at the time of appointment, of the members first appointed—

(i) 1 shall be appointed for a term of 2 years;

(ii) 1 shall be appointed for a term of 3 years; and

(iii) 1 shall be appointed for a term of 4 years.

(4) VACANCY.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office.

(5) COMPENSATION.—(A) Each member of the Commission not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day, including traveltime, such member is engaged in the actual performance of duties authorized by the Commission.

(B) Except as provided in subparagraph (C), a member of the Commission who is otherwise an officer or employee of the United States Government shall serve on the Commission without additional compensation, but such service shall be without interruption or loss of civil service status or privilege.

(C) All members of the Commission shall be reimbursed for travel and per diem in lieu of subsistence expenses during the performance of duties of the Commission while away from home or their regular place of business, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(6) CHAIRPERSON.—At the time appointments are made under paragraph (1), the Secretary shall designate 1 of such appointees as Chairperson of the Commission.

(c) MEETINGS AND PROCEDURES.—

(1) INITIAL MEETING.—The Commission shall hold its first meeting no later than 30 days after the date on which all initial members of the Commission have been appointed.

(2) QUORUM.—2 members of the Commission shall constitute a quorum for the transaction of business.

(3) RULES.—The Commission may adopt such rules (consistent with the provisions of this Act) as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

(4) PRINCIPAL OFFICE.—The principal office of the Commission shall be in the District of Columbia.

(d) DUTIES.—The Commission shall carry out the duties assigned to the Commission by this Act, and shall meet the requirements imposed on the Commission by this Act.

(e) POWERS AND AUTHORITIES.—

(1) CHAIRMAN.—Subject to such rules and regulations as may be adopted by the Commission, the Chairman of the Commission is authorized to—

(A) appoint, terminate, and fix the compensation (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, or of any other provision of law, relating to the number, classification, and General Schedule rates) of an Executive Director of the Commission and of such other personnel as the Chairman deems advisable to assist in the performance of the duties of the Commission, at a rate not to exceed a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(B) procure, as authorized by section 3109(b) of title 5, United States Code, temporary and intermittent services to the same extent as is authorized by law for agencies in the executive branch, but at rates not to exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(2) COMMISSION.—The Commission may—

(A) hold such hearings and sit and act at such times;

(B) take such testimony;

(C) have such printing and binding done;

(D) enter into such contracts and other arrangements, subject to the availability of funds;

(E) make such expenditures;

(F) secure directly from any officer, department, agency, establishment, or instrumentality of the Federal Government such information as the Commission may require for the purpose of this Act, and each such officer, department, agency, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman of the Commission;

(G) use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States; and

(H) take such other actions as the Commission may deem advisable to carry out its duties.

(3) MEMBERS.—Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(f) ASSISTANCE FROM OTHER FEDERAL AGENCIES.—Upon the request of the Chairman of the Commission, the head of any Federal department, agency, or instrumentality is authorized to make any of the facilities and services of such department, agency, or instrumentality available to the Commission and detail any of the personnel of such department, agency, or instrumentality to the Commission, on a nonreimbursable basis, to assist the Commission in carrying out its duties under this section.

(g) TERMINATION OF COMMISSION.—The Commission shall terminate 12 years after the date of the enactment of this Act.

(h) FEDERAL ADVISORY COMMITTEE ACT.—The provisions of the Federal Advisory Committee Act shall not apply to the Commission.

SEC. 5. PETITIONS FOR RECOGNITION AND LETTERS OF INTENT.

(a) IN GENERAL.—

(1) SUBMISSION.—Any Indian group may submit to the Commission a petition requesting that the Commission recognize that the Indian group is an Indian tribe.

(2) HEARING.—Indian groups that have been denied or refused recognition as an Indian tribe under regulations prescribed by the Secretary shall be entitled to an adjudicatory hearing, under section 9 of this Act, before the Commission. For purposes of the adjudicatory hearing, the Assistant Secretary's final determination shall be considered a preliminary determination under section 8(b)(1)(B) of this Act.

(3) GROUPS AND ENTITIES EXCLUDED.—The provisions of this Act do not apply to the following groups or entities, which shall not be eligible for recognition under this Act—

(A) Indian tribes, organized bands, pueblos, communities, and Alaska Native entities which are recognized by the Secretary as of the date of enactment of this Act as eligible to receive services from the Bureau;

(B) splinter groups, political factions, communities, or groups of any character which separate from the main body of an Indian tribe that, at the time of such separation, was recognized as being an Indian tribe by the Secretary, unless it can be clearly established that the group, faction, or community has functioned throughout history until the date of such petition as an autonomous Indian group; and

(C) any Indian group whose relationship with the Federal Government was expressly terminated by an Act of Congress.

(4) TRANSFER OF PETITIONS.—(A) No later than 30 days after the date on which all of the initial members of the Commission have been appointed, the Secretary shall transfer to the Commission all petitions pending before the Department. The Secretary shall also transfer all letters of intent previously received by the Department that request the Secretary, or the Federal Government, to recognize or acknowledge an Indian group as an Indian tribe.

(B) On the date of such transfer, the Secretary and the Department shall cease to have any authority to recognize or acknowledge, on behalf of the Federal Government, any Indian group as an Indian tribe.

(C) Petitions and letters of intent transferred to the Commission under subparagraph (A) of this paragraph shall, for purposes of this Act, be considered as having been submitted to the Commission in the same order as they were submitted to the Department.

(b) PETITION FORM AND CONTENT.—Except as otherwise provided in this section, any petition submitted under subsection (a) by an Indian group shall be in any readable form that clearly indicates that the petition is requesting the Commission to recognize the petitioning Indian group as an Indian tribe. Each petition shall contain specific evidence establishing the following mandatory criteria:

(1) The petitioner has been identified as an American Indian entity on a substantially continuous basis since 1934.

(A) Evidence to be relied upon in determining a group's Indian identity may include 1 or a combination of the following, as well as other evidence of identification by other than the petitioner itself or its members. Proof of any 1 of the following for a given time is conclusive evidence of Indian identity for that time.

(i) Identification as an Indian entity by Federal authorities.

(ii) Relationships with State governments based on identification of the group as Indian.

(iii) Dealings with a county, parish, or other local government in a relationship based on the group's Indian identity.

(iv) Identification as an Indian entity by anthropologists, historians, or other scholars.

(v) Identification as an Indian entity in newspapers and books.

(vi) Identification as an Indian entity in relationships with Indian tribes or with national, regional, or State Indian organizations.

(B) A petitioner may establish that, for any given period of time for which evidence of identification as Indian is lacking, such absence of evidence corresponds in time with official acts of the Federal or relevant State government which prohibited or penalized the expression of Indian identity. For such periods of time, the absence of evidence identifying the petitioner as an Indian entity shall not be the basis for declining to acknowledge the petitioner.

(2) A predominant portion of the petitioning groups comprises a distinct community and has existed as a community on a substantially continuous basis since 1934.

(A) The criterion that the petitioner meets the definition of community set forth in section 3 may be demonstrated by 1 or more of the following:

(i) Significant rates of marriage within the group or, as may be culturally required, patterned out-marriages with other Indian populations.

(ii) Significant social relationships connecting individual members.

(iii) Significant rates of informal social interaction which exist broadly among the members of a group.

(iv) A significant degree of shared or cooperative labor or other economic activity among the membership.

(v) Evidence of strong patterns of discrimination or other social distinctions by nonmembers.

(vi) Shared sacred or secular ritual activity encompassing most of the group.

(vii) Cultural patterns shared among a significant portion of the group that are different from those of the non-Indian populations with whom it interacts. These patterns must function as more than a symbolic identification of the group as Indian. They may include, but are not limited to, language, kinship organization, or religious beliefs and practices.

(viii) The persistence of a named, collective Indian identity continuously over a period of more than 50 years, notwithstanding changes in name.

(ix) A demonstration of political influence under the criterion in paragraph (3)(B) shall be conclusive evidence for demonstrating community for that period of time.

(x) Other evidence as considered appropriate by the Secretary.

(B) A petitioner shall be considered to have provided sufficient evidence of community at a given point in time if evidence is provided to demonstrate any 1 of the following:

(i) More than 50 percent of the members reside in a geographical area or areas no more than 50 miles from a historic land base(s) or site(s) of the petitioner.

(ii) At least 50 percent of the marriages in the group are between members of the group.

(iii) At least 50 percent of the group members maintain distinct cultural patterns such as, but not limited to, language, kinship organization, or religious beliefs and practices.

(iv) There are distinct social institutions encompassing more than 50 percent of the members, such as kinship organizations, formal or informal economic cooperation, or religious organizations.

(v) The group has met the criterion in paragraph (3) using evidence described in paragraph (3)(B).

(3) The petitioner has maintained political influence or authority over its members as an autonomous entity from 1934 until the present.

(A) This criterion may be demonstrated by 1 or more of the evidence listed below or by other evidence of political influence or authority:

(i) The group is able to mobilize significant numbers of members and significant resources from its members for group purposes.

(ii) Most of the membership considers issues acted upon or actions taken by group leaders or governing bodies to be of importance.

(iii) There is widespread knowledge, communication, and involvement in political processes by most of the group's members.

(iv) There are internal conflicts which show controversy over valued group goals, properties, policies, processes, or decisions.

(B) A petitioning group shall be considered to have provided sufficient evidence to demonstrate the exercise of political influence or authority at a given point in time by demonstrating any 1 of the following:

(i) A continuous line of group leaders, acknowledged and accepted as such by State or local governments or nonmembers in general, with a description of the means of selection.

(ii) Group leaders or other mechanisms exist or existed which allocate group resources such as land, residence rights, and the like on a consistent basis.

(iii) Group leaders or other mechanisms exist or existed which settle disputes between members or subgroups by some means.

(iv) Group leaders or other mechanisms exist or existed which exert strong influence on the behavior of individual members, such as the establishment or maintenance of norms and the enforcement of sanctions to influence behavior.

(v) Group leaders or other mechanisms exist or existed which organize or influence economic subsistence activities among the members, including shared or cooperative labor.

(C) A group that has met the requirements in paragraph (3) at a given point in time shall be considered to have provided sufficient evidence to meet this criterion at that point in time.

(4) A copy of the group's present governing document, including its membership criteria. In the absence of a written document, the petitioner must provide a statement describing in full its membership criteria.

(5) The petitioner's membership consists of individuals who descend from a historical Indian tribe or from historical Indian tribes which combined and functioned as a single autonomous political entity.

(A) A petitioner shall be presumed to descend from a historical Indian tribe or combined tribes upon proof by the petitioner that its member descend from an Indian entity in existence in 1934. This presumption may be rebutted by affirmative evidence offered by any interested party that the Indian entity in existence in 1934 does not descend from a historical Indian tribe or combined tribes.

(B) The following evidence shall be deemed by the Commission to prove descent from a historical Indian entity for the time for which such evidence is available:

(i) Rolls prepared by the Secretary on a descendancy basis for purposes of distributing claims money, providing allotments, or other purposes.

(ii) State, Federal, or other official records or evidence identifying present members or ancestors of present members as being descendants of a historical tribe or combined tribes.

(iii) Church, school, and other similar enrollment records identifying present members or ancestors of present members as being descendants of a historical tribe or combined tribes.

(iv) Affidavits of recognition by tribal elders, leaders, or the tribal governing body identifying present members or ancestors of present members as being descendants of a historical tribe or combined tribes.

(v) Reports, research, or other like statements based upon firsthand experience of historians, anthropologists, and genealogists with established expertise on the petitioner or Indian entities in general identifying present members or ancestors of present members as being descendants of a historical tribe or combined tribes.

(C) A petitioner may also demonstrate this criterion by other records of evidence identifying present members or ancestors of present members as being descendants of a historical tribe or combined tribes.

(D) The petitioner must provide an official membership list, separately certified by the group's governing body of all known current members of the group. This list must include each member's full name (including maiden name), date of birth, and current residential address. The petitioner must also provide a copy of each available former list of members based on the group's own defined criteria, as well as a statement describing the circumstances surrounding the preparation of the current list and, insofar as possible, the circumstances surrounding the preparation of former lists.

(6) The membership of the petitioning group is composed principally of persons who are not members of any acknowledged North American Indian tribe. However, under certain conditions a petitioning group may be acknowledged even if its membership is composed principally of persons whose names have appeared on rolls of, or who have been otherwise associated with, an acknowledged Indian tribe. The conditions are that the group must establish that it has functioned since 1934 until the present as a separate and autonomous Indian tribal entity, that its members do not maintain a bilateral political relationship with the acknowledged tribe, and that its members have provided written confirmation of their membership in the petitioning group.

(c) PREVIOUS ACKNOWLEDGMENT.—

(1) IN GENERAL.—Evidence which demonstrates previous Federal acknowledgment includes, but is not limited to—

(A) evidence that the group has had or is the successor in interest to a tribe that has had treaty relations with the United States;

(B) evidence that the group has been or is the successor in interest to a tribe that has been denominated a tribe by Act of Congress or Executive order;

(C) evidence that the group has been or is the successor in interest to a tribe that has been treated by the Federal Government as having collective rights in tribal lands or funds.

(2) PRESUMPTION OF CONTINUOUSNESS.—A petitioner that can demonstrate previous Federal acknowledgment by a preponderance of the evidence shall be required to demonstrate the existence of current political authority as defined by subsection (b)(3), with a time depth limited to 10 years preceding the date of the petition. Upon such demonstration, a presumption of continuous existence since previous Federal acknowledgment shall arise. Unless such presumption is rebutted by evidence offered by an interested party proving by a preponderance of the evidence that the previously recognized group has abandoned tribal relations, such group shall be recognized.

(d) RECOGNITION OF GROUPS MEETING CRITERIA.—The Commission shall recognize as an Indian tribe a petitioning group that demonstrates the criteria set out in this section by a preponderance of the evidence. Such recognized tribes shall be entitled to the same privileges, immunities, rights, and benefits of other federally recognized tribes. Neither shall the Department of the Interior nor any other Federal agency purport to diminish, condition, or revoke the privileges, immunities, rights, and benefits of Indian tribes recognized by any means before the effective date of this Act or under the provisions of this Act.

SEC. 6. NOTICE OF RECEIPT OF PETITION AND LETTERS OF INTENT.

(a) PETITIONER.—Not later than 30 days after a petition is submitted or transferred to the Commission under section 5(a), the Commission shall send an acknowledgement of receipt in writing to the petitioner and shall have published in the Federal Register a notice of such receipt, including the name, location, and mailing address of the petitioner and such other information that will identify the entity who submitted the petition and the date the petition was received by the Commission. The notice shall also indicate where a copy of the petition may be examined.

(b) LETTERS OF INTENT.—As to letters of intent, publish in the Federal Register a notice of such receipt, including the name, location, and mailing address of petitioner. A petitioner who has submitted a letter of intent or had a letter of intent transferred to the Commission under section 5(a) shall not be required to submit a documented petition within any time period.

(c) OTHERS.—The Commission shall also notify, in writing, the Governor and attorney general of, and each recognized Indian tribe within, any State in which a petitioner resides.

(d) PUBLICATION; OPPORTUNITY FOR SUPPORTING OR OPPOSING SUBMISSIONS.—The Commission shall publish the notice of receipt of the petition in a major newspaper of general circulation in the town or city nearest the location of the petitioner. The notice shall include, in addition to the information described in subsection (a), notice of opportunity for other parties to submit factual or legal arguments in support of or in opposition to, the petition. Such submissions shall be provided to the petitioner upon receipt by the Commission. The petitioner shall be provided an opportunity to respond to such submissions prior to a determination on the petition by the Commission.

SEC. 7. PROCESSING THE PETITION.

(a) REVIEW.—

(1) IN GENERAL.—Upon receipt of a documented petition, the Commission shall conduct a review to determine whether the petitioner is entitled to be recognized as an Indian tribe.

(2) CONSIDERATION.—The review conducted under paragraph (1) shall include consideration of the petition, supporting evidence, and the factual statements contained in the petition.

(3) RESEARCH.—The Commission may also initiate other research for any purpose relative to analyzing the petition and obtaining additional information about the petitioner's status and may consider any evidence which may be submitted by other parties.

(4) ACCESS TO OTHER FEDERAL RESOURCES.—Upon request by the petitioner, the Library of Congress and the National Archives shall each allow access to the petitioner to its resources, records, and documents, for the purpose of conducting research and preparing evidence concerning the status of the petitioner.

(b) CONSIDERATION.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, petitions shall be considered on a first come, first served basis, determined by the date of the original filing of the petition with the Commission, or the Department if the petition is transferred to the Commission pursuant to section 5(a). The Commission shall establish a priority register including those petitions pending before the Department on the date of enactment of this Act.

(2) PRIORITY.—Petitions that are submitted to the Commission by Indian groups that meet 1 or more of the requirements set forth in section 5(c) shall receive priority consideration over petitions submitted by any other Indian group.

SEC. 8. PRELIMINARY HEARING.

(a) IN GENERAL.—Not later than 60 days after the receipt of a petition by the Commission, the Commission shall set a date for a preliminary hearing. At the preliminary hearing, the petitioner and any other concerned party may provide evidence concerning the status of the petitioner.

(b) DETERMINATION.—

(1) IN GENERAL.—Within 30 days after the conclusion of the preliminary hearing under subsection (a), the Commission shall make a determination either—

(A) to extend acknowledgement to the petitioner; or

(B) that the petitioner proceed to an adjudicatory hearing.

(2) PUBLISHED IN FEDERAL REGISTER.—The Commission shall publish the determination in the Federal Register.

(c) INFORMATION TO BE PROVIDED PREPARATORY TO AN ADJUDICATORY HEARING.—

(1) IN GENERAL.—If the Commission determines under subsection (b) that the petitioner proceed to an adjudicatory hearing, the Commission shall—

(A) immediately make available to the petitioner all records relied upon by the Commission and its staff in making the preliminary determination to assist the petitioner in preparing for the adjudicatory hearing, and shall also include such guidance as the Commission considers necessary or appropriate to assist the petitioner in preparing for the hearing including references to prior decisions of the Commission or to recognition decisions made under regulations prescribed by the Secretary that will provide direction in preparing for the adjudicatory hearing; and if prior recognition decisions are referred to, the Commission will make all records relating to such decisions available to the petitioner in a timely manner; and

(B) within 30 days after the conclusion of the preliminary hearing under subsection (a), notify the petitioner in writing, which notice shall include a list of any deficiencies or omissions on which the Commission relied in making its determination.

(2) LIST OF DEFICIENCIES.—The list of deficiencies and omissions provided under paragraph (1)(B) shall be the subject of the adjudicatory hearing. The Commission may not add to this list once it is issued.

SEC. 9. ADJUDICATORY HEARING.

(a) IN GENERAL.—Not later than 180 days after the conclusion of the preliminary hearing, the Commission shall afford the petitioner described in section 8(b)(1)(B) an adjudicatory hearing. The hearing shall be on the list of deficiencies and omissions provided under section 8(c)(1)(B) and shall be conducted on the record pursuant to sections 554, 556, and 557 of title 5, United States Code.

(b) TESTIMONY FROM STAFF OF COMMISSION.—The Commission shall require testimony from its acknowledgement and research staff that worked on the preliminary determination and that are assisting the Commission in the final determination under subsection (d) and may require the testimony of other witnesses. Any such testimony shall be subject to cross-examination by the petitioner.

(c) EVIDENCE BY PETITIONER.—The petitioner may provide such evidence as the petitioner deems appropriate.

(d) DECISION BY COMMISSION.—Within 60 days after the end of the hearing held under subsection (a), the Commission shall—

(1) make a determination as to the extension or denial of acknowledgment to the petitioner;

(2) publish its determination under paragraph (1) in the Federal Register; and

(3) deliver a copy of the determination to the petitioner, and to every other interested party.

SEC. 10. APPEALS.

(a) IN GENERAL.—Within 60 days after the date the Commission's decision is published under section 9(d), the petitioner may appeal the determination to the United States District Court for the District of Columbia.

(b) ATTORNEY FEES.—If the petitioner prevails in the appeal described in subsection (a), it shall be eligible for an award of reasonable attorney fees and costs under the provisions of section 504 of title 5, United States Code, or section 2412 of title 28 of such Code, as the case may be.

SEC. 11. IMPLEMENTATION OF DECISIONS.

(a) ELIGIBILITY FOR SERVICES AND BENEFITS.—

(1) IN GENERAL.—Subject to paragraph (2), upon recognition by the Commission that the petitioner is an Indian tribe, the Indian tribe shall be eligible for the services and benefits from the Federal Government that are available to other federally recognized Indian tribes by virtue of their status as Indian tribes with a government-to-government relationship with the United States, as well as having the responsibilities and obligations of such Indian tribes. Such recognition shall subject the Indian tribes to the same authority of Congress and the United States to which other federally recognized tribes are subject.

(2) AVAILABILITY.—Recognition of the Indian tribe under this Act does not create an immediate entitlement to existing programs of the Bureau. Such programs shall become available upon appropriation of funds by law. Requests for appropriations shall follow a determination under subsection (b) of the needs of the newly-recognized Indian tribe.

(b) NEEDS DETERMINATION.—Within 6 months after an Indian tribe is recognized under this Act, the appropriate area offices of the Bureau and the Indian Health Service shall consult and develop in cooperation with the Indian tribe, and forward to the respective Secretary, a determination of the needs of the Indian tribe and a recommended budget required to serve the newly recognized Indian tribe. The recommended budget shall be considered along with recommendations by the appropriate Secretary in the budget-request process.

SEC. 12. ANNUAL REPORT CONCERNING COMMISSION'S ACTIVITIES.

(a) LIST OF RECOGNIZED TRIBES.—Not later than 90 days after the date of the enactment of this Act, and annually on or before every January 30 thereafter, the Commission shall publish in the Federal Register a list of all Indian tribes which are recognized by the Federal Government and receiving services from the Bureau of Indian Affairs.

(b) ANNUAL REPORT.—Beginning 1 year after the date of the enactment of this Act, and annually thereafter, the Commission shall submit a report to the Committee on Resources of the House of Representatives and to the Committee on Indian Affairs of the Senate a report on its activities, which shall include at a minimum the following:

(1) The number of petitions pending at the beginning of the year and the names of the petitioners.

(2) The number of petitions received during the year and the names of the petitioners.

(3) The number of petitions the Commission approved for acknowledgment and the names of the acknowledged petitioners.

(4) The number of petitions the Commission denied for acknowledgment and the names of the petitioners.

(5) The status of all pending petitions and the names of the petitioners.

SEC. 13. ACTIONS BY PETITIONERS FOR ENFORCEMENT.

Any petitioner may bring an action in the district court of the United States for the district in which the petitioner resides, or the United States District Court for the District of Columbia, to enforce the provisions of this Act, including any time limitations within which actions

are required to be taken, or decisions made, under this Act and the district court shall issue such orders (including writs of mandamus) as may be necessary to enforce the provisions of this Act.

SEC. 14. REGULATIONS.

The Commission is authorized to prescribe such regulations as may be necessary to carry out the provisions and purposes of this Act. All such regulations must be published in accordance with the provisions of title 5, United States Code.

SEC. 15. GUIDELINES AND ADVICE.

(a) GUIDELINES.—Not later than 180 days after petitions and letters of intent have been transferred to the Commission by the Secretary under section 5(a)(4)(A), the Commission shall make available suggested guidelines for the format of petitions, including general suggestions and guidelines on where and how to research required information, but such examples shall not preclude the use of any other format.

(b) RESEARCH ADVICE.—The Commission, upon request, is authorized to provide suggestions and advise to any petitioner for his research into the petitioner's historical background and Indian identity. The Commission shall not be responsible for the actual research on behalf of the petitioner.

SEC. 16. ASSISTANCE TO PETITIONERS.

(a) GRANTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services may award grants to Indian groups seeking Federal recognition to enable the Indian groups to—

(A) conduct the research necessary to substantiate petitions under this Act; and

(B) prepare documentation necessary for the submission of a petition under this Act.

(2) OTHER GRANTS.—The grants made under this subsection shall be in addition to any other grants the Secretary of Health and Human Services is authorized to provide under any other provision of law.

(b) COMPETITIVE AWARD.—Grants provided under subsection (a) shall be awarded competitively based on objective criteria prescribed in regulations promulgated by the Secretary of Health and Human Services.

SEC. 17. SEVERABILITY.

If any provision of this Act or the application thereof to any petitioner is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without regard to the invalid provision or application, and to this end the provisions of this Act shall be severable.

SEC. 18. AUTHORIZATION OF APPROPRIATIONS.

(a) COMMISSION.—There are authorized to be appropriated for the Commission for the purpose of carrying out the provisions of this Act (other than section 16), $1,500,000 for fiscal year 1998 and $1,500,000 for each of the 12 succeeding fiscal years.

(b) SECRETARY OF HHS.—There are authorized to be appropriated for the Administration for Native Americans of the Department of Health and Human Services for the purpose of carrying out the provisions of section 16, $3,000,000 for each fiscal year.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1154, the proposed Indian Federal Recognition Administrative Procedures Act of 1998, is a bill intended to speed up the Federal recognition process and to update the existing procedures for extending Federal recognition to Indian tribes.

Mr. Speaker, H.R. 1154 would revamp the Federal recognition process for Indian groups by eliminating bias and conflict of interest and by establishing an independent, 3-member commission to review tribal recognition petitions.

Among other things, H.R. 1154 would require a petitioning tribe to prove: 1, that it and its members have been identified as Indians since 1934; 2, that it has exercised political leadership over its members since 1934; 3, that it has a membership roll; and 4, that it now exists as a community.

Mr. Speaker, this is an extremely important bill to the many Indian bands around this Nation who have a legitimate right to Federal recognition, but who have been denied that right because of a slow, cumbersome, and enormously expensive process. If there ever was a better example of justice being denied through justice delayed, I am not aware of it.

Mr. Speaker, one tribe seeking recognition discovered recently, after 8 years of waiting, I say again, 8 years of waiting, that the bureaucrats down at the Interior Department have done absolutely nothing on the tribe's application for recognition because the Department bureaucrats had "misplaced" the tribe's paperwork. It took 8 years to find that out. I do not know what else is not getting done down at that Department, but I do know that the time has come to straighten out this mess.

Mr. Speaker, this is a good bill. I urge the passage of the legislation.

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

Mr. FALEOMAVAEGA. Mr. Speaker, I thank the gentleman from Alaska (Mr. YOUNG) for his eloquent statement pertaining to his support of this bill. The gentleman suggested 8 years, but in fact, they have been waiting for 100 years to seek recognition.

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

Mr. YOUNG of Alaska. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Speaker, I thought this bill was coming up at a different time, and we checked the cloakroom, and they said there were other bills coming up before.

Mr. Speaker, my colleague, the gentleman from Connecticut (Mr. SHAYS) asked me to speak on this bill and also to ask for a recorded vote. I am concerned that it was taken out of order in a way that I think was fundamentally unfair, because we checked with the House.

The gentleman from Connecticut (Mr. SHAYS) and the gentleman from Arizona (Mr. SHADEGG) and I are concerned about this bill and the implications that it may have allowing gambling, particularly Indian gambling, to spread around the country. Gambling is spreading throughout the United States at an unbelievable rate, and one way it is spreading is through the speed at which Native American casinos are opening up. These casinos just keep opening up, one after another.

Now, today, we are here talking about a bill that would make it easier for tribal recognition. Once the tribes get recognized, we see what happens. It does not take long for Indian gaming to be established, and I think we need to give pause and give a lot more attention to this issue.

H.R. 1154, the Indian Federal Recognition Administrative Procedures Act, established a 3-member commission on Indian recognition, but those 3 commissioners were chosen by the Secretary of the Interior, and that would be without the advice and the consent of the Senate. There would be some real problems. For one, it could politicize the recognition process. Native American groups and the gambling interests could put the pressure on the administration, any administration to appoint the commissioners they want.

As gambling is spreading and is bringing about the destruction upon lives and communities, it is bringing with it increased crime, destruction, the breakup of families, corruption and bankruptcies, so much so that we had to appropriate money for more bankruptcy judges, especially in areas with gambling, and increases in the breakdown of the American family.

Mr. Speaker, on behalf of the gentleman from Arizona (Mr. SHADEGG) and the gentleman from Connecticut (Mr. SHAYS), I will call for a rollcall vote. But I think this is such an important issue, that I would urge my colleagues not to rush through and allow a bill to pass like this without full and adequate debate.

Mr. Speaker, my colleague Representative CHRISTOPHER SHAYS asked me to speak on this bill, and he also asked me to ask for a recorded vote, so I want to alert my colleagues that I will be calling for a recorded vote.

Mr. SHAYS and Representative JOHN SHADEGG and I are all concerned about this bill and its implications. We believe that this is something we ought to be debating fully, not rushing through.

I have a number of concerns with this bill. Gambling is spreading throughout the United States at an unbelievable rate, and one of the ways it is spreading is through the speed at which Native American casinos are opening up. And these casinos just keep opening up, one after another. And now we are here today talking about a bill that could make it even easier for tribal recognition. Once the tribes get recognized, we've seen what happens. It doesn't take long for Indian gambling to be established. I think we need to pause and give a lot more attention to this matter.

H.R. 1154, the Indian Federal Recognition Administrative Procedures Act, establishes a

three-member Commission on Indian Recognition. But those three commissioners are chosen by the Secretary of the Interior, and that would be without the advice and consent of the U.S. Senate. There could be some real problems with that. For one, it could politicize the recognition process. Native American groups and the gambling interests could put the pressure on the Administration to appoint the commissioners they want.

As gambling is spreading, it is bringing destruction upon individual lives and communities. It is bringing with it increases in crime and the need for more law enforcement spending, increases in corruption, increases in bankruptcies, so much so that we have had to appropriate money for more bankruptcy judges—especially in areas with gambling, increases in family breakdown and the need for more social services. Gambling is bringing with it addiction, not only impacting adults, but even young people, to the extent that the young people are becoming addicted to gambling at more than twice the rate of that of adults.

Mr. Speaker, this issue has far-reaching consequences and there's just too much at stake here for us to be considering this bill under suspension. We need to thoroughly debate this issue and consider all the critical implications, especially with regard to Indian gambling. This issue needs thoughtful consideration, not 40 minutes of debate with no amendments. I would urge defeat of this legislation.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

With all due respect for my good friend from Virginia, this is about recognition of American Indians who were here long before we were. We have seen delays, and yes, there may have been some that maybe have been misused, but that does not excuse the inactivity of an agency that had the responsibility. All this bill does is try to expedite the process so that delays do not occur.

Let us not kid ourselves. There are those in this body that do not like American Indians. There are those in this body, in fact, that look upon them as the less of all minorities and have no recognition nor standing in our society. Their lands were stolen, their lands were taken, their lands were sold, and as long as they are down in the dumps, then that is where a lot of people want them to be.

I think it is very unfortunate, very unfortunate that the gambling issue has been brought into this arena at this time. That is another act, an act that was passed by this Congress overwhelmingly. An act that has been used, yes, adequately in many areas, and in fact, honorably in a lot of areas. If there has been some wrong or injustice that occurred, then that is the responsibility of law, the responsibility of enforcement officers, the responsibility, yes, of this Congress, if it is necessary. But to say that this is an attempt to take and legalize and further spread gambling is incorrect.

I am proud of my relationship and my work with American Indians. I think they should and have been recognized, but not nearly enough, for it is time for this body to understand we owe them, and we shall pay them, and we shall recognize them.

Mr. KILDEE. Mr. Speaker, I am pleased to be a cosponsor of this important legislation.

Since 1992, the Indian Health Service has transferred more than $400 million to 211 tribes in Alaska and 38 tribes in the lower 48 States under the self-governance demonstration project.

The transfer of programming and budgeting authority to tribal governments has proven to be successful.

Tribes have made significant progress in meeting the needs of their people and promoting the growth of their communities. It is our responsibility to support the tribes' efforts improving their health care systems.

The demonstration project has allowed tribes to expand the range of health care services to their membership. I strongly urge each of my colleagues to support this bill.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today in support of H.R. 1154, a bill I introduced to provide improved administrative procedures for the Federal recognition to certain Indian groups.

Mr. Speaker, I have been working on this issue now for over six years. In 1994, the House passed similar legislation but that effort died in the Senate. Today, we are taking a major step to help address the historical wrongs that the two hundred unrecognized tribes in this nation have faced. The bill streamlines the existing procedures for extending federal recognition to Indian tribes, removes the tremendous bureaucratic maze and subjective standards the Bureau of Indian Affairs has placed against recognizing Indian tribes, but also will provide due process, equity and fairness to the whole problem of Indian recognition.

Mr. Speaker, a broad coalition of unrecognized Indian tribes has advocated reform for years for several reasons. First, the BIA's budget limitations over the years have, in fact, created a certain bias against recognizing new Indian tribes. Second, the process has always been too expensive, costing some tribes well over $500,000, and most of these tribes just do not have this kind of money to spend. I need not remind my colleagues of the fact that Native American Indians today have the worst statistics in the nation when it comes to education, economic activity and social development. Indeed, Mr. Speaker, the recognition process for the First Americans has been an embarrassment to our government and certainly to the people of America. If only the American people can ever feel and realize the pain and suffering that the Native Americans have long endured, there would probably be another American revolution.

Mr. Speaker, the process to provide federal recognition to Native American tribes simply takes too long. The Bureau of Indian Affairs has been completing an average of 1.3 petitions per year. At this rate, it will take over 100 years to resolve questions on all tribes which have expressed an intent to the recognized.

Mr. Speaker, the current process does not provide petitioners with due process—for example, the opportunity to cross examine witnesses and on-the-record hearings. The same experts who conduct research on a petitioner's case are also the "judge and jury" in the process.

In 1996, in the case of *Greene* v. *Babbitt*, 943 F. Supp. 1278 (W.Dist. Wash), the federal court found that the current procedures for recognition were "marred by both lengthy delays and a pattern of serious procedural due process violations. The decision to recognize the Samish took over twenty-five years, and the Department has twice disregarded the procedures mandated by the APA, the Constitution, and this Court," (p. 1288). Among other statements contained in Judge Thomas Zilly's opinion were: "The Samish people's quest for federal recognition as an Indian tribe has a protracted and tortuous history . . . made more difficult by excessive delays and governmental misconduct." (p. 1281) And again at pp. 1288–1289, "Under these limited circumstances, where the agency has repeatedly demonstrated a complete lack of regard for the substantive and procedural rights of the petitioning party, and the agency's decision maker has failed to maintain her role as an impartial and disinterested adjudicator . . ." Sadly, the Samish's administrative and legal conflict—much of which was at public expense—could have been avoided were it not for a clerical error of the Bureau of Indian Affairs which 28 years ago, inadvertently left the Samish Tribes's name off the list of recognized tribes in Washington.

With a record like this, it is little wonder that many tribes have lost faith in the Government's recent recognition procedures. Even President Clinton recognizes the problem. In a 1996 letter to the Chinook Tribe of Washington, the President wrote, "I agree that the current federal acknowledgment process must be improved." He said that some progress has been made, "but much more must be done."

To those who say we should retain the current criteria, and not permit tribes which have been rejected under the current administrative procedure to apply for reconsideration, I say read the Greene case. It is rare that a court is so critical of an executive agency, but in this case there clearly is a problem. H.R. 1154 addresses the problem directly.

Mr. Speaker, H.R. 1154 will eliminate the above concerns by establishing an independent three member commission which will work within the Department of the Interior to review petitions for recognition. This legislation will provide tribes with the opportunity for public, trial-type hearings and sets strict time limits for action on pending petitions. In addition, the bill streamlines and makes more objective the federal recognition criteria by aligning them with the legal standards in place prior to 1978, as laid out by the father of Indian Law, Felix S. Cohen in 1942.

Some have expressed concern that this bill will open the door for more tribes to conduct gambling operations on new reservations. While I cannot say that no new gambling operations will result from this bill, I do believe that this bill will have only a minimal impact in this area. I would like to remind my colleagues that: unlike state-sponsored gaming operations, Indian gaming is highly regulated by the Indian Gaming Regulatory Act; before

gaming can be conducted, the tribes must reach an agreement with the state in which the gaming would be conducted; under IGRA (the Indian Gaming and Regulatory Act) gaming can only be conducted on land held in trust by the federal government; and any gaming profits can only be used for tribal development, such as water and sewer systems, schools, and housing.

The point I want to make is even if an Indian group wanted to obtain recognition to start a gambling operation, they couldn't do it just for that purpose. Ninety percent of the substance of the current criteria are unchanged in the bill before us today. For a group to obtain federal recognition, it would still have to prove his origins, cultural heritage, existence of governmental structure, and everything else currently required.

Should that burden be overcome, a tribe would need a reservation or land held in trust by the federal government. This bill makes no effort to provide land to any group being recognized.

If the land issue is overcome, under the Indian Gaming Regulatory Act, a tribe cannot conduct gaming operations unless it has an agreement to do so with the state government. A prior Congress put this into the law in an effort to balance the rights of the states to control gambling activity within its borders, and the rights of sovereign tribal nations to conduct activities on their land. The difficulty in obtaining gaming compacts with states has been making the national news for months because of the almost absolute veto power the states have under current law. The U.S. Supreme Court affirmed this reading of the law in *Seminole Tribe of Florida* versus *Florida*, 517 U.S. 44 (1996).

I want to emphasize this point—this is not a gambling bill, this is a bill to create a fair, objective process by which Indian groups can be evaluated for possible federal recognition.

Mr. Speaker, this bill is not perfect in every form, but it is the result of many hours of consultations with all parties concerned. I have sought to work with the tribes and with the Administration to come up with sound, careful changes that recognize the historical struggles the unrecognized tribes have gone through, yet at the same time recognizes the hard work the Bureau of Indian Affairs has done lately in making positive changes through regulations to address these problems. We have reached agreement on almost every major issue, and these changes have been incorporated into the bill being considered today. The bill has the support of the National Coalition of Indian Sovereignty (263 member groups), and Mr. Bud Shapard, a former BIA official who wrote the problematic regulations.

I requested a hearing on this bill but this is not an issue that generated enough Member interest to warrant a hearing. We have, however, in the past held oversight hearings on this issue, and legislative hearings on similar legislation in prior congresses.

Mr. Speaker, I do want to express my sincere thanks and appreciation to Mr. Kevin Gover, Assistant Secretary for Indian Affairs; Mr. Derril Jordan, Associate Solicitor for the Division of Indian Affairs, and members of their staffs for working closely with our committee staffs on both sides.

Mr. Speaker, I also want to thank the gentleman from Alaska, Mr. DON YOUNG, the Chairman of the Committee on Resources, and the Senior Democratic Member of the full committee, the gentleman from California, Mr. MILLER, for their support of this bill. And I want to thank Mr. Lloyd Jones, Chief of Staff of the Resources Committee; Mr. Tim Glidden, the majority counsel; Mr. Chris Stearns, minority counsel; my Legislative Director, Mr. Martin Yerick, and my good friend and attorney for the Lumbee Nation, Ms. Arlinda Locklear for her perseverance and tremendous patience in working with all the parties involved in the development of this legislation.

Mr. Speaker, I respectfully urge my colleagues to support and vote for this bill now under consideration.

Mr. MILLER of California. Mr. Speaker, I am glad to strongly support this major piece of legislation that has been nearly six years in the making. I wish to compliment Congressman FALEOMAVAEGA for all of the hard work and energy he has spent on this bill in the last four years. I know that he has personally met with a number of Indian tribes seeking recognition and was involved with the important White House meeting with a broad coalition of non-recognized tribes in January of 1995. His staff, in particular, Marty Yerick, has worked countless hours along with my committee staff to get this bill to a point where it now enjoys tribal and Administration support. I would also like to compliment the attorneys who have helped with this process, including Arlinda Locklear, and many of the staff at the Native American Rights Fund.

As you know, the past two Congresses have not been a hotbed of legislative activity that could be said to actually benefit Native Americans. Just about anyone can who has been watching Congress lately can see that Indian tribes, the leadership of the Resources Committee, and the Administration have been spending a lot of energy fighting measures that would erode tribal sovereignty. Compared with the 103rd Congress, and Congresses before that, there has been a dearth of pro-Indian legislation. In fact, I am hard-pressed to name more than one major piece of Indian legislation signed into law these last two Congresses. But, fortunately, this is different. This is a major piece of legislation that will have resounding impact across the country. This is legislation that is historic and long overdue. We have a chance, as a Congress to finally make some positive strides in terms of our relationship with the Native American tribes of this country and I hope that we take full advantage of the few chances that we get whenever they come our way.

As previously described, this bill revamps the federal recognition process for Indian tribes that is now handled by the Bureau of Indian Affairs in the Department of the Interior. We are making this change for five significant reasons. First, the BIA is inherently biased against adding new tribes to its existing budget. Second, the process is too expensive—costs per tribe range from $300,000 to $500,000. Third, the process is too lengthy—the BIA completes an average of 1.3 petitions a year, meaning it will take more than a century to finish pending applications. Fourth, the process does not provide petitioners with due process (i.e. cross examination, and an on-the-record hearing. Fifth, the same experts who conduct research on a petitioner's case are also the judge and jury in the process. In a recent case, a federal court found that the BIA's procedures were "marred by both lengthy delays and a pattern of serious procedural due process violations."

H.R. 1154 would eliminate bias and conflict of interest by establishing an independent three member commission outside of the BIA to review tribal recognition petitions. H.R. 1154 also provides tribes with the opportunity for formal, on-the-record hearings. Records relied upon by the Commission will be made available in a timely manner to petitioners. In addition, H.R. 1154 affirms the precedential value of prior BIA recognition decisions and makes the records of those decisions readily available to petitioners. The bill also sets strict timelines for action on pending petitions.

In addition, H.R. 1154 streamlines and objectifies the recognition criteria by aligning them with the legal standards in place prior to 1978 laid out by Assistant Solicitor Felix S. Cohen in the 1942 Handbook of Federal Indian Law. H.R. 1154 would require a petitioning tribe to prove: (1) that it and its members have been identified as Indians since 1934; (2) that it has exercised political leadership over its members since 1934; (3) that it has a membership roll; and (4) that it exists as a community by showing at least one of the four following requirements: (a) distinct social boundaries; (b) exercise of communal rights with respect to resources or subsistence activities; (c) retention of a native language or other customs; or (d) that it is state-recognized tribe.

The Administration had informally indicated certain objections to the criteria of H.R. 1154 as introduced. Principally, the Administration viewed H.R. 1154 as a dramatic departure from the criteria in the acknowledgment regulations which, if enacted, would disservice the goal of consistency in policy in this area. Thus, Congressman FALEOMAVAEGA invited representatives of the Department of the Interior to discuss how the goal of reform could be accomplished without a complete break from the regulations. As a result of this discussion, two sets of changes were made to the H.R. 1154 criteria at mark up.

The first set of changes relate to the structure of the criteria. The acknowledgment regulations contain seven mandatory criteria, while H.R. 1154 contained fewer mandatory criteria and allowed petitioners options for proof as to some criteria. In the interest of maintaining consistency, the substitute bill adopts the structure of the regulations—it requires that tribes prove the same mandatory criteria that the present acknowledgment regulations require. However, the substitute bill uses 1934 as the starting point in time for the mandatory criteria just as did the original bill.

The second set of changes relate to the terms of the mandatory criteria. Since the goals of reform are to shorten the review process, make the process more open, and make the outcome of the process more predictable, it was necessary to tighten the criteria themselves and eliminate the need for subjective determinations. To that end, the criteria are redefined as follows in the substitute bill:

1. Indian identity—defined substantially the same as in the acknowledgment regulations, with the exception that absence of evidence of Indian identity resulting from official acts or policy of the Federal or relevant state government shall not be the basis for declining acknowledgment.

2. A distinct community—defined substantially the same as in the acknowledgment regulations. This criterion did not appear in H.R. 1154 as introduced, but was added in the substitute so that the criteria track those of the acknowledgment regulations. Experience with this criterion under the regulations, though, shows that it requires subjective determinations by staff, with results that appear inconsistent from one petitioner to the next. The substitute bill deals with this problem by adding quantifiable indicia that shall be deemed conclusive proof of community, such as measurable geographic proximity and in-marriage rates. In addition, community can be demonstrated in the substitute bill by certain forms of proof of political influence, just as under the acknowledgment regulations. As a result, in some cases criteria 2 and 3 will merge into one.

3. Political influence—defined substantially the same as in the acknowledgment regulations. As with community, though, this criterion requires subjective determinations by staff. Again, the substitute bill deals with this problem by adding objective indicia that shall be deemed conclusive proof of community, such as a continuous line of leaders recognized by a state government.

4. A copy of the group's governing document—defined substantially the same as in the acknowledgement regulations.

5. Descent from historic tribe(s)—defined substantially the same as in the acknowledgment regulations. This criterion has been troublesome in application since it essentially requires a petitioner to demonstrate tribal existence from the time of first sustained white contact, even though the other criteria expressly require proof of each since 1900 only. The substitute bill deals with this problem by establishing a presumption of continuous existence that arises from proof of descent from an Indian entity since 1934. In addition, the substitute bill lists types of evidence that are acceptable for proof of descent, evidence that includes first hand professional research or reports about the group in addition to genealogical records.

6. Petitioner's members are not members of other tribes—defined substantially the same as in the acknowledgment regulations.

7. Proof that the tribe has not been terminated by Congress—appears as the seventh mandatory criterion in the acknowledgment regulations. This requirement does not appear as a mandatory criterion in the substitute bill. However, section 5(a)(3) of the substitute bill expressly excludes terminated tribes from the act.

The net affect of changes made to the criteria in the substitute bill are twofold. First, it utilizes the basic framework of the acknowledgment regulations by requiring that petitioners demonstrate the same mandatory criteria. This provides for some consistency in policy with the last twenty years' administration under the acknowledgment regulations. Second, it limits the time period for which petitioners must demonstrate the criteria and minimizes the need for subjective evaluation of data by staff. This provides for a speedier process and one that produces consistent results from one petitioner to the other. Finally, the substitute includes new provisions that more accurately reflect the historic experience of non-federally recognized tribes and insure that tribes will not pay the cost for federal and state efforts to suppress or outlaw tribalism at various times in history.

Mr. Speaker, I am proud and actually, somewhat relieved that we have finally gotten back to the point we were two Congresses ago, passing recognition legislation out of the House. I hope that the Senate will take prompt action on this bill and send this to the President this year. I believe that this is a historic opportunity to right some of the wrongs visited upon the nearly two-hundred tribes that still seek recognition. By making the process by which the Executive Branch acknowledges their existence fairer and clearer, we will ensure that this country resumes the government-to-government relationship and trust responsibility owed many of these tribes.

Mr. MCINTYRE. I rise today in strong support of HR 1154—the Indian Federal Recognition Administrative Procedures Act of 1997. I would like to thank Congressman ENI FALEOMAVAEGA for his hard work and support of this measure, as well as the Chairman of the Resources Committee, Congressman DON YOUNG. Both of these men have been very helpful and encouraging to me as I have sought in moving this important piece of legislation.

Mr. Speaker, I have the privilege of representing in Congress approximately 40,000 Native Americans known as the Lumbees—the largest tribe east of the Mississippi River! The Lumbee people are important to the success of everyday life in my home country of North Carolina—Robeson County. Their contributions to our society are numerous and endless—from medicine and law to business and banking, from the farms and factories to the schools and the churches, from the government, military, and community service to entertainment and athletic accomplishments, the Lumbees have made tremendous contributions to our county, state, and nation. For 100 years, these Native Americans have sought recognition. However , the Lumbee Tribe is the largest non-federally recognized tribe in the nation. Throughout the 20th Century, the tribe has renewed its appeal for federal recognition. Twice, the U.S. House of Representatives has passed a free standing bill for Lumbee recognition only to have it die in the Senate. This is about fundamental fairness; it is about stopping discrimination. It's time for discrimination to end and recognition to begin!

Mr. Speaker, shortly after my taking office in January, 1997, I met with local Native American leaders in my district, and we concluded that the congressional and federal procedures currently in place have not been working, and a new approach is needed to give the Lumbee people their much deserved Federal recognition. And this would help not only the Lumbee, but potentially other tribes as well. That approach is HR 1154.

Mr. Speaker, HR 1154 streamlines and takes the politics out of the federal recognition process. By establishing an independent commission with strict time lines to evaluate and approve Native American applications, all non-federally recognized tribes will have a fair shot at receiving federal recognition.

Mr. Speaker, again let me thank Congressman FALEOMAVAEGA and Chairman YOUNG for their effort on this bill. I look forward to working with them and our colleagues in the Senate to enact this important piece of legislation without further delay.

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

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 1154, as amended.

Mr. WOLF. 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.

GUAM ORGANIC ACT AMENDMENTS OF 1998

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2370) to amend the Organic Act of Guam for the purposes of clarifying the local judicial structure and the office of Attorney General, as amended.

The Clerk read as follows:

H.R. 2370

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Guam Organic Act Amendments of 1998".

SEC. 2. ATTORNEY GENERAL OF GUAM.

Section 29 of the Organic Act of Guam (48 U.S.C. 1421g) is amended by adding at the end the following new subsection:

"(d)(1) The Attorney General of Guam shall be the Chief Legal Officer of the Government of Guam. At such time as the Office of the Attorney General of Guam shall next become vacant, the Attorney General of Guam shall be appointed by the Governor of Guam with the advice and consent of the legislature, and shall serve at the pleasure of the Governor of Guam.

"(2) Instead of an appointed Attorney General, the legislature may, by law, provide for the election of the Attorney General of Guam by the qualified voters of Guam in general elections after 1998 in which the Governor of Guam is elected. The term of an elected Attorney General shall be 4 years. The Attorney General may be removed by the people of Guam according to the procedures specified in section 9–A of this Act or may be removed for cause in accordance with procedures established by the legislature in law. A vacancy in the office of an elected Attorney General shall be filled—

"(A) by appointment by the Governor of Guam if such vacancy occurs less than 6 months before a general election for the Office of Attorney General of Guam; or

"(B) by a special election held no sooner than 3 months after such vacancy occurs and no later than 6 months before a general election for Attorney General of Guam, and by appointment by

the Governor of Guam pending a special election under this subparagraph.".

SEC. 3. LEGISLATIVE QUORUM.

Section 12 of the Organic Act of Guam (48 U.S.C. 1423b) is amended by striking "eleven" and inserting "a simple majority".

SEC. 4. CLARIFICATION OF LEGISLATIVE POWER.

The first sentence of section 11 of the Organic Act of Guam (48 U.S.C. 1423a) is amended—

(1) by inserting "rightful" before "subjects"; and

(2) by striking "legislation of local application" and inserting "legislation".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from Guam (Mr. UNDERWOOD) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to support H.R. 2370.

I want to compliment the gentleman from Guam (Mr. UNDERWOOD). This bill is the amendment to the Organic Act of 1998, which authorizes increased self-government for the U.S. citizens of the American territory of Guam. These changes have been the subject of hearings conducted by the Committee on Resources.

A consensus of support of the proposed changes to Guam's Organic Act emerged from testimony by various people from Guam. Furthermore, the Guam legislature petitioned Congress for the changes now before the House. One provision would amend Guam's Organic Act to allow local law to provide for the election rather than the appointment of Guam's Attorney General. Another provision permits the quorum size requirement of the legislature be changed from the specific number of 11 out of 21 to a simple majority.

While the proposed changes to the Guam local government are justified and appropriate, these kinds of changes can and should be done by Guam by the development and adoption of a local constitution. Congress authorized a formulation of a local constitutional government by Guam in Public Laws 94–584 and 96–597 in 1976 and 1980 respectively.

The U.S. citizens of Guam can absolutely be certain that with the adoption of a local constitution, they will retain an inherent right to seek substantial changes in their political status.

However, until Guam enacts a local Constitution, any changes to the basic laws governing Guam can only be done by Congress. Thus, the need for this House to provide authority for specific amendments to the Guam Organic Act to enhance the government of Guam. This is a good piece of legislation. I urge the passage of the legislation.

When Congress acted years ago to permit Guam to change the size of its legislature, the quorum requirement was inadvertently not changed as well. That oversight is corrected with the necessary conforming amendment in the bill. These changes including the technical clarification of local legislative power all received bipartisan support in the congressional hearings.

Before H.R. 2370 was approved by the Committee on Resources, the committee of jurisdiction, the legislation contained a section regarding "Judicial Authority; Supreme Court of Guam." That proposed provision would have overridden the local Guam Public Law 24–139, enacted February 22, 1998. Guam's local law is clear decisive legislation, reflecting the desire of Guam's legislators for a specific type of administrative organization for the Judicial Branch of Guam which they believed would be best for the Guam community. While there were individuals who supported the judicial change proposed in H.R. 2370, which was also suggested to be consistent with results of an unscientific survey of public opinion regarding the judiciary on Guam, such a fundamental change to Guam's local self-governance should be done with the support of the Government of Guam; or, in a locally developed Constitution, not by a unilateral change in the Federal statute.

Congress has considered changes affecting local self-government in the territories primarily based on a consensus by the people and their leaders. That consensus has been usually reflected in resolutions by the local legislature. During the past couple of years, the Government of Guam has informed Congress a number of times of requested changes to the Guam Organic Act or federal law. The provisions in H.R. 2370 as approved and reported by the Committee on Resources for full consideration by the full House have the general support of the leaders of Guam.

Rather than continuing to petition Congress to make changes to the Organic Act regarding functions and powers of the executive, legislative, and judicial branches of the Government of Guam, a constitution can be adopted to address those areas. Furthermore, any future changes to the local constitutional government would be through the local amendment process for the constitution, as exists today for Puerto Rico and the Northern Mariana Islands. The federal courts and if necessary, the Congress remain the safeguards to insure that the local constitutional government as amended is consistent with the federal Constitution and the intent of Congress.

The Guam Legislature passed Resolution No. 85 on September 15, 1997, asking the U.S. 105th Congress to amend the federal law authorizing constitutional government for Guam. Congress is asked to explicitly state that the adoption of a constitution would not preclude or prejudice the right of self-determination by the people of Guam.

Indeed, Congressional assurance is important so that the people of Guam know that the adoption of a constitution by Guam as authorized in federal law would not preclude their further right to self-determination. Guam would in fact enjoy a major degree of increased local self-government with constitutional government, which could be as the "Commonwealth of Guam" if that is what the people of Guam choose to call their finally-implemented constitution. The U.S. citizens of Guam can be absolutely certain that with the adoption of a local constitution they will retain an inherent right to seek a subsequent change in their political status.

The right of continued self-determination after the adoption of a constitution in a U.S. territory is validated by the fact that the adoption of a local constitution in 1952 by the U.S. citizens of Puerto Rico, as similarly preauthorized by Congress, has not precluded or prejudiced the people's further right of self-determination. Also relevant to Guam is the adoption by the Puerto Rico Constitutional Convention of Resolution 22 which called the new constitutional government structure, the "Commonwealth of Puerto Rico". Now, over four decades later, Puerto Rico's territorial legislature has asked the 105th Congress to define a process for further self-determination. Both the U.S. House and the Senate have passed measures this year explicitly supporting Puerto Rico's right to self-determination and a change of the Commonwealth of Puerto Rico to full self-government status when desired by a majority of the people of Puerto Rico. Clearly the adoption of a local constitution has not precluded the further exercise by the people of Puerto Rico of the right of self-determination and the adoption of a Guam constitution would not limit a future change in Guam's status.

Out of respect to the Guam Legislature who petitioned the 105th Congress for clarification on this matter on behalf of the people of Guam, the entire text of Guam Resolution No. 85 follows. However, until Guam enacts a local constitution, any change to the basic laws governing Guam can only be done by Congress, and thus the need for this House to provide authority for specific amendments to the Guam Organic Act to enhance self-government for Guam.

GUAM LEGISLATURE RESOLUTION NO. 85:

Relative to requesting the 105th Congress to amend the Organic Act by adding a new Section 6, to confirm that the adoption of a Constitution establishing local government shall not preclude or prejudice the further exercise in the future by the people of Guam of the right of self-determination regarding the ultimate political status of Guam.

Be It Resolved by the Legislature of the Territory of Guam:

Whereas, in 1976 the United States Congress enabled the people of Guam, pursuant to P.L. No. 95–584, to organize a government under a constitution of our own adoption, which upon approval by Congress and the people of Guam, would provide for local government over the internal affairs of our Island; and

Whereas, when the current government of Guam structure for territorial government was established under the 1950 Organic Act, it was welcomed by the people of Guam as progress toward greater local government, but it was instituted without the consent of the people of Guam through a democratic act of self-determination or participation in the Federal lawmaking process on the basis of equal citizenship or equal representation; and

Whereas, the 1977 Constitution of Guam, drafted pursuant to Federal and local statutes, was approved by Congress but was not approved by the people of Guam in the 1979 referendum; and

Whereas, the process of establishment of internal local government under a local constitution was suspended after linkage was

created between the draft constitution and the political status process; and

Whereas, in light of representation and speculations inconsistent with the foregoing from 1979 to the present, it is essential for Congress to confirm its original and continued intention and expectation that authorization and approval of local constitutional government in Guam would not preclude or be prejudicial to the exercise of the right to self-determination, as part of the process through which ultimate political status of the territory of Guam is to be determined: Now therefore, be it

Resolved, by the Guam Legislature, on behalf of the people of Guam, request the One Hundred and Fifth Congress of the United States to amend Public Law No. 94-585, Oct. 21, 1976, 90 Stat. 2899, as amended by Public Law No. 96-597, Title V, Sec. 501, Dec. 24, 1980, 94 Stat. 3479, by adding a new Section 6 to read as follows:

"Section 6. Establishment of local constitutional local government pursuant to this Act shall not preclude or prejudice the further exercise in the future by the people of Guam or the Virgin Islands of the right of self-determination regarding the ultimate political status of either territory; and be it further

Resolved, that the Speaker certifies to, and the Legislative Secretary attests, the adoption hereof and that copies thereafter be transmitted to the President of the United States of America; to the President Pro Tempore, United States Senate; to the Majority Leader, United States Senate; to the Minority Leader, United States Senate; to the Chairman of the Committee on Energy and Natural Resources, United States Senate; to the Speaker, U.S. House of Representatives; to the Majority Leader, U.S. House of Representatives; to the Minority Leader, U.S. House of Representatives; to the Chairman of the Committee on Resources, U.S. House of Representatives; to the Resident Commissioner of Puerto Rico, U.S. House of Representatives; to the Virgin Islands Delegate to Washington, U.S. House of Representatives; to the Guam Delegate to Washington, U.S. House of Representatives; to the President of the Mayor's Council; and to the Honorable Carl T.C. Gutierrez, Governor of Guam.

Duly and Regularly Adopted on the 25th Day of September, 1997.

ANTHONY C. BLAZ.
JOANIE M.S. BROWN.

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

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

Mr. Speaker, I want to thank the chairman of the Committee on Resources, the gentleman from Alaska (Mr. YOUNG) for allowing me the opportunity to move this legislation to the floor. I want to thank him for allowing the people of Guam to clarify and make amendments to the Organic Act of Guam, the governing document signed in the 1950s, which acts as a framework for Guam's system of local government. This is not the first time that Guam's Organic Act has been amended to reflect the needs of the island, nor will it be the last.

Mr. Speaker, H.R. 2370, the Guam Organic Act Amendments, is important and timely legislation for Guam. In a 1994 referendum, the voters decided to reduce the size of Guam's legislature from a 21 member body to 15 members. This law takes effect this year in Guam's general election. Since Guam's Organic Act stipulates that a quorum of the Guam legislature shall consist of 11 members, it is impossible that the function of the new 15-member body will go on unimpeded. Clarifying the Organic Act to read that a quorum shall consist of a simple majority will prevent any confusion.

Another provision of this legislation will clarify and bring equity to the powers of the Guam legislature. It has been said that compared to the other territories, Guam's lawmaking body has even less authority than other territories. This is because in defining the powers of the legislature in Guam's Organic Act, authority was extended over subjects of legislation. Congress amended the Virgin Islands Organic Act to read that they have control over rightful subjects of legislation. H.R. 2370 will give Guam parity with the Virgin Islands and provide a greater measure of self government.

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Lastly, H.R. 2370 allows Guam to establish an elected Attorney General. This provision was included in the legislation in response to a survey polling what changes should be made to Guam's Organic Act. For this particular issue, the majority of respondents agreed that the Guam Legislature should have the authority to decide whether an elected Attorney General would better serve our island or remain with the status quo of an appointment by the Governor.

Mr. Speaker, amending Guam's Organic Act is work that is taken very seriously on our island. It is not something that we do without a great deal of thought; we do it always as a deliberate measure to enact a greater measure of self-government on our island. When I proposed this legislation, it was because my constituents indicated that our local government needed to function a little better while we work to solve our final political status.

Unfortunately, one provision of the original legislation which would clarify and make certain the independence of the judicial branch of Guam's government was not included. This issue is still very much with us, and I am hopeful that once the path is made clearer, that the Congress would consider amending Guam's Organic Act to ensure that a coequal branch of the judiciary exists on Guam.

Mr. Speaker, I thank the gentleman from Alaska (Mr. YOUNG) and the gentleman from California (Mr. MILLER) for bringing H.R. 2370 to the floor today. I would also like to acknowledge Chairman YOUNG's strong support as well as his candor as it relates to the removal of some of the original provisions of H.R. 2370. I would also like to thank all the staff that helped bring this about.

Mr. Speaker, H.R. 2370 is good legislation which provides Guam with a greater measure of self-government, and I hope that my colleagues pass H.R. 2370.

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

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again, I want to compliment the gentleman from Guam (Mr. UNDERWOOD) in working with him on this issue, and we will continue to revisit this issue as time goes by. We hope someday that we would like to see the commonwealth, or whatever Guam wants to be, become what they want to be. And with the people in Guam and the efforts they have had in the past and the future, I am sure that will occur.

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

Mr. UNDERWOOD. Mr. Speaker, I yield 3 minutes to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

Mr. FALEOMAVAEGA. Mr. Speaker, I would like to offer my commendation to the gentleman from Alaska (Mr. YOUNG), the chairman of the Committee on Resources, for his support and bipartisanship in supporting this legislation.

Mr. Speaker, I rise in support of this bill to give the local government of Guam certain additional authority to amend its laws. The Organic Act of Guam was enacted in 1950, and it is on this law that the current executive, legislative, and judicial branches of the territorial government are based.

Although Guam has the authority to adopt a Constitution, it has not done so, and as a result no changes to the current structure of its government can be made without the approval of Congress. The bill before us today authorizes the local legislature to provide for an elected Attorney General, changes the requirement for a quorum in the legislature from 11 legislators to a simple majority, and extends Guam's legislative authority to include all those normally considered to be within the jurisdiction of a governing authority.

Mr. Speaker, coming from another of the insular areas, I understand the difficulty of getting Congress to address technical corrections of this nature. While the law proposed to be changed in this bill will have no impact on the vast majority of citizens of our Nation, it will have a definite impact on the residents of Guam by making their government more responsive to the people being governed.

This legislation is consistent with the efforts of this body to give more authority to local governments and

certainly has my strongest support. I urge my colleagues to support this legislation.

Ms. CHRISTIAN-GREEN. I thank my colleague for yielding to me.

I rise today in strong support of H.R. 2370, the Guam Organic Act Amendments of 1998 and to congratulate and commend my friend and colleague, the Gentleman from Guam, BOB UNDERWOOD for his hard work and determination in getting this bill to the floor of the House today.

I want to take this opportunity to thank my colleague from Guam for all the help he has given me as a new member and fellow Insular Area Delegate to Congress, over these past two years. I have enjoyed very much serving with BOB UNDERWOOD, who has always been available to me for advice and counsel on many of the issues which are unique to our Congressional districts.

The people of Guam are truly well served by having Congressman UNDERWOOD as their representative in Congress.

My colleagues, H.R. 2370 would amend the Organic Act of Guam to authorize the Government of Guam to establish an Office of the Attorney General of Guam and for such Attorney General to be elected by the qualified voters of Guam after 1998. The Guam Attorney General is currently appointed by the Governor, however, controversies have arisen in the past because of the appointment nature of this position.

There have been questions of political interference with investigations, inefficiency of case work and, in one case, the dismissal of the Attorney General without cause. It is clear, from a recently conducted survey of the people of Guam, that they overwhelming support the election of their Attorney General.

Similar to a bill which I have introduced and which is awaiting scheduling on the Floor, H.R. 2370 would also, clarify that the composition of a quorum of the Legislature of Guam would be a simple majority rather than a specified number as required by current law.

Finally, H.R. 2370 would amend the language in the Guam Organic Act to provide for the clarification of the legislative powers of the Guam Legislature. This would provide Guam with a greater measure of self-government equal to, ironically my own district, the U.S. Virgin Islands.

My colleagues it is important that we pass H.R. 2370 immediately and for the Senate to do the same, because it is needed to address the problem of what constitutes a quorum of the Legislature of Guam. The people of Guam have reduced the size of their local Legislature from 21 to 15 but current federal law still mandates a quorum of 11 members.

I commend my colleague from Guam for his hard work in seeking to address this problem in advance of the 1998 Legislative elections. I urge my colleagues to vote.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 2370, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend the Organic Act of Guam to clarify local executive and legislative provisions in such Act, and for other purposes.".

A motion to reconsider was laid on the table.

TRIBAL SELF-GOVERNANCE AMENDMENTS OF 1998

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1833) to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1833

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tribal Self-Governance Amendments of 1998".

SEC. 2. FINDINGS.

Congress finds that—

(1) the tribal right of self-government flows from the inherent sovereignty of Indian tribes and nations;

(2) the United States recognizes a special government-to-government relationship with Indian tribes, including the right of the Indian tribes to self-governance, as reflected in the Constitution, treaties, Federal statutes, and the course of dealings of the United States with Indian tribes;

(3) although progress has been made, the Federal bureaucracy, with its centralized rules and regulations, has eroded tribal self-governance and dominates tribal affairs;

(4) the Tribal Self-Governance Demonstration Project, established under title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) was designed to improve and perpetuate the government-to-government relationship between Indian tribes and the United States and to strengthen tribal control over Federal funding and program management;

(5) although the Federal Government has made considerable strides in improving Indian health care, it has failed to fully meet its trust responsibilities and to satisfy its obligations to the Indian tribes under treaties and other laws; and

(6) Congress has reviewed the results of the Tribal Self-Governance Demonstration Project and finds that transferring full control and funding to tribal governments, upon tribal request, over decision making for Federal programs, services, functions, and activities (or portions thereof)—

(A) is an appropriate and effective means of implementing the Federal policy of government-to-government relations with Indian tribes; and

(B) strengthens the Federal policy of Indian self-determination.

SEC. 3. DECLARATION OF POLICY.

It is the policy of Congress to—

(1) permanently establish and implement tribal self-governance within the Department of Health and Human Services;

(2) call for full cooperation from the Department of Health and Human Services and its constituent agencies in the implementation of tribal self-governance—

(A) to enable the United States to maintain and improve its unique and continuing relationship with, and responsibility to, Indian tribes;

(B) to permit each Indian tribe to choose the extent of its participation in self-governance in accordance with the provisions of the Indian Self-Determination and Education Assistance Act relating to the provision of Federal services to Indian tribes;

(C) to ensure the continuation of the trust responsibility of the United States to Indian tribes and Indian individuals;

(D) to affirm and enable the United States to fulfill its obligations to the Indian tribes under treaties and other laws;

(E) to strengthen the government-to-government relationship between the United States and Indian tribes through direct and meaningful consultation with all tribes;

(F) to permit an orderly transition from Federal domination of programs and services to provide Indian tribes with meaningful authority, control, funding, and discretion to plan, conduct, redesign, and administer programs, services, functions, and activities (or portions thereof) that meet the needs of the individual tribal communities;

(G) to provide for a measurable parallel reduction in the Federal bureaucracy as programs, services, functions, and activities (or portions thereof) are assumed by Indian tribes;

(H) to encourage the Secretary to identify all programs, services, functions, and activities (or portions thereof) of the Department of Health and Human Services that may be managed by an Indian tribe under this Act and to assist Indian tribes in assuming responsibility for such programs, services, functions, and activities (or portions thereof); and

(I) to provide Indian tribes with the earliest opportunity to administer programs, services, functions, and activities (or portions thereof) from throughout the Department of Health and Human Services.

SEC. 4. TRIBAL SELF-GOVERNANCE.

The Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) is amended by adding at the end the following new titles:

"TITLE V—TRIBAL SELF-GOVERNANCE

"SEC. 501. ESTABLISHMENT.

"The Secretary of Health and Human Services shall establish and carry out a program within the Indian Health Service of the Department of Health and Human Services to be known as the 'Tribal Self-Governance Program' in accordance with this title.

"SEC. 502. DEFINITIONS.

"(a) IN GENERAL.—For purposes of this title—

"(1) the term 'construction project' means an organized noncontinuous undertaking to complete a specific set of predetermined objectives for the planning, environmental determination, design, construction, repair, improvement, or expansion of buildings or facilities, as described in a construction project agreement. The term 'construction project' does not mean construction program administration and activities described in paragraphs (1) through (3) of section 4(m), which may otherwise be included in a funding agreement under this title;

"(2) the term 'construction project agreement' means a negotiated agreement between the Secretary and an Indian tribe which at a minimum—

"(A) establishes project phase start and completion dates;

"(B) defines a specific scope of work and standards by which it will be accomplished;

"(C) identifies the responsibilities of the Indian tribe and the Secretary;

"(D) addresses environmental considerations;

"(E) identifies the owner and operations/maintenance entity of the proposed work;

"(F) provides a budget;

"(G) provides a payment process; and

"(H) establishes the duration of the agreement based on the time necessary to complete the specified scope of work, which may be 1 or more years;

"(3) the term 'inherent Federal functions' means those Federal functions which cannot legally be delegated to Indian tribes;

"(4) the term 'inter-tribal consortium' means a coalition of two or more separate Indian tribes that join together for the purpose of participating in self-governance, including, but not limited to, a tribal organization;

"(5) the term 'gross mismanagement' means a significant, clear, and convincing violation of compact, funding agreement, or regulatory, or statutory requirements applicable to Federal funds transferred to a tribe by a compact or funding agreement that results in a significant reduction of funds available for the programs, services, functions, or activities (or portions thereof) assumed by an Indian tribe;

"(6) the term 'tribal shares' means an Indian tribe's portion of all funds and resources that support secretarial programs, services, functions, and activities (or portions thereof) that are not required by the Secretary for performance of inherent Federal functions;

"(7) the term 'Secretary' means the Secretary of Health and Human Services; and

"(8) the term 'self-governance' means the program established pursuant to section 501.

"(b) INDIAN TRIBE.—Where an Indian tribe has authorized another Indian tribe, an inter-tribal consortium, or a tribal organization to plan for or carry out programs, services, functions, or activities (or portions thereof) on its behalf under this title, the authorized Indian tribe, inter-tribal consortium, or tribal organization shall have the rights and responsibilities of the authorizing Indian tribe (except as otherwise provided in the authorizing resolution or in this title). In such event, the term 'Indian tribe' as used in this title shall include such other authorized Indian tribe, inter-tribal consortium, or tribal organization.

"SEC. 503. SELECTION OF PARTICIPATING INDIAN TRIBES.

"(a) CONTINUING PARTICIPATION.—Each Indian tribe that is participating in the Tribal Self-Governance Demonstration Project under title III on the date of enactment of this title may elect to participate in self-governance under this title under existing authority as reflected in tribal resolutions.

"(b) ADDITIONAL PARTICIPANTS.—

"(1) In addition to those Indian tribes participating in self-governance under subsection (a), each year an additional 50 Indian tribes that meet the eligibility criteria specified in subsection (c) shall be entitled to participate in self-governance.

"(2)(A) An Indian tribe that has withdrawn from participation in an inter-tribal consortium or tribal organization, in whole or in part, shall be entitled to participate in self-governance provided the Indian tribe meets the eligibility criteria specified in subsection (c).

"(B) If an Indian tribe has withdrawn from participation in an inter-tribal consortium or tribal organization, it shall be entitled to its tribal share of funds supporting those programs, services, functions, and activities (or portions thereof) that it will be carrying out under its compact and funding agreement.

"(C) In no event shall the withdrawal of an Indian tribe from an inter-tribal consortium or tribal organization affect the eligibility of the inter-tribal consortium or tribal organization to participate in self-governance.

"(c) APPLICANT POOL.—The qualified applicant pool for self-governance shall consist of each Indian tribe that—

"(1) successfully completes the planning phase described in subsection (d);

"(2) has requested participation in self-governance by resolution or other official action by the governing body (or bodies) of the Indian tribe or tribes to be served; and

"(3) has demonstrated, for the previous 3 fiscal years, financial stability and financial management capability.

Evidence that during such years the Indian tribe had no uncorrected significant and material audit exceptions in the required annual audit of the Indian tribe's self-determination contracts or self-governance funding agreements shall be conclusive evidence of the required stability and capability for the purposes of this subsection.

"(d) PLANNING PHASE.—Each Indian tribe seeking participation in self-governance shall complete a planning phase. The planning phase shall be conducted to the satisfaction of the Indian tribe and shall include—

"(1) legal and budgetary research; and

"(2) internal tribal government planning and organizational preparation relating to the administration of health care programs.

"(e) GRANTS.—Subject to the availability of appropriations, any Indian tribe meeting the requirements of paragraphs (2) and (3) of subsection (c) shall be eligible for grants—

"(1) to plan for participation in self-governance; and

"(2) to negotiate the terms of participation by the Indian tribe or tribal organization in self-governance, as set forth in a compact and a funding agreement.

"(f) RECEIPT OF GRANT NOT REQUIRED.—Receipt of a grant under subsection (e) shall not be a requirement of participation in self-governance.

"SEC. 504. COMPACTS.

"(a) COMPACT REQUIRED.—The Secretary shall negotiate and enter into a written compact with each Indian tribe participating in self-governance in a manner consistent with the Federal Government's trust responsibility, treaty obligations, and the government-to-government relationship between Indian tribes and the United States.

"(b) CONTENTS.—Each compact required under subsection (a) shall set forth the general terms of the government-to-government relationship between the Indian tribe and the Secretary, including such terms as the parties intend shall control year after year. Such compacts may only be amended by mutual agreement of the parties.

"(c) EXISTING COMPACTS.—An Indian tribe participating in the Tribal Self-Governance Demonstration Project under title III on the date of enactment of this title shall have the option at any time thereafter to—

"(1) retain its Tribal Self-Governance Demonstration Project compact (in whole or in part) to the extent the provisions of such compact are not directly contrary to any express provision of this title, or

"(2) negotiate in lieu thereof (in whole or in part) a new compact in conformity with this title.

"(d) TERM AND EFFECTIVE DATE.—The effective date of a compact shall be the date of the approval and execution by the Indian tribe or another date agreed upon by the parties, and shall remain in effect for so long as permitted by Federal law or until terminated by mutual written agreement, retrocession, or reassumption.

"SEC. 505. FUNDING AGREEMENTS.

"(a) FUNDING AGREEMENT REQUIRED.—The Secretary shall negotiate and enter into a written funding agreement with each Indian tribe participating in self-governance in a manner consistent with the Federal Government's trust responsibility, treaty obligations, and the government-to-government relationship between Indian tribes and the United States.

"(b) CONTENTS.—Each funding agreement required under subsection (a) shall, as determined by the Indian tribe, authorize the Indian tribe to plan, conduct, consolidate, administer, and receive full tribal share funding, including tribal shares of Indian Health Service competitive grants (excluding congressionally earmarked competitive grants), for all programs, services, functions, and activities (or portions thereof), that are carried out for the benefit of Indians because of their status as Indians without regard to the agency or office of the Indian Health Service within which the program, service, function, or activity (or portion thereof) is performed. Such programs, services, functions, or activities (or portions thereof) include all programs, services, functions, activities (or portions thereof) where Indian tribes or Indians are primary or significant beneficiaries, administered by the Department of Health and Human Services through the Indian Health Service and grants (which may be added to a funding agreement after award of such grants) and all local, field, service unit, area, regional, and central headquarters or national office functions administered under the authority of—

"(1) the Act of November 2, 1921 (25 U.S.C. 13);

"(2) the Act of April 16, 1934 (25 U.S.C. 452 et seq.);

"(3) the Act of August 5, 1954 (68 Stat. 674);

"(4) the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.); or

"(5) the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986 (25 U.S.C. 2401 et seq.).

"(c) INCLUSION IN COMPACT OR FUNDING AGREEMENT.—Indian tribes or Indians need not be identified in the authorizing statute for a program or element of a program to be eligible for inclusion in a compact or funding agreement under this title.

"(d) FUNDING AGREEMENT TERMS.—Each funding agreement shall set forth terms that generally identify the programs, services, functions, and activities (or portions thereof) to be performed or administered, the general budget category assigned, the funds to be provided, including those to be provided on a recurring basis, the time and method of transfer of the funds, the responsibilities of the Secretary, and any other provisions to which the Indian tribe and the Secretary agree.

"(e) SUBSEQUENT FUNDING AGREEMENTS.—Absent notification from an Indian tribe that is withdrawing or retroceding the operation of one or more programs, services, functions, or activities (or portions thereof) identified in a funding agreement, or unless otherwise agreed to by the parties, each funding agreement shall remain in full force and effect until a subsequent funding agreement is executed, and the terms of the subsequent funding agreement shall be retroactive

to the end of the term of the preceding funding agreement.

"(f) EXISTING FUNDING AGREEMENTS.—Each Indian tribe participating in the Tribal Self-Governance Demonstration Project established under title III on the date of enactment of this title shall have the option at any time thereafter to—

"(1) retain its Tribal Self-Governance Demonstration Project funding agreement (in whole or in part) to the extent the provisions of such funding agreement are not directly contrary to any express provision of this title; or

"(2) adopt in lieu thereof (in whole or in part) a new funding agreement in conformity with this title.

"(g) STABLE BASE FUNDING.—At the option of an Indian tribe, a funding agreement may provide for a stable base budget specifying the recurring funds (including, for purposes of this provision, funds available under section 106(a) of the Act) to be transferred to such Indian tribe, for such period as may be specified in the funding agreement, subject to annual adjustment only to reflect changes in congressional appropriations by sub-sub activity excluding earmarks.

"SEC. 506. GENERAL PROVISIONS.

"(a) APPLICABILITY.—The provisions of this section shall apply to compacts and funding agreements negotiated under this title and an Indian tribe may, at its option, include provisions that reflect such requirements in a compact or funding agreement.

"(b) CONFLICTS OF INTEREST.—Indian tribes participating in self-governance under this title shall ensure that internal measures are in place to address conflicts of interest in the administration of self-governance programs, services, functions, or activities (or portions thereof).

"(c) AUDITS.—

"(1) SINGLE AGENCY AUDIT ACT.—The provisions of chapter 75 of title 31, United States Code, requiring a single agency audit report shall apply to funding agreements under this title.

"(2) COST PRINCIPLES.—An Indian tribe shall apply cost principles under the applicable Office of Management and Budget Circular, except as modified by section 106 or other provisions of law, or by any exemptions to applicable Office of Management and Budget Circulars subsequently granted by Office of Management and Budget. No other audit or accounting standards shall be required by the Secretary. Any claim by the Federal Government against the Indian tribe relating to funds received under a funding agreement based on any audit under this subsection shall be subject to the provisions of section 106(f).

"(d) RECORDS.—

"(1) IN GENERAL.—Unless an Indian tribe specifies otherwise in the compact or funding agreement, records of the Indian tribe shall not be considered Federal records for purposes of chapter 5 of title 5, United States Code.

"(2) RECORDKEEPING SYSTEM.—The Indian tribe shall maintain a recordkeeping system, and, after 30 days advance notice, provide the Secretary with reasonable access to such records to enable the Department of Health and Human Services to meet its minimum legal recordkeeping system requirements under sections 3101 through 3106 of title 44, United States Code.

"(e) REDESIGN AND CONSOLIDATION.—An Indian tribe may redesign or consolidate programs, services, functions, and activities (or portions thereof) included in a funding agreement under section 505 and reallocate or redirect funds for such programs, services, functions, and activities (or portions thereof) in any manner which the Indian tribe deems to be in the best interest of the health and welfare of the Indian community being served, only if the redesign or consolidation does not have the effect of denying eligibility for services to population groups otherwise eligible to be served under Federal law.

"(f) RETROCESSION.—An Indian tribe may retrocede, fully or partially, to the Secretary programs, services, functions, or activities (or portions thereof) included in the compact or funding agreement. Unless the Indian tribe rescinds the request for retrocession, such retrocession will become effective within the time frame specified by the parties in the compact or funding agreement. In the absence of such a specification, such retrocession shall become effective on—

"(1) the earlier of—

"(A) one year from the date of submission of such request; or

"(B) the date on which the funding agreement expires; or

"(2) such date as may be mutually agreed by the Secretary and the Indian tribe.

"(g) WITHDRAWAL.—

"(1) PROCESS.—An Indian tribe may fully or partially withdraw from a participating inter-tribal consortium or tribal organization its share of any program, function, service, or activity (or portions thereof) included in a compact or funding agreement. Such withdrawal shall become effective within the time frame specified in the resolution which authorizes transfer to the participating tribal organization or inter-tribal consortium. In the absence of a specific time frame set forth in the resolution, such withdrawal shall become effective on—

"(A) the earlier of—

"(i) one year from the date of submission of such request; or

"(ii) the date on which the funding agreement expires; or

"(B) such date as may be mutually agreed upon by the Secretary, the withdrawing Indian tribe, and the participating tribal organization or inter-tribal consortium that has signed the compact or funding agreement on behalf of the withdrawing Indian tribe, inter-tribal consortium, or tribal organization.

"(2) DISTRIBUTION OF FUNDS.—When an Indian tribe or tribal organization eligible to enter into a self-determination contract under title I or a compact or funding agreement under this title fully or partially withdraws from a participating inter-tribal consortium or tribal organization, the withdrawing Indian tribe or tribal organization shall be entitled to its tribal share of funds supporting those programs, services, functions, or activities (or portions thereof) which it will be carrying out under its own self-determination contract or compact and funding agreement (calculated on the same basis as the funds were initially allocated in the funding agreement of the inter-tribal consortium or tribal organization), and such funds shall be transferred from the funding agreement of the inter-tribal consortium or tribal organization, provided that the provisions of sections 102 and 105(i), as appropriate, shall apply to such withdrawing Indian tribe.

"(3) REGAINING MATURE CONTRACT STATUS.—If an Indian tribe elects to operate all or some programs, services, functions, or activities (or portions thereof) carried out under a compact or funding agreement under this title through a self-determination contract under title I, at the option of the Indian tribe, the resulting self-determination contract shall be a mature self-determination contract.

"(h) NONDUPLICATION.—For the period for which, and to the extent to which, funding is provided under this title or under the compact or funding agreement, the Indian tribe shall not be entitled to contract with the Secretary for such funds under section 102, except that such Indian tribe shall be eligible for new programs on the same basis as other Indian tribes.

"SEC. 507. PROVISIONS RELATING TO THE SECRETARY.

"(a) MANDATORY PROVISIONS.—

"(1) HEALTH STATUS REPORTS.—Compacts or funding agreements negotiated between the Secretary and an Indian tribe shall include a provision that requires the Indian tribe to report on health status and service delivery—

"(A) to the extent such data is not otherwise available to the Secretary and specific funds for this purpose are provided by the Secretary under the funding agreement; and

"(B) if such reporting shall impose minimal burdens on the participating Indian tribe and such requirements are promulgated under section 517.

"(2) REASSUMPTION—(A) Compacts and funding agreements negotiated between the Secretary and an Indian tribe shall include a provision authorizing the Secretary to reassume operation of a program, service, function, or activity (or portions thereof) and associated funding if there is a specific finding relative to that program, service, function, or activity (or portion thereof) of—

"(i) imminent endangerment of the public health caused by an act or omission of the Indian tribe, and the imminent endangerment arises out of a failure to carry out the compact or funding agreement; or

"(ii) gross mismanagement with respect to funds transferred to a tribe by a compact or funding agreement, as determined by the Secretary in consultation with the Inspector General, as appropriate.

"(B) The Secretary shall not reassume operation of a program, service, function, or activity (or portions thereof) unless (i) the Secretary has first provided written notice and a hearing on the record to the Indian tribe; and (ii) the Indian tribe has not taken corrective action to remedy the imminent endangerment to public health or gross mismanagement.

"(C) Notwithstanding subparagraph (B), the Secretary may, upon written notification to the tribe, immediately reassume operation of a program, service, function, or activity (or portion thereof) and associated funding if (i) the Secretary makes a finding of imminent substantial and irreparable endangerment of the public health caused by an act or omission of the Indian tribe; and (ii) the endangerment arises out of a failure to carry out the compact or funding agreement. If the Secretary reassumes operation of a program, service, function, or activity (or portion thereof) under this subparagraph, the Secretary shall provide the tribe with a hearing on the record not later than 10 days after such reassumption.

"(D) In any hearing or appeal involving a decision to reassume operation of a program, service, function, or activity (or portion thereof), the Secretary shall have the burden of proof of demonstrating by clear and convincing evidence the validity of the grounds for the reassumption.

"(b) FINAL OFFER.—In the event the Secretary and a participating Indian tribe are unable to agree, in whole or in part, on the

terms of a compact or funding agreement (including funding levels), the Indian tribe may submit a final offer to the Secretary. Not more than 45 days after such submission, or within a longer time agreed upon by the Indian tribe, the Secretary shall review and make a determination with respect to such offer. In the absence of a timely rejection of the offer, in whole or in part, made in compliance with subsection (c), the offer shall be deemed agreed to by the Secretary.

"(c) REJECTION OF FINAL OFFERS.—If the Secretary rejects an offer made under subsection (b) (or one or more provisions or funding levels in such offer), the Secretary shall provide—

"(1) a timely written notification to the Indian tribe that contains a specific finding that clearly demonstrates, or that is supported by a controlling legal authority, that—

"(A) the amount of funds proposed in the final offer exceeds the applicable funding level to which the Indian tribe is entitled under this title;

"(B) the program, function, service, or activity (or portion thereof) that is the subject of the final offer is an inherent Federal function that cannot legally be delegated to an Indian tribe;

"(C) the Indian tribe cannot carry out the program, function, service, or activity (or portion thereof) in a manner that would not result in significant danger or risk to the public health; or

"(D) the tribe is not eligible to participate in self-governance under section 503;

"(2) technical assistance to overcome the objections stated in the notification required by paragraph (1);

"(3) the Indian tribe with a hearing on the record with the right to engage in full discovery relevant to any issue raised in the matter and the opportunity for appeal on the objections raised, provided that the Indian tribe may, in lieu of filing such appeal, directly proceed to initiate an action in a Federal district court pursuant to section 110(a); and

"(4) the Indian tribe with the option of entering into the severable portions of a final proposed compact or funding agreement, or provision thereof, (including lesser funding amount, if any), that the Secretary did not reject, subject to any additional alterations necessary to conform the compact or funding agreement to the severed provisions. If an Indian tribe exercises the option specified herein, it shall retain the right to appeal the Secretary's rejection under this section, and paragraphs (1), (2), and (3) shall only apply to that portion of the proposed final compact, funding agreement or provision thereof that was rejected by the Secretary.

"(d) BURDEN OF PROOF.—With respect to any hearing or appeal or civil action conducted pursuant to this section, the Secretary shall have the burden of demonstrating by clear and convincing evidence the validity of the grounds for rejecting the offer (or a provision thereof) made under subsection (b).

"(e) GOOD FAITH.—In the negotiation of compacts and funding agreements the Secretary shall at all times negotiate in good faith to maximize implementation of the self-governance policy. The Secretary shall carry out this title in a manner that maximizes the policy of tribal self-governance, consistent with section 3.

"(f) SAVINGS.—To the extent that programs, functions, services, or activities (or portions thereof) carried out by Indian tribes under this title reduce the administrative or other responsibilities of the Secretary with respect to the operation of Indian programs and result in savings that have not otherwise been included in the amount of tribal shares and other funds determined under section 508(c), the Secretary shall make such savings available to the Indian tribes, inter-tribal consortia, or tribal organizations for the provision of additional services to program beneficiaries in a manner equitable to directly served, contracted, and compacted programs.

"(g) TRUST RESPONSIBILITY.—The Secretary is prohibited from waiving, modifying, or diminishing in any way the trust responsibility of the United States with respect to Indian tribes and individual Indians that exists under treaties, Executive orders, other laws, or court decisions.

"(h) DECISIONMAKER.—A decision that constitutes final agency action and relates to an appeal within the Department of Health and Human Services conducted under subsection (c) shall be made either—

"(1) by an official of the Department who holds a position at a higher organizational level within the Department than the level of the departmental agency in which the decision that is the subject of the appeal was made; or

"(2) by an administrative judge.

"SEC. 508. TRANSFER OF FUNDS.

"(a) IN GENERAL.—Pursuant to the terms of any compact or funding agreement entered into under this title, the Secretary shall transfer to the Indian tribe all funds provided for in the funding agreement, pursuant to subsection (c), and provide funding for periods covered by joint resolution adopted by Congress making continuing appropriations, to the extent permitted by such resolutions. In any instance where a funding agreement requires an annual transfer of funding to be made at the beginning of a fiscal year, or requires semiannual or other periodic transfers of funding to be made commencing at the beginning of a fiscal year, the first such transfer shall be made not later than 10 days after the apportionment of such funds by the Office of Management and Budget to the Department, unless the funding agreement provides otherwise.

"(b) MULTIYEAR FUNDING.—The Secretary is hereby authorized to employ, upon tribal request, multiyear funding agreements, and references in this title to funding agreements shall include such multiyear agreements.

"(c) AMOUNT OF FUNDING.—The Secretary shall provide funds under a funding agreement under this title in an amount equal to the amount that the Indian tribe would have been entitled to receive under self-determination contracts under this Act, including amounts for direct program costs specified under section 106(a)(1) and amounts for contract support costs specified under sections 106(a)(2), (a)(3), (a)(5), and (a)(6), including any funds that are specifically or functionally related to the provision by the Secretary of services and benefits to the Indian tribe or its members, all without regard to the organizational level within the Department where such functions are carried out.

"(d) PROHIBITIONS.—The Secretary is expressly prohibited from—

"(1) failing or refusing to transfer to an Indian tribe its full share of any central, headquarters, regional, area, or service unit office or other funds due under this Act, except as required by Federal law;

"(2) withholding portions of such funds for transfer over a period of years; and

"(3) reducing the amount of funds required herein—

"(A) to make funding available for self-governance monitoring or administration by the Secretary;

"(B) in subsequent years, except pursuant to—

"(i) a reduction in appropriations from the previous fiscal year for the program or function to be included in a compact or funding agreement;

"(ii) a congressional directive in legislation or accompanying report;

"(iii) a tribal authorization;

"(iv) a change in the amount of pass-through funds subject to the terms of the funding agreement; or

"(v) completion of a project, activity, or program for which such funds were provided;

"(C) to pay for Federal functions, including Federal pay costs, Federal employee retirement benefits, automated data processing, technical assistance, and monitoring of activities under this Act; or

"(D) to pay for costs of Federal personnel displaced by self-determination contracts under this Act or self-governance;

except that such funds may be increased by the Secretary if necessary to carry out this Act or as provided in section 105(c)(2).

"(e) OTHER RESOURCES.—In the event an Indian tribe elects to carry out a compact or funding agreement with the use of Federal personnel, Federal supplies (including supplies available from Federal warehouse facilities), Federal supply sources (including lodging, airline transportation, and other means of transportation including the use of interagency motor pool vehicles) or other Federal resources (including supplies, services, and resources available to the Secretary under any procurement contracts in which the Department is eligible to participate), the Secretary is authorized to transfer such personnel, supplies, or resources to the Indian tribe.

"(f) REIMBURSEMENT TO INDIAN HEALTH SERVICE.—With respect to functions transferred by the Indian Health Service to an Indian tribe, the Indian Health Service is authorized to provide goods and services to the Indian tribe, on a reimbursable basis, including payment in advance with subsequent adjustment, and the reimbursements received therefrom, along with the funds received from the Indian tribe pursuant to this title, may be credited to the same or subsequent appropriation account which provided the funding, such amounts to remain available until expended.

"(g) PROMPT PAYMENT ACT.—Chapter 39 of title 31, United States Code, shall apply to the transfer of funds due under a compact or funding agreement authorized under this title.

"(h) INTEREST OR OTHER INCOME ON TRANSFERS.—An Indian tribe is entitled to retain interest earned on any funds paid under a compact or funding agreement to carry out governmental or health purposes and such interest shall not diminish the amount of funds the Indian tribe is authorized to receive under its funding agreement in the year the interest is earned or in any subsequent fiscal year. Funds transferred under this Act shall be managed using the prudent investment standard.

"(i) CARRYOVER OF FUNDS.—All funds paid to an Indian tribe in accordance with a compact or funding agreement shall remain available until expended. In the event that an Indian tribe elects to carry over funding from one year to the next, such carryover shall not diminish the amount of funds the Indian tribe is authorized to receive under its funding agreement in that or any subsequent fiscal year.

"(j) PROGRAM INCOME.—All medicare, medicaid, or other program income earned by an Indian tribe shall be treated as supplemental funding to that negotiated in the funding agreement and the Indian tribe may retain all such income and expend such funds in the current year or in future years except to the extent that the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.) provides otherwise for medicare and medicaid receipts, and such funds shall not result in any offset or reduction in the amount of funds the Indian tribe is authorized to receive under its funding agreement in the year the program income is received or for any subsequent fiscal year.

"(k) LIMITATION OF COSTS.—An Indian tribe shall not be obligated to continue performance that requires an expenditure of funds in excess of the amount of funds transferred under a compact or funding agreement. If at any time the Indian tribe has reason to believe that the total amount provided for a specific activity in the compact or funding agreement is insufficient the Indian tribe shall provide reasonable notice of such insufficiency to the Secretary. If the Secretary does not increase the amount of funds transferred under the funding agreement, the Indian tribe may suspend performance of the activity until such time as additional funds are transferred.

"SEC. 509. CONSTRUCTION PROJECTS.

"(a) IN GENERAL.—Indian tribes participating in tribal self-governance may carry out construction projects under this title if they elect to assume all Federal responsibilities under the National Environmental Policy Act of 1969, the Historic Preservation Act , and related provisions of law that would apply if the Secretary were to undertake a construction project, by adopting a resolution (1) designating a certifying officer to represent the Indian tribe and to assume the status of a responsible Federal official under such laws, and (2) accepting the jurisdiction of the Federal court for the purpose of enforcement of the responsibilities of the responsible Federal official under such environmental laws.

"(b) NEGOTIATIONS.—Construction project proposals shall be negotiated pursuant to the statutory process in section 105(m) and resulting construction project agreements shall be incorporated into funding agreements as addenda.

"(c) CODES AND STANDARDS.—The Indian tribe and the Secretary shall agree upon and specify appropriate buildings codes and architectural/engineering standards (including health and safety) which shall be in conformity with nationally recognized standards for comparable projects.

"(d) RESPONSIBILITY FOR COMPLETION.—The Indian tribe shall assume responsibility for the successful completion of the construction project in accordance with the negotiated construction project agreement.

"(e) FUNDING.—Funding for construction projects carried out under this title shall be included in funding agreements as annual advance payments, with semiannual payments at the option of the Indian tribe. Annual advance and semiannual payment amounts shall be determined based on mutually agreeable project schedules reflecting work to be accomplished within the advance payment period, work accomplished and funds expended in previous payment periods, and the total prior payments. The Secretary shall include associated project contingency funds with each advance payment installment. The Indian tribe shall be responsible for the management of the contingency funds included in funding agreements.

"(f) APPROVAL.—The Secretary shall have at least one opportunity to approve project planning and design documents prepared by the Indian tribe in advance of construction of the facilities specified in the scope of work for each negotiated construction project agreement or amendment thereof which results in a significant change in the original scope of work. The Indian tribe shall provide the Secretary with project progress and financial reports not less than semiannually. The Secretary may conduct on-site project oversight visits semiannually or on an alternate schedule agreed to by the Secretary and the Indian tribe.

"(g) WAGES.—All laborers and mechanics employed by contractors and subcontractors in the construction, alteration, or repair, including painting or decorating of building or other facilities in connection with construction projects undertaken by self-governance Indian tribes under this Act, shall be paid wages at not less than those prevailing wages on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act of March 3, 1931 (46 Stat. 1494). With respect to construction, alteration, or repair work to which the Act of March 3, 1921, is applicable under the terms of this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14, of 1950, and section 2 of the Act of June 13, 1934 (48 Stat. 948).

"(h) APPLICATION OF OTHER LAWS.—Unless otherwise agreed to by the Indian tribe, no provision of the Office of Federal Procurement Policy Act, the Federal Acquisition Regulations issued pursuant thereto, or any other law or regulation pertaining to Federal procurement (including Executive orders) shall apply to any construction project conducted under this title.

"SEC. 510. FEDERAL PROCUREMENT LAWS AND REGULATIONS.

"Notwithstanding any other provision of law, unless expressly agreed to by the participating Indian tribe, the compacts and funding agreements entered into under this title shall not be subject to Federal contracting or cooperative agreement laws and regulations (including Executive orders and the Secretary's regulations), except to the extent that such laws expressly apply to Indian tribes.

"SEC. 511. CIVIL ACTIONS.

"(a) CONTRACT DEFINED.—For the purposes of section 110, the term 'contract' shall include compacts and funding agreements entered into under this title.

"(b) APPLICABILITY OF CERTAIN LAWS.—Section 2103 of the Revised Statutes of the United States Code (25 U.S.C. 81) and section 16 of the Act of June 18, 1934 (25 U.S.C. 476), shall not apply to attorney and other professional contracts entered into by Indian tribes participating in self-governance under this title.

"(c) REFERENCES.—All references in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) to section 1 of the Act of June 26, 1936 (25 U.S.C. 81) are hereby deemed to include section 1 of the Act of July 3, 1952 (25 U.S.C. 82a).

"SEC. 512. FACILITATION.

"(a) SECRETARIAL INTERPRETATION.—Except as otherwise provided by law, the Secretary shall interpret all Federal laws, Executive orders and regulations in a manner that will facilitate—

"(1) the inclusion of programs, services, functions, and activities (or portions thereof) and funds associated therewith, in the agreements entered into under this section;

"(2) the implementation of compacts and funding agreements entered into under this title; and

"(3) the achievement of tribal health goals and objectives.

"(b) REGULATION WAIVER.—

"(1) An Indian tribe may submit a written request to waive application of a regulation promulgated under this Act for a compact or funding agreement entered into with the Indian Health Service under this title, to the Secretary identifying the applicable Federal regulation sought to be waived and the basis for the request.

"(2) Not later than 90 days after receipt by the Secretary of a written request by an Indian tribe to waive application of a regulation for a compact or funding agreement entered into under this title, the Secretary shall either approve or deny the requested waiver in writing. A denial may be made only upon a specific finding by the Secretary that identified language in the regulation may not be waived because such waiver is prohibited by Federal law. A failure to approve or deny a waiver request not later than 90 days after receipt shall be deemed an approval of such request. The Secretary's decision shall be final for the Department.

"(c) ACCESS TO FEDERAL PROPERTY.—In connection with any compact or funding agreement executed pursuant to this title or an agreement negotiated under the Tribal Self-Governance Demonstration Project established under title III, as in effect before the enactment of the Tribal Self-Governance Amendments of 1998, upon the request of an Indian tribe, the Secretary—

"(1) shall permit an Indian tribe to use existing school buildings, hospitals, and other facilities and all equipment therein or appertaining thereto and other personal property owned by the Government within the Secretary's jurisdiction under such terms and conditions as may be agreed upon by the Secretary and the tribe for their use and maintenance;

"(2) may donate to an Indian tribe title to any personal or real property found to be excess to the needs of any agency of the Department, or the General Services Administration, except that—

"(A) subject to the provisions of subparagraph (B), title to property and equipment furnished by the Federal Government for use in the performance of the compact or funding agreement or purchased with funds under any compact or funding agreement shall, unless otherwise requested by the Indian tribe, vest in the appropriate Indian tribe;

"(B) if property described in subparagraph (A) has a value in excess of $5,000 at the time of retrocession, withdrawal, or reassumption, at the option of the Secretary upon the retrocession, withdrawal, or reassumption, title to such property and equipment shall revert to the Department of Health and Human Services; and

"(C) all property referred to in subparagraph (A) shall remain eligible for replacement, maintenance, and improvement on the same basis as if title to such property were vested in the United States; and

"(3) shall acquire excess or surplus Government personal or real property for donation to an Indian tribe if the Secretary determines the property is appropriate for use by the Indian tribe for any purpose for which a compact or funding agreement is authorized under this title.

"(d) MATCHING OR COST-PARTICIPATION REQUIREMENT.—All funds provided under compacts, funding agreements, or grants made pursuant to this Act, shall be treated as non-

Federal funds for purposes of meeting matching or cost participation requirements under any other Federal or non-Federal program.

"(e) STATE FACILITATION.—States are hereby authorized and encouraged to enact legislation, and to enter into agreements with Indian tribes to facilitate and supplement the initiatives, programs, and policies authorized by this title and other Federal laws benefiting Indians and Indian tribes.

"(f) RULES OF CONSTRUCTION.—Each provision of this title and each provision of a compact or funding agreement shall be liberally construed for the benefit of the Indian tribe participating in self-governance and any ambiguity shall be resolved in favor of the Indian tribe.

"SEC. 513. BUDGET REQUEST.

"(a) IN GENERAL.—The President shall identify in the annual budget request submitted to the Congress under section 1105 of title 31, United States Code, all funds necessary to fully fund all funding agreements authorized under this title, including funds specifically identified to fund tribal base budgets. All funds so appropriated shall be apportioned to the Indian Health Service. Such funds shall be provided to the Office of Tribal Self-Governance which shall be responsible for distribution of all funds provided under section 505. Nothing in this provision shall be construed to authorize the Indian Health Service to reduce the amount of funds that a self-governance tribe is otherwise entitled to receive under its funding agreement or other applicable law, whether or not such funds are made available to the Office of Tribal Self-Governance under this section.

"(b) PRESENT FUNDING; SHORTFALLS.—In such budget request, the President shall identify the level of need presently funded and any shortfall in funding (including direct program and contract support costs) for each Indian tribe, either directly by the Secretary, under self-determination contracts, or under compacts and funding agreements authorized under this title.

"SEC. 514. REPORTS.

"(a) ANNUAL REPORT.—Not later than January 1 of each year after the date of the enactment of this title, the Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate a written report regarding the administration of this title. Such report shall include a detailed analysis of the level of need being presently funded or unfunded for each Indian tribe, either directly by the Secretary, under self-determination contracts under title I, or under compacts and funding agreements authorized under this Act. In compiling reports pursuant to this section, the Secretary may not impose any reporting requirements on participating Indian tribes or tribal organizations, not otherwise provided in this Act.

"(b) CONTENTS.—The report shall be compiled from information contained in funding agreements, annual audit reports, and Secretarial data regarding the disposition of Federal funds and shall—

"(1) identify the relative costs and benefits of self-governance;

"(2) identify, with particularity, all funds that are specifically or functionally related to the provision by the Secretary of services and benefits to self-governance Indian tribes and their members;

"(3) identify the funds transferred to each self-governance Indian tribe and the corresponding reduction in the Federal bureaucracy;

"(4) identify the funding formula for individual tribal shares of all headquarters funds, together with the comments of affected Indian tribes or tribal organizations, developed under subsection (c);

"(5) identify amounts expended in the preceding fiscal year to carry out inherent Federal functions, including an identification of those functions by type and location;

"(6) contain a description of the method or methods (or any revisions thereof) used to determine the individual tribal share of funds controlled by all components of the Indian Health Service (including funds assessed by any other Federal agency) for inclusion in self-governance compacts or funding agreements;

"(7) prior to being submitted to Congress, be distributed to the Indian tribes for comment, such comment period to be for no less than 30 days; and

"(8) include the separate views and comments of the Indian tribes or tribal organizations.

"(c) REPORT ON FUND DISTRIBUTION METHOD.—Not later than 180 days after the date of enactment of this title, the Secretary shall, after consultation with Indian tribes, submit a written report to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate which describes the method or methods used to determine the individual tribal share of funds controlled by all components of the Indian Health Service (including funds assessed by any other Federal agency) for inclusion in self-governance compacts or funding agreements.

"SEC. 515. DISCLAIMERS.

"(a) NO FUNDING REDUCTION.—Nothing in this title shall be construed to limit or reduce in any way the funding for any program, project, or activity serving an Indian tribe under this or other applicable Federal law. Any Indian tribe that alleges that a compact or funding agreement is in violation of this section may apply the provisions of section 110.

"(b) FEDERAL TRUST AND TREATY RESPONSIBILITIES.—Nothing in this Act shall be construed to diminish in any way the trust responsibility of the United States to Indian tribes and individual Indians that exists under treaties, Executive orders, or other laws and court decisions.

"(c) TRIBAL EMPLOYMENT.—For purposes of section 2(2) of the Act of July 5, 1935 (49 Stat. 450, chapter 372) (commonly known as the National Labor Relations Act), an Indian tribe carrying out a self-determination contract, compact, annual funding agreement, grant, or cooperative agreement under this Act shall not be considered an employer.

"(d) OBLIGATIONS OF THE UNITED STATES.—The Indian Health Service under this Act shall neither bill nor charge those Indians who may have the economic means to pay for services, nor require any Indian tribe to do so.

"SEC. 516. APPLICATION OF OTHER SECTIONS OF THE ACT.

"(a) MANDATORY APPLICATION.—All provisions of sections 5(b), 6, 7, 102(c) and (d), 104, 105(k) and (l), 106(a) through (k), and 111 of this Act and section 314 of Public Law 101–512 (coverage under the Federal Tort Claims Act), to the extent not in conflict with this title, shall apply to compacts and funding agreements authorized by this title.

"(b) DISCRETIONARY APPLICATION.—At the request of a participating Indian tribe, any other provision of title I, to the extent such provision is not in conflict with this title, shall be made a part of a funding agreement or compact entered into under this title. The Secretary is obligated to include such provision at the option of the participating Indian tribe or tribes. If such provision is incorporated it shall have the same force and effect as if it were set out in full in this title. In the event an Indian tribe requests such incorporation at the negotiation stage of a compact or funding agreement, such incorporation shall be deemed effective immediately and shall control the negotiation and resulting compact and funding agreement.

"SEC. 517. REGULATIONS.

"(a) IN GENERAL.—

"(1) Not later than 90 days after the date of enactment of this title, the Secretary shall initiate procedures under subchapter III of chapter 5 of title 5, United States Code, to negotiate and promulgate such regulations as are necessary to carry out this title.

"(2) Proposed regulations to implement this title shall be published in the Federal Register by the Secretary no later than 1 year after the date of enactment of this title.

"(3) The authority to promulgate regulations under this title shall expire 21 months after the date of enactment of this title.

"(b) COMMITTEE.—A negotiated rulemaking committee established pursuant to section 565 of title 5, United States Code, to carry out this section shall have as its members only Federal and tribal government representatives, a majority of whom shall be nominated by and be representatives of Indian tribes with funding agreements under this Act, and the Committee shall confer with, and accommodate participation by, representatives of Indian tribes, inter-tribal consortia, tribal organizations, and individual tribal members.

"(c) ADAPTATION OF PROCEDURES.—The Secretary shall adapt the negotiated rulemaking procedures to the unique context of self-governance and the government-to-government relationship between the United States and Indian tribes.

"(d) EFFECT.—The lack of promulgated regulations shall not limit the effect of this title.

"(e) EFFECT OF CIRCULARS, POLICIES, MANUALS, GUIDANCES, AND RULES.—Unless expressly agreed to by the participating Indian tribe in the compact or funding agreement, the participating Indian tribe shall not be subject to any agency circular, policy, manual, guidance, or rule adopted by the Indian Health Service and the eligibility provisions of section 105(g).

"SEC. 518. APPEALS.

"In any appeal (including civil actions) involving decisions made by the Secretary under this title, the Secretary shall have the burden of proof of demonstrating by clear and convincing evidence—

"(1) the validity of the grounds for the decision made; and

"(2) the decision is fully consistent with provisions and policies of this title.

"SEC. 519. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary to carry out this title.

"TITLE VI—TRIBAL SELF-GOVERNANCE—DEPARTMENT OF HEALTH AND HUMAN SERVICES

"SEC. 601. DEMONSTRATION PROJECT FEASIBILITY.

"(a) STUDY.—The Secretary shall conduct a study to determine the feasibility a Tribal Self-Governance Demonstration Project for appropriate programs, services, functions, and activities (or portions thereof) of the agency.

"(b) CONSIDERATIONS.—When conducting the study, the Secretary shall consider—

"(1) the probable effects on specific programs and program beneficiaries of such a demonstration project;

"(2) statutory, regulatory, or other impediments to implementation of such a demonstration project;

"(3) strategies for implementing such a demonstration project;

"(4) probable costs or savings associated with such a demonstration project;

"(5) methods to assure quality and accountability in such a demonstration project; and

"(6) such other issues that may be determined by the Secretary or developed through consultation pursuant to section 602.

"(c) REPORT.—Not later than 18 months after the enactment of this title, the Secretary shall submit a report to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate. The report shall contain—

"(1) the results of the study;

"(2) a list of programs, services, functions, and activities (or portions thereof) within the agency which it would be feasible to include in a Tribal Self-Governance Demonstration Project;

"(3) a list of programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to paragraph (2) which could be included in a Tribal Self-Governance Demonstration Project without amending statutes, or waiving regulations that the Secretary may not waive;

"(4) a list of legislative actions required in order to include those programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to paragraph (2) but not included in the list provided pursuant to paragraph (3) in a Tribal Self-Governance Demonstration Project; and

"(5) any separate views of tribes and other entities consulted pursuant to section 602 related to the information provided pursuant to paragraph (1) through (4).

"SEC. 602. CONSULTATION.

"(a) STUDY PROTOCOL.—

"(1) CONSULTATION WITH INDIAN TRIBES.—The Secretary shall consult with Indian tribes to determine a protocol for consultation under subsection (b) prior to consultation under such subsection with the other entities described in such subsection. The protocol shall require, at a minimum, that—

"(A) the government-to-government relationship with Indian tribes forms the basis for the consultation process;

"(B) the Indian tribes and the Secretary jointly conduct the consultations required by this section; and

"(C) the consultation process allow for separate and direct recommendations from the Indian tribes and other entities described in subsection (b).

"(2) OPPORTUNITY FOR PUBLIC COMMENT.—In determining the protocol described in paragraph (1),the Secretary shall publish the proposed protocol and allow a period of not less than 30 days for comment by entities described in subsection (b) and other interested individuals, and shall take comments received into account in determining the final protocol.

"(b) CONDUCTING STUDY.—In conducting the study under this title, the Secretary shall consult with Indian tribes,States, counties, municipalities, program beneficiaries, and interested public interest groups, and may consult with other entities as appropriate.

"SEC. 603. DEFINITIONS.

"(a) IN GENERAL.—For purposes of this title, the Secretary may use definitions provided in title V.

"(b) AGENCY.—For purposes of this title, the term 'agency' shall mean any agency or other organizational unit of the Department of Health and Human Services, other than the Indian Health Service.

"SEC. 604. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for fiscal years 1999 and 2000 such sums as may be necessary to carry out this title. Such sums shall remain available until expended.".

SEC. 5. AMENDMENTS CLARIFYING CIVIL PROCEEDINGS.

(a) BURDEN OF PROOF IN DISTRICT COURT ACTIONS.—Section 102(e)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f(e)(1)) is amended by inserting after "subsection (b)(3)" the following: "or any civil action conducted pursuant to section 110(a)".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to any proceedings commenced after October 25, 1994.

SEC. 6. SPEEDY ACQUISITION OF GOODS, SERVICES, OR SUPPLIES.

Section 105(k) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j(k)) is amended—

(1) by striking "deemed an executive agency" and inserting "deemed an executive agency and part of the Indian Health Service"; and

(2) by adding at the end thereof the following: "At the request of an Indian tribe, the Secretary shall enter into an agreement for the acquisition, on behalf of the Indian tribe, of any goods, services, or supplies available to the Secretary from the General Services Administration or other Federal agencies that are not directly available to the Indian tribe under this section or any other Federal law, including acquisitions from prime vendors. All such acquisitions shall be undertaken through the most efficient and speedy means practicable, including electronic ordering arrangements.

SEC. 7. PATIENT RECORDS.

Section 105 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j) is amended by adding at the end the following new subsection:

"(o) At the option of an Indian tribe or tribal organization, Indian patient records may be deemed to be Federal records under the Federal Records Act of 1950 for the limited purposes of making such records eligible for storage by Federal Records Centers to the same extent and in the same manner as other Department of Health and Human Services patient records.".

SEC. 8. REPEAL.

Title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) is hereby repealed.

SEC. 9. SAVINGS PROVISION.

Funds appropriated for title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) shall be available for use under title V of such Act.

SEC. 10. EFFECTIVE DATE.

Except as otherwise provided, the provisions of this Act shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1833, the proposed Tribal Self-Governance Amendments Act of 1998, would make permanent the Indian Health Service Self-Governance demonstration program.

Thereby, Indian and Alaska Native tribes would be able to contract for the operation, control, and redesign of various IHS activities on a permanent basis.

Pursuant to H.R. 1833, tribes which have already contracted for IHS activities would continue under the provisions of their demonstration compacts, while an additional 50 tribes would be selected each year to enter into compacts.

H.R. 1833 also allows for the tribal contracting of programs outside the IHS, but within the Department of Health and Human Services on a demonstration-project basis.

Mr. Speaker, H.R. 1833 is a major piece of Native American legislation which we have been working on for months and months. This bill lays out 55 pages of findings, Secretarial obligations, Secretarial prohibitions, rulemaking requirements, reporting requirements, and tribal obligations.

The gentleman from California (Mr. MILLER), and his staff, and the gentleman from Michigan (Mr. KILDEE), and his staff, along with my staff, have worked extensively on this legislation. I commend them and their staffs for their perseverance through the scores of meetings which were needed to craft this bill.

This is a landmark piece of legislation in the field of self-governance. Mr. Speaker, I am honored to have had a part in its movement through Congress. I support H.R. 1833 and ask my colleagues to vote for this legislation and urge the passage by my colleagues.

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

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

Mr. Speaker, I again commend the gentleman from Alaska (Chairman YOUNG) for his management of this important legislation.

Mr. Speaker, I fully support this bill, the Tribal Self-Governance Amendments of 1998, which I believe will mark yet another milestone in the history of Indian self-determination.

This major legislation is the product of more than 2 years of hard work and consultation with Indian tribes and the administration. We have worked diligently with the tribes and the Department of Health and Human Services to make this bill as fair as possible.

I would like to extend my appreciation to the tribal leaders, their representatives, and the Department staff

who have made passage of this bill possible.

Mr. Speaker, it is important to note that subsequent to the full committee markup that occurred in the spring, the tribes and the Department were able to work out additional differences. Thus, there have been several changes that I want to highlight.

We were able to come to agreement on issues regarding reassumption, regulation waiver, trial de novo, rejection of final order, and the creation of a new title VI to carry out the non-Indian Health Service demonstration project study.

Mr. Speaker, let me briefly explain what this bill does. The bill, the Tribal Self-Governance Amendments Act of 1998, would create two new titles in the 1975 Indian Self-Determination and Education Assistance Act. The 1975 act allows Indian tribes to contract for or take over the administration and operation of certain Federal programs which provide service to Indian tribes.

Subsequent amendments to the 1975 Act created title III of the act, which provided for a self-governance demonstration project that allows for large-scale tribal self-governance compacts and funding agreements on a demonstration basis.

Mr. Speaker, this bill is important especially for the Indian communities, but more importantly, the responsibility the Congress should take to provide for the needs of the Indian nations.

I also want to, again, commend my good friend, the gentleman from Alaska (Mr. YOUNG) for his work on solving the problem that we have had over the years in giving proper recognition to Indian tribes. I want to make a note of this to my colleagues. There is nowhere in the current bill that provides better streamlining of the Indian community if they were to apply to the Federal Government that gaming of any form is ever at all involved. I want to reassure my colleagues that that is the basis of that bill that has taken this Member over 6 years to help develop with the administration, with the staffs, with the majority party Members as well as the members of the committee on this side of the aisle.

So, again, I plead with my colleagues, that bill to better streamline the recognition of Indian tribes, given the fact that California was not even a member of this Nation until 72 years. Seventy-two years when America was founded, and California was not even a State.

And where is fairness, Mr. Speaker, if I were to elaborate a little further on this issue? But the fact that this bill should be approved, again I want to commend the gentleman from Alaska. Give tribute and credence to the fact that the recognition process has failed miserably, and we should vote in support of H.R. 1154.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 1833, 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.

CALIFORNIA INDIAN LAND TRANSFER ACT

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2742) to provide for the transfer of public lands to certain California Indian Tribes, as amended.

The Clerk read as follows:

H.R. 2742

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "California Indian Land Transfer Act".

SEC. 2. LANDS HELD IN TRUST FOR VARIOUS TRIBES OF CALIFORNIA INDIANS.

(a) IN GENERAL.—Subject to valid existing rights, all right, title, and interest of the United States in and to the lands, including improvements and appurtenances, described in a paragraph of subsection (b) in connection with the respective tribe, band, or group of Indians named in such paragraph are hereby declared to be held in trust by the United States for the benefit of such tribe, band, or group. Real property taken into trust pursuant to this subsection shall not be considered to have been taken into trust for gaming (as that term is used in the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.)).

(b) LANDS DESCRIBED.—The lands described in this subsection, comprising approximately 3525.8 acres, and the respective tribe, band, or group, are as follows:

(1) PIT RIVER TRIBE.—Lands to be held in trust for the Pit River Tribe are comprised of approximately 561.69 acres described as follows:

Mount Diablo Base and Meridian

Township 42 North, Range 13 East

Section 3:
S½ NW¼, NW¼ NW¼, 120 acres.

Township 43 North, Range 13 East

Section 1:
N½ NE¼, 80 acres,
Section 22:
SE¼ SE¼, 40 acres,
Section 25:
SE¼ NW¼, 40 acres,
Section 26:
SW¼ SE¼, 40 acres,
Section 27:
SE¼ NW¼, 40 acres,
Section 28:
NE¼ SW¼, 40 acres,
Section 32:
SE¼ SE¼, 40 acres,
Section 34:
SE¼ NW¼, 40 acres,

Township 44 North, Range 14 East,

Section 31:
S½ SW¼, 80 acres.

(2) FORT INDEPENDENCE COMMUNITY OF PAIUTE INDIANS.—Lands to be held in trust for the Fort Independence Community of Paiute Indians are comprised of approximately 200.06 acres described as follows:

Mount Diablo Base and Meridian

Township 13 South, Range 34 East

Section 1:
W½ of Lot 5 in the NE¼, Lot 3, E½ of Lot 4, and E½ of Lot 5 in the NW¼.

(3) BARONA GROUP OF CAPITAN GRANDE BAND OF MISSION INDIANS.—Lands to be held in trust for the Barona Group of Capitan Grande Band of Mission Indians are comprised of approximately 5.03 acres described as follows:

San Bernardino Base and Meridian

Township 14 South, Range 2 East

Section 7, Lot 15.

(4) CUYAPAIPE BAND OF MISSION INDIANS.—Lands to be held in trust for the Cuyapaipe Band of Mission Indians are comprised of approximately 1,360 acres described as follows:

San Bernardino Base and Meridian

Township 15 South, Range 6 East

Section 21:
All of this section.
Section 31:
NE¼, N½SE¼, SE¼SE¼.
Section 32:
W½SW¼, NE¼SW¼, NW¼SE¼.
Section 33:
SE¼, SW¼SW¼, E½SW¼.

(5) MANZANITA BAND OF MISSION INDIANS.—Lands to be held in trust for the Manzanita Band of Mission Indians are comprised of approximately 1,000.78 acres described as follows:

San Bernardino Base and Meridian

Township 16 South, Range 6 East

Section 21:
Lots 1, 2, 3, and 4, S½.
Section 25:
Lots 2 and 5.
Section 28:
Lots, 1, 2, 3, and 4, N½SE¼.

(6) MORONGO BAND OF MISSION INDIANS.—Lands to be held in trust for the Morongo Band of Mission Indians are comprised of approximately 40 acres described as follows:

San Bernardino Base and Meridian

Township 3 South, Range 2 East

Section 20:
NW¼ of NE¼.

(7) PALA BAND OF MISSION INDIANS.—Lands to be held in trust for the Pala Band of Mission Indians are comprised of approximately 59.20 acres described as follows:

San Bernardino Base and Meridian

Township 9 South, Range 2 West

Section 13, Lot 1, and Section 14, Lots 1, 2, 3.

(8) FORT BIDWELL COMMUNITY OF PAIUTE INDIANS.—Lands to be held in trust for the Fort Bidwell Community of Paiute Indians are comprised of approximately 299.04 described as follows:

Mount Diablo Base and Meridian

Township 46 North, Range 16 East

Section 8:
SW¼SW¼.
Section 19:
Lots 5, 6, 7.
S½NE¼, SE¼NW¼, NE¼SE¼.
Section 20:
Lot 1.

SEC. 3. MISCELLANEOUS PROVISIONS.

(a) PROCEEDS FROM RENTS AND ROYALTIES TRANSFERRED TO INDIANS.—Amounts which accrue to the United States after the date of

the enactment of this Act from sales, bonuses, royalties, and rentals relating to any land described in section 2 shall be available for use or obligation, in such manner and for such purposes as the Secretary may approve, by the tribe, band, or group of Indians for whose benefit such land is taken into trust.

(b) NOTICE OF CANCELLATION OF GRAZING PREFERENCES.—Grazing preferences on lands described in section 2 shall terminate 2 years after the date of the enactment of this Act.

(c) LAWS GOVERNING LANDS TO BE HELD IN TRUST.—Any lands which are to be held in trust for the benefit of any tribe, band, or group of Indians pursuant to this Act shall be added to the existing reservation of the tribe, band, or group, and the official boundaries of the reservation shall be modified accordingly. These lands shall be subject to the laws of the United States relating to Indian land in the same manner and to the same extent as other lands held in trust for such tribe, band, or group on the day before the date of enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2742, the proposed California Indian Land Transfer Act, would transfer eight parcels of excess Bureau of Land Management land to eight Indian tribes in the State of California. I recommend the adoption of H.R. 2742.

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

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

Mr. Speaker, I am pleased to support passage of H.R. 2742, which will transfer some 3,500 acres of excess Bureau of Land Management lands located throughout California to eight Indian tribes in the State.

The bill was introduced pursuant to administration requests and as a result of negotiations between the Interior Department, the local municipalities, and the eight Indian tribes that began in 1994. All affected land is adjacent to existing Indian reservations.

The bill was amended in committee pursuant to the request of the gentleman from California (Mr. DOOLITTLE) to remove lands that would have been transferred to the Bridgeport and the Benton Paiute tribes.

Mr. Speaker, I want to point out that the reason that we are enacting this legislation is to allow Indian tribes to develop their own economies. For too long we have neglected the tribes' economic needs, and certainly the creation of a strong land base is part of that equation.

Keep in mind that the history of California Indian dealings is one of the most shameful in this country's past. Approximately 250,000 Native American Indians currently reside in the State of California, Mr. Speaker, more Indians in the State of California than anywhere else in this country, yet they are the most neglected.

The United States broke 18 treaties that promised the tribes 18.5 million acres. California tribes lost more than 70 million acres of land overall and now live on a collective 400,000 acres of land. Thus, I am glad that we are doing what is right in returning a small portion of what we once took from the first Americans.

Again, I commend the gentleman from Alaska for his management of this legislation, and I urge my colleagues to support this bill.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 2742, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Alaska. 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. 1154, H.R. 2370, H.R. 1833, and H.R. 2742, the bills just considered and passed.

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

There was no objection.

ESTABLISHING TOLL-FREE NUMBER IN DEPARTMENT OF COMMERCE TO ASSIST CONSUMERS IN DETERMINING IF PRODUCTS ARE AMERICAN-MADE

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 563) to establish a toll free number in the Department of Commerce to assist consumers in determining if products are American-made, as amended.

The Clerk read as follows:

H.R. 563

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

SECTION 1. ESTABLISHMENT OF TOLL FREE NUMBER PILOT PROGRAM.

(a) ESTABLISHMENT.—If the Secretary of Commerce determines, on the basis of comments submitted in rulemaking under section 2, that—

(1) interest among manufacturers is sufficient to warrant the establishment of a 3-year toll free number pilot program, and

(2) manufacturers will provide fees under section 2(c) so that the program will operate without cost to the Federal Government,

the Secretary shall establish such program solely to help inform consumers whether a product is "Made in America". The Secretary shall publish the toll-free number by notice in the Federal Register.

(b) CONTRACT.—The Secretary of Commerce shall enter into a contract for—

(1) the establishment and operation of the toll free number pilot program provided for in subsection (a), and

(2) the registration of products pursuant to regulations issued under section 2,

which shall be funded entirely from fees collected under section 2(c).

(c) USE.—The toll free number shall be used solely to inform consumers as to whether products are registered under section 2 as "Made in America". Consumers shall also be informed that registration of a product does not mean—

(1) that the product is endorsed or approved by the Government,

(2) that the Secretary has conducted any investigation to confirm that the product is a product which meets the definition of "Made in America" in section 4 of this Act, or

(3) that the product contains 100 percent United States content.

SEC. 2. REGISTRATION.

(a) PROPOSED REGULATION.—The Secretary of Commerce shall propose a regulation—

(1) to establish a procedure under which the manufacturer of a product may voluntarily register such product as complying with the definition of "Made in America" in section 4 of this Act and have such product included in the information available through the toll free number established under section 1(a);

(2) to establish, assess, and collect a fee to cover all the costs (including start-up costs) of registering products and including registered products in information provided under the toll-free number;

(3) for the establishment under section 1(a) of the toll-free number pilot program; and

(4) to solicit views from the private sector concerning the level of interest of manufacturers in registering products under the terms and conditions of paragraph (1).

(b) PROMULGATION.—If the Secretary determines based on the comments on the regulation proposed under subsection (a) that the toll-free number pilot program and the registration of products is warranted, the Secretary shall promulgate such regulation.

(c) REGISTRATION FEE.—

(1) IN GENERAL.—Manufacturers of products included in information provided under section 1 shall be subject to a fee imposed by the Secretary of Commerce to pay the cost of registering products and including them in information provided under subsection (a).

(2) AMOUNT.—The amount of fees imposed under paragraph (1) shall—

(A) in the case of a manufacturer, not be greater than the cost of registering the manufacturer's product and providing product information directly attributable to such manufacturer, and

(B) in the case of the total amount of fees, not be greater than the total amount appropriated to the Secretary of Commerce for salaries and expenses directly attributable to registration of manufacturers and having products included in the information provided under section 1(a).

(3) CREDITING AND AVAILABILITY OF FEES.—

(A) IN GENERAL.—Fees collected for a fiscal year pursuant to paragraph (1) shall be credited to the appropriation account for salaries and expenses of the Secretary of Commerce and shall be available in accordance with appropriation Acts until expended without fiscal year limitation.

(B) COLLECTIONS AND APPROPRIATION ACTS.—The fees imposed under paragraph (1)—

(i) shall be collected in each fiscal year in an amount equal to the amount specified in appropriation Acts for such fiscal year, and

(ii) shall only be collected and available for the costs described in paragraph (2).

SEC. 3. PENALTY.

Any manufacturer of a product who knowingly registers a product under section 2 which is not "Made in America"—

(1) shall be subject to a civil penalty of not more than $7500 which the Secretary of Commerce may assess and collect, and

(2) shall not offer such product for purchase by the Federal Government.

SEC. 4. DEFINITION.

For purposes of this Act:

(1) The term "Made in America" has the meaning given unqualified "Made in U.S.A." or "Made in America" claims for purposes of laws administered by the Federal Trade Commission.

(2) The term "product" means a product with a retail value of at least $250.

SEC. 5. RULE OF CONSTRUCTION.

Nothing in this Act or in any regulation promulgated under section 2 shall be construed to alter, amend, modify, or otherwise affect in any way, the Federal Trade Commission Act or the opinions, decisions, rules, or any guidance issued by the Federal Trade Commission regarding the use of unqualified "Made in U.S.A." or "Made in America" claims in labels on products introduced, delivered for introduction, sold, advertised, or offered for sale in commerce.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. BLILEY) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material in the RECORD on the bill under consideration.

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

There was no objection.

□ 1730

Mr. BLILEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am pleased today to be able to rise in support of H.R. 563, a bill which would create a toll-free number in the Department of Commerce to assist consumers in determining if products are American made. The bill's sponsor, the gentleman from Ohio (Mr. TRAFICANT), should be commended for his commitment to American products and the American worker, and this bill is a fitting tribute to that commitment.

The legislation is designed to assist consumers when they are thinking about purchasing a major appliance or other product. For instance, a family looking for a new refrigerator could call the number to find out which brands and models of refrigerators are manufactured in the United States. Consumers have consistently demonstrated their desire to purchase products made in America. And I believe that if this information is provided, they will use this as another major factor in their purchasing decisions.

An important feature of the legislation is that the creation of the service is conditional both on market demand and the presence of private sector funding. This toll-free number will only be implemented if there is sufficient interest on the part of manufacturers in listing their products and funding the cost of the program through annual fees. Thus, there is no cost to the taxpayer for implementing this program to promote American-made products.

This legislation, as reported by the Committee on Commerce, creates a much-needed consumer service. I urge all of my colleagues to support it.

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

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

I would like to say how pleased I am, Mr. Speaker, that this legislation gives the House an opportunity once again to confirm its support for the Federal Trade Commission's standard for making a claim that a product is made in the USA. Under this legislation, only those products that meet the FTC's standard are eligible for inclusion on the toll-free registry of products that are made in America.

The FTC's standard for making an unqualified "Made in USA" claim requires that "all" or "virtually all" of a product's components be made in the United States and that "all" or "virtually all" of the labor be American labor. This has been the FTC's standard for more than 50 years. And after a 2-year review, the FTC concluded last year that its standards should not be changed.

For the past several decades, consumers in the United States have relied on the "Made in USA" label to mean exactly what it says. American consumers want to buy genuine American products made by American workers. The "Made in USA" standard educates consumers, ensures truth-in-labeling, promotes U.S. companies, and preserves and creates American jobs.

Last year, Mr. Speaker, the FTC proposed weakening the standard to allow products to be labeled "Made in USA" when as little as 75 percent of their content and labor originated in the United States. If these proposed regulations had been adopted, the FTC's mandate to fight deceptive practices would instead be used to sanction deception.

People all over the country petitioned this Congress and the FTC opposing this new standard. In my district, 9,000 people, by mail, by phone, by petition, said "no" to this proposed change. I commend the FTC for its wisdom, ultimately, in returning to the time honored "Made in USA" standard. Any weakening of the Commission's standard would only mislead consumers and expose them to the kind of deceptive practices the FTC is supposed to prohibit.

The Commission has recognized what many American consumers have known for a long time: Where a product is made is an important factor in making purchasing decisions. And consumers want the ability to support American workers and to invest in the Nation's economic growth through those purchasing decisions. I am happy to support legislation that will help consumers buy products that are "all" or "virtually all" made in this country.

Mr. Speaker, I would note that except for certain technical and conforming changes, this legislation is the same as legislation that has passed the House in each of the last 2 Congresses. Unfortunately, the other body has never taken action on it and the bill has not been enacted. I sincerely hope that will not be the situation this year and that this bill can be enacted into law.

Mr. Speaker, I urge my colleagues to support this important legislation. I thank the gentleman from Virginia (Mr. BLILEY) for his good work.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I want to start out by thanking the gentleman from Virginia (Mr. BLILEY), one of the strong Members of this House, for taking into consideration this legislation. I want to thank the gentleman from New York (Mr. TOM MANTON), and the ranking member, the gentleman from Michigan (Mr. DINGELL), the gentleman from Louisiana (Mr. TAUZIN), the gentleman from Ohio (Mr. OXLEY), and the gentleman from Pennsylvania (Mr. PHIL ENGLISH), a friend of mine, who worked very hard to bring this to the floor.

I have worked hard to pass this legislation. The Congress might look at a few facts: We have a $60 billion trade deficit with Japan, and an approaching $50 billion trade deficit with China. Everybody talks about buy American. But the truth of the matter is, what is an American made product today? Where is that car really made? Is it made in Detroit? Is it made in Ohio? Is it made in Mexico? Is it made in Canada? Is it made in China? Is it made in Korea?

My legislation simply says if it costs more than $250, and all or virtually all of its components are made in America, a company could register it by paying a small fee to put it on this toll-free hot line. So if a family out in Chicago is going to buy a washer and dryer, they can call this number and say, I want to buy a washer and dryer, what washers and dryers are made in

America? It does not cost the taxpayers anything. And I believe the consuming public of America will buy American if their level of conscious understanding of where these products are made are made available to them.

But I wanted to bring something up to the attention of the Congress today, especially to the chairman. I am holding up here a little ad that was sent to me by George Booth of Big Sandy, Texas. It is an ad, I believe in Consumer Reports, for Tisonic quality car radio cassette players. And down in the right-hand corner of this ad there is a very small American flag. But we have to look close, because the colors are reversed. It is, in fact, blue stars on a white map. And if we look at it, we would swear it says made in the USA, until we get the magnifying glass. And listen to what it says. It says, made for the USA. And then in even smaller print below it, it says made in China. Now we have a new label, if we are quick enough, I guess, to investigate these labels: Made "for" USA; Made "in" China.

Look, I think this is straightforward legislation. It makes sense. And the American people who, I believe, will want to buy American-made products will use the service. More importantly, I think the industries and the companies that produce these products will begin to take pride in being able to say that, "We pay taxes in America. We hire Americans who pay taxes to keep our government afloat. This product is the one that we make, and, by God, it is good and we take pride in advertising it on our toll-free number."

So I want to thank the gentleman from Virginia (Mr. BLILEY). I know the mindset of many in the other body. They think "Made in China" perhaps is good for consumption patterns around the world. I do not know what their thinking is. I think we have to work hard, and I appreciate the gentleman giving it a chance here, and I am hoping we get some help in the other body.

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

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

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and pass the bill, H.R. 563, 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.

MONEY LAUNDERING DETERRENCE ACT OF 1998

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4005) to amend title 31 of the United States Code to improve methods for preventing financial crimes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4005

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Money Laundering Deterrence Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Amendments relating to reporting of suspicious activities.
Sec. 4. Expansion of scope of summons power.
Sec. 5. Penalties for violations of geographic targeting orders and certain recordkeeping requirements.
Sec. 6. Repeal of certain reporting requirements.
Sec. 7. Limited exemption from Paperwork Reduction Act.
Sec. 8. Promulgation of "know your customer" regulations.
Sec. 9. Report on private banking activities.
Sec. 10. Availability of certain account information.
Sec. 11. Sense of the Congress.
Sec. 12. Designation of foreign high intensity money laundering areas.
Sec. 13. Doubling of criminal penalties for violations of laws aimed at preventing money laundering in foreign high intensity money laundering areas.
Sec. 14. Laundering money through a foreign bank.
Sec. 15. Criminal forfeiture for money laundering conspiracies.
Sec. 16. Charging money laundering as a course of conduct.
Sec. 17. Venue in money laundering cases.
Sec. 18. Technical amendment to restore wiretap authority for certain money laundering offenses.
Sec. 19. Knowledge that the property is the proceeds of a felony.
Sec. 20. Coverage of foreign bank branches in the territories.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds as follows:

(1) The dollar amount involved in international money laundering likely exceeds $500,000,000,000 annually.

(2) Organized crime groups are continually devising new methods to launder the proceeds of illegal activities in an effort to subvert the transaction reporting requirements of subchapter II of chapter 53 of title 31, United States Code, and chapter 2 of Public Law 91–508.

(3) A number of methods to launder the proceeds of criminal activity were identified and described in congressional hearings, including the use of financial service providers which are not depository institutions, such as money transmitters and check cashing services, the purchase and resale of durable goods, and the exchange of foreign currency in the so-called "black market".

(4) Recent successes in combating domestic money laundering have involved the application of the heretofore seldom-used authority granted to the Secretary of the Treasury and the cooperative efforts of Federal, State, and local law enforcement agencies.

(5) Such successes have been exemplified by the implementation of the geographic targeting order in New York City and through the work of the El Dorado task force, a group comprised of agents of Department of the Treasury law enforcement agencies, New York State troopers, and New York City police officers.

(6) Money laundering by international criminal enterprises challenges the legitimate authority of national governments, corrupts government institutions, endangers the financial and economic stability of nations, and routinely violates legal norms, property rights, and human rights. In some countries, such as Columbia, Mexico, and Russia, the wealth and power of organized criminal enterprises rivals their own government's.

(7) The structure of international criminal enterprises engaged in money laundering is complex, diverse, and fragmented. Organized criminal enterprises such as the Colombian and Mexican cartels, the Russian "mafiya", Sicilian crime families, and Chinese gangs are highly resistant to conventional law enforcement techniques. Their financial management and organizational infrastructure are highly sophisticated and difficult to track because of the globalization of the financial service industry.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To amend subchapter II of chapter 53 of title 31, United States Code, to provide the law enforcement community with the necessary legal authority to combat money laundering.

(2) To expedite the issuance by the Secretary of the Treasury of regulations designed to deter money laundering activities at certain types of financial institutions.

SEC. 3. AMENDMENTS RELATING TO REPORTING OF SUSPICIOUS ACTIVITIES.

(a) AMENDMENT RELATING TO CIVIL LIABILITY IMMUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title 31, United States Code, is amended to read as follows:

"(3) LIABILITY FOR DISCLOSURES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law—

"(i) any financial institution that—

"(I) makes a disclosure of any possible violation of law or regulation to an appropriate government agency; or

"(II) makes a disclosure pursuant to this subsection or any other authority;

"(ii) any director, officer, employee, or agent of such institution who makes, or requires another to make any such disclosure; and

"(iii) any independent public accountant who audits any such financial institution and makes a disclosure described in clause (i),

shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such disclosure or for any failure to notify the person who is the subject of such disclosure or any other person identified in the disclosure.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to a disclosure or communication required under Federal securities law, other than provisions of law that specifically refer to the Currency and Foreign Transactions Reporting Act of 1970.

"(C) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as creating—

"(i) any inference that the term 'person', as used in such subparagraph, may be construed more broadly than its ordinary usage so to include any government or agency of government; or

"(ii) any immunity against, or otherwise affecting, any civil or criminal action brought by any government or agency of government to enforce any constitution, law, or regulation of such government or agency.".

(b) PROHIBITION ON NOTIFICATION OF DISCLOSURES.—Section 5318(g)(2) of title 31, United States Code, is amended to read as follows:

"(2) NOTIFICATION PROHIBITED.—

"(A) IN GENERAL.—If a financial institution, any director, officer, employee, or agent of any financial institution, or any independent public accountant who audits any financial institution, voluntarily or pursuant to this section or any other authority, reports a suspicious transaction to an appropriate government agency—

"(i) the financial institution, director, officer, employee, agent, or accountant may not notify any person involved in the transaction that the transaction has been reported and may not disclose any information included in the report to any such person; and

"(ii) any other person, including any officer or employee of any government, who has any knowledge that such report was made may not disclose to any person involved in the transaction that the transaction has been reported or any information included in the report.

"(B) COORDINATION WITH PARAGRAPH (5).—Subparagraph (A) shall not be construed as prohibiting any financial institution, or any director, officer, employee, or agent of such institution, from including, in a written employment reference that is provided in accordance with paragraph (5) in response to a request from another financial institution, information that was included in a report to which subparagraph (A) applies, but such written employment reference may not disclose that such information was also included in any such report or that such report was made.".

(c) AUTHORIZATION TO INCLUDE SUSPICIONS OF ILLEGAL ACTIVITY IN EMPLOYMENT REFERENCES.—Section 5318(g) of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(5) EMPLOYMENT REFERENCES MAY INCLUDE SUSPICIONS OF INVOLVEMENT IN ILLEGAL ACTIVITY.—

"(A) IN GENERAL.—Notwithstanding any other provision of law and subject to subparagraph (B) of this paragraph and paragraph (2)(C), any financial institution, and any director, officer, employee, or agent of such institution, may disclose, in any written employment reference relating to a current or former institution-affiliated party of such institution which is provided to another financial institution in response to a request from such other institution, information concerning the possible involvement of such institution-affiliated party in any suspicious transaction relevant to a possible violation of law or regulation.

"(B) LIMIT ON LIABILITY FOR DISCLOSURES.—A financial institution, and any director, officer, employee, or agent of such institution, shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for any disclosure under subparagraph (A), to the extent—

"(i) the disclosure does not contain information which the institution, director, officer, employee, agent, or accountant knows to be false; and

"(ii) the institution, director, officer, employee, agent, or accountant has not acted with malice or with reckless disregard for the truth in making the disclosure.

"(C) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this paragraph, the term 'institution-affiliated party' has the meaning given to such term in section 3(u) of the Federal Deposit Insurance Act, except such section 3(u) shall be applied by substituting 'financial institution' for 'insured depository institution'.".

(d) AMENDMENTS RELATING TO AVAILABILITY OF SUSPICIOUS ACTIVITY REPORTS FOR OTHER AGENCIES.—Section 5319 of title 31, United States Code, is amended—

(1) in the 1st sentence, by striking "5314, or 5316" and inserting "5313A, 5314, 5316, or 5318(g)";

(2) in the last sentence, by inserting "under section 5313, 5313A, 5314, 5316, or 5318(g)" after "records of reports"; and

(3) by adding the following new sentence after the last sentence: "The Secretary of the Treasury may permit the dissemination of information in any such reports to any self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act of 1934), if the Securities and Exchange Commission determines that such dissemination is necessary or appropriate to permit such organization to perform its function under the Securities Exchange Act of 1934 and regulations prescribed under such Act.".

SEC. 4. EXPANSION OF SCOPE OF SUMMONS POWER.

Section 5318(b)(1) of title 31, United States Code, is amended by inserting "examinations to determine compliance with the requirements of this subchapter, section 21 of the Federal Deposit Insurance Act, and chapter 2 of Public Law 91–508 and regulations prescribed pursuant to such provisions, investigations relating to reports filed by financial institutions or other persons pursuant to any such provision or regulation, and" after "in connection with".

SEC. 5. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC TARGETING ORDERS AND CERTAIN RECORDKEEPING REQUIREMENTS.

(a) CIVIL PENALTY FOR VIOLATION OF TARGETING ORDER OR CERTAIN RECORDKEEPING REQUIREMENTS.—Section 5321(a)(1) of title 31, United States Code, is amended—

(1) by inserting "or order issued" after "regulation prescribed" the 1st place it appears; and

(2) by inserting ", or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or under section 123 of Public Law 91–508," before "is liable".

(b) CRIMINAL PENALTIES FOR VIOLATION OF TARGETING ORDER OR CERTAIN RECORDKEEPING REQUIREMENTS.—Section 5322 of title 31, United States Code, is amended—

(1) in each of subsections (a) and (b), by inserting "or order issued" after "regulation prescribed" the 1st place it appears;

(2) in subsection (a), by inserting ", or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or under section 123 of Public Law 91–508," before "shall"; and

(3) in subsection (b), by inserting "or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or under section 123 of Public Law 91–508," before "while violating".

(c) STRUCTURING TRANSACTIONS TO EVADE TARGETING ORDER OR CERTAIN RECORDKEEPING REQUIREMENTS.—Section 5324(a) of title 31, United States Code, is amended—

(1) in the portion of such section which precedes paragraph (1), by inserting ", the reporting requirements imposed by any order issued under section 5326, or the recordkeeping requirements imposed by any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508" after "regulation prescribed under any such section"; and

(2) in paragraphs (1) and (2), by inserting ", to file a report required by any order issued under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508" after "regulation prescribed under any such section" where such term appears in each such paragraph.

(d) INCREASE IN CIVIL PENALTIES FOR VIOLATION OF CERTAIN RECORDKEEPING REQUIREMENTS.—

(1) FEDERAL DEPOSIT INSURANCE ACT.—Section 21(j)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(j)(1)) is amended by striking "$10,000" and inserting "the greater of the amount (not to exceed $100,000) involved in the transaction (if any) with respect to which the violation occurred or $25,000".

(2) PUBLIC LAW 91–508.—Section 125(a) of Public Law 91–508 (12 U.S.C. 1955(a)) is amended by striking "$10,000" and inserting "the greater of the amount (not to exceed $100,000) involved in the transaction (if any) with respect to which the violation occurred or $25,000".

(e) CRIMINAL PENALTIES FOR VIOLATION OF CERTAIN RECORDKEEPING REQUIREMENTS.—

(1) SECTION 126.—Section 126 of Public Law 91–508 (12 U.S.C. 1956) is amended to read as follows:

"§ 126. Criminal penalty

"A person willfully violating this chapter, section 21 of the Federal Deposit Insurance Act, or a regulation prescribed under this chapter or such section, shall be fined not more than $250,000, or imprisoned for not more than five years, or both.".

(2) SECTION 127.—Section 127 of Public Law 91–508 (12 U.S.C. 1957) is amended to read as follows:

"§ 127. Additional criminal penalty in certain cases

"A person willfully violating this chapter, section 21 of the Federal Deposit Insurance Act, or a regulation prescribed under this chapter or such section, while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period, shall be fined not more than $500,000, imprisoned for not more than 10 years, or both.".

SEC. 6. REPEAL OF CERTAIN REPORTING REQUIREMENTS.

Section 407(d) of the Money Laundering Suppression Act of 1994 (31 U.S.C. 5311 note) is amended by striking "subsection (c)" and inserting "subsection (c)(2)".

SEC. 7. LIMITED EXEMPTION FROM PAPERWORK REDUCTION ACT.

Section 3518(c)(1) of title 44, United States Code, is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) pursuant to regulations prescribed or orders issued by the Secretary of the Treasury under section 5318(h) or 5326 of title 31;".

SEC. 8. PROMULGATION OF "KNOW YOUR CUSTOMER" REGULATIONS.

(a) IN GENERAL.—Within 120 days after the date of the enactment of this Act, the Secretary of the Treasury shall promulgate "Know Your Customer" regulations for financial institutions.

(b) RULE OF CONSTRUCTION.—This section shall not be construed as precluding any supervisory agency for any financial institution from requiring the financial institution to submit any information or report to the agency or another agency pursuant to any other applicable provision of law.

(c) DEFINITION OF FINANCIAL INSTITUTION.—For purposes of subsection (a), the term "financial institution" shall not include any broker, dealer, investment company, or investment adviser as such terms are defined in the Securities Exchange Act of 1934.

SEC. 9. REPORT ON PRIVATE BANKING ACTIVITIES.

(a) IN GENERAL.—Within 1 year after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with Federal banking agencies, shall submit to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on—

(1) the nature and extent of private banking activities in the United States;

(2) regulatory efforts to monitor such activities and ensure that such activities are conducted in compliance with the Bank Secrecy Act; and

(3) policies and procedures of depository institutions that are designed to ensure that such activities are conducted in compliance with the Bank Secrecy Act.

(b) PRIVATE BANKING ACTIVITIES.—In subsection (a), the term "private banking activities", with respect to an institution, includes, among other things, personalized services such as money management, financial advice, and investment services that are provided to clients with high net worth and that are not provided generally to all clients of the institution.

SEC. 10. AVAILABILITY OF CERTAIN ACCOUNT INFORMATION.

Section 5318(h) of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(3) AVAILABILITY OF CERTAIN ACCOUNT INFORMATION.—The Secretary of the Treasury shall prescribe regulations under this subsection which require financial institutions to maintain all accounts in such a way as to ensure that the name of an account holder and the number of the account are associated with all account activity of the account holder, and to ensure that all such information is available for purposes of account supervision and law enforcement.".

SEC. 11. SENSE OF THE CONGRESS.

It is the sense of the Congress that the Secretary of the Treasury should make available to all Federal, State, and local law enforcement agencies and financial regulatory agencies the full contents of the data base of reports that have been filed pursuant to subchapter II of chapter 53 of title 31, United States Code.

SEC. 12. DESIGNATION OF FOREIGN HIGH INTENSITY MONEY LAUNDERING AREAS.

(a) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, is amended by inserting after section 5326 the following new section:

"§ 5327. Designation of foreign high intensity money laundering areas

"(a) CRITERIA.—The Secretary of the Treasury, in consultation with appropriate Federal law enforcement agencies, shall develop criteria by which to identify areas outside the United States in which money laundering activities are concentrated.

"(b) DESIGNATION.—The Secretary of the Treasury shall designate as a foreign high intensity money laundering area any foreign country in which there is an area which is identified, using the criteria developed under subsection (a), as an area in which money laundering activities are concentrated.

"(c) NOTICE.—On the designation under subsection (b) of a country as a foreign high intensity money laundering area, the Secretary of the Treasury shall provide written notice to each insured depository institution (as defined in section 3(c)(2) of the Federal Deposit Insurance Act) and each depository institution holding company (as defined in section 3(w)(1) of such Act) that has control over an insured depository institution of the identity of the foreign country and include with the notice a written warning that there is a concentration of money laundering activities in the foreign country.".

(b) CLERICAL AMENDMENT.—The table of sections for such chapter is amended by inserting after the item relating to section 5326 the following new item:

"5327. Designation of foreign high intensity money laundering areas.".

SEC. 13. DOUBLING OF CRIMINAL PENALTIES FOR VIOLATIONS OF LAWS AIMED AT PREVENTING MONEY LAUNDERING IN FOREIGN HIGH INTENSITY MONEY LAUNDERING AREAS.

Section 5322 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(d) The court may double the sentence of fine or imprisonment, or both, that would otherwise be imposed on a person for a violation described in subsection (a) or (b) if person commits the violation with respect to a transaction involving a person in, a relationship maintained for a person in, or a transport of a monetary instrument involving a foreign country, knowing that the foreign country is designated under section 5327(b) as a foreign high intensity money laundering area.".

SEC. 14. LAUNDERING MONEY THROUGH A FOREIGN BANK.

Section 1956(c)(6) of title 18, United States Code, is amended to read as follows:

"(6) the term 'financial institution' includes any financial institution described in section 5312(a)(2) of title 31, United States Code, or the regulations promulgated thereunder, as well as any foreign bank, as defined in paragraph (7) of section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101(7)).".

SEC. 15. CRIMINAL FORFEITURE FOR MONEY LAUNDERING CONSPIRACIES.

Section 982(a)(1) of title 18, United States Code, is amended by inserting ", or a conspiracy to commit any such offense" after "of this title".

SEC. 16. CHARGING MONEY LAUNDERING AS A COURSE OF CONDUCT.

Section 1956(h) of title 18, United States Code, is amended—

(1) by inserting "(1)" before "Any person"; and

(2) by adding at the end the following:

"(2) Any person who commits multiple violations of this section or section 1957 that are part of the same scheme or continuing course of conduct may be charged, at the election of the Government, in a single count in an indictment or information.".

SEC. 17. VENUE IN MONEY LAUNDERING CASES.

Section 1956 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(i) VENUE.—(1) Except as provided in paragraph (2), a prosecution for an offense under this section or section 1957 may be brought in—

"(A) any district in which the financial or monetary transaction is conducted, or

"(B) any district where a prosecution for the underlying specified unlawful activity could be brought, if the defendant participated in the transfer of the proceeds of the specified unlawful activity from that district to the district where the financial or monetary transaction is conducted.

"(2) A prosecution for an attempt or conspiracy offense under this section or section 1957 may be brought in the district where venue would lie for the completed offense under paragraph (1), or in any other district where an act in furtherance of the attempt or conspiracy took place.".

SEC. 18. TECHNICAL AMENDMENT TO RESTORE WIRETAP AUTHORITY FOR CERTAIN MONEY LAUNDERING OFFENSES.

Section 2516(1)(g) of title 18, United States Code, is amended by striking "a violation of section 5322 of title 31, United States Code (dealing with the reporting of currency transactions)" and inserting "a violation of section 5322 or 5324 of title 31, United States Code (dealing with the reporting and illegal structuring of currency transactions)".

SEC. 19. KNOWLEDGE THAT THE PROPERTY IS THE PROCEEDS OF A FELONY.

Section 1956(c)(1) of title 18, United States Code, is amended by inserting ", and regardless of whether or not the person knew that the activity constituted a felony" before the semicolon at the end.

SEC. 20. COVERAGE OF FOREIGN BANK BRANCHES IN THE TERRITORIES.

Section 20(9) of title 18, United States Code, is amended by inserting ", except that, for purposes of the application of that definition, the term 'State' as used in such Act includes a commonwealth, territory, or possession of the United States" after "Banking Act of 1978".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from Minnesota (Mr. VENTO) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on H.R. 4005, the bill under consideration.

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

There was no objection.

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

The Money Laundering Deterrence Act of 1998 is intended to strengthen the hand of Federal law enforcement in detecting and prosecuting financial crimes, and to encourage greater reporting of suspicious monetary transactions by financial institutions and their agents.

It is estimated that upwards of $500 billion in laundered funds, a large portion of it derived from narcotics trafficking, is cycled through the United States financial system on an annual

basis. Any meaningful strategy for combating the international drug trade and other global criminal enterprises must include strong legal mechanisms for detecting the flows of their illicit proceeds. Left unchecked, money laundering has a devastating effect on the integrity of financial institutions and, because it is the lifeblood of drug traffickers, on the social fabric as well.

Beginning with the passage of the Bank Secrecy Act of 1970, the Committee on Banking and Financial Services has been at the forefront of legislative efforts to erect a system of financial reporting and recordkeeping designed to give law enforcement authorities sufficient tools to detect and prosecute money laundering offenses. The various reporting requirements imposed by the Bank Secrecy Act and subsequent legislation promote the disclosure of information relating to suspicious financial transactions by financial institutions and other commercial enterprises, and the subsequent dissemination of that information among Federal, State and local law enforcement authorities.

In crafting these bills, Congress has sought to advance a number of policy objectives, including facilitating the law enforcement community's access to accurate and complete information regarding possible money laundering, and encouraging safe and sound practices at Federal insured depository institutions, while, at the same time, protecting the free flow of legitimate commerce and the privacy interests of legitimate bank customers.

H.R. 4005, as amended by the committee in its June 11 markup to the legislation, contains a series of amendments to the Bank Secrecy Act and other provisions of the United States Code related to money laundering offenses.

First, it extends safe harbor protections to independent public accountants who submit reports of suspicious financial activity to the Federal Government.

Second, it provides financial institutions with immunity from civil liability when making employment references that may include suspicions of an employee's involvement in illegal activity, unless such suspicions are known to be false or the institution has acted with malice or reckless disregard for the truth.

Third, it makes reports of suspicious financial activity filed with the Federal Government available to self-regulatory organizations as defined by the Securities and Exchange Act of 1934, such as the National Association of Securities Dealers.

Fourth, it requires the Secretary of the Treasury to promulgate "Know Your Customer" regulations within 120 days of enactment of the legislation; submit a comprehensive report to Congress on so-called private banking activities, those personalized services that financial institutions provide to clients with high net worth, often involving complex transactions conducted offshore; prescribe regulations requiring financial institutions to maintain all accounts in such a way as to ensure that the name of an account holder, and the number of his or her account are associated with all activity in the account; and develop criteria to identify areas outside the United States where money laundering is concentrated.

H.R. 4005 is a product of broad bipartisan consensus within the committee, which approved it by voice vote, and reflects serious thoughtful input from both the Republican and Democratic members of the committee. I would like to accord special recognition in this regard to the gentlewoman from New Jersey (Mrs. ROUKEMA) and the gentleman from Alabama (Mr. BACHUS), who chairs the Subcommittee on General Oversight and Investigations of the Committee on Banking and Financial Services. Under his leadership, and her leadership, the subcommittees have held a series of hearings highlighting aspects of the money laundering problem and the Federal Government's efforts to address it. Several of the provisions in this bill are there simply because of the oversight that was conducted.

Before concluding my remarks, Mr. Speaker, let me also recognize the constructive role played by the ranking member, the gentleman from New York (Mr. LAFALCE), and the gentleman from Minnesota (Mr. VENTO), in shepherding this legislation through committee and on to the floor. I look forward to a successful completion of this task at this time.

Mr. Speaker, I submit for the RECORD correspondence, and attachments thereto, regarding H.R. 4005.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, September 28, 1998.

Hon. JIM LEACH,
Chairman, House Committee on Banking and Financial Services, Washington, DC.

DEAR JIM: I respectfully request that section 9 of H.R. 4005 be removed before the bill is brought to the floor on the suspension calendar. The section, entitled "Fungible Property in Bank Accounts" modifies section 984 of title 18 of the United States Code and makes a substantive change to federal civil asset forfeiture law as it relates to the forfeiture of fungible property in the form of cash or funds deposited in a financial institution. As the House Leadership wants to delay consideration of reforms to our federal civil asset forfeiture laws until the 106th Congress, it would be more appropriate for this provision to be considered at that time.

Sincerely,

HENRY J. HYDE,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON BANKING AND FINANCIAL SERVICES,
Washington, DC, October 1, 1998.

Hon. HENRY J. HYDE,
Chairman, Committee on the Judiciary, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN HYDE: Thank you for your letter of September 28, 1998, notifying me of your objection to H.R. 4005's provision relating to civil asset forfeiture. In deference to your concerns—and to the House leadership's view that further consideration of civil asset forfeiture reforms should await the next Congress—this provision will be removed from the bill reported by the Banking Committee on July 8, 1998. In making the accommodation, it is my hope that the legislation can be brought to the House floor expeditiously for consideration under suspension of the rules.

On a related issue, I am writing to apprise you of a legislative proposal that the Banking Committee has received from the Department of Justice that touches on matters of shared jurisdiction between our respective committees. As you know, on June 22, 1998, the United States Supreme Court held that the government's seizure of some $357,000 in cash from an individual attempting to carry the funds out of the country without filing the currency reporting form required by the Bank Secrecy Act violated the Eighth Amendment ban on "excessive fines." *See United States* v. *Bajakajian*, 118 S. Ct. 2028 (1998). In an effort to mitigate what it sees as the *Bajakajian* decision's detrimental consequences for narcotics and money laundering enforcement, the Department of Justice has proposed amending Title 31 to make the act of bulk cash smuggling a criminal offense, and to authorize seizure of the smuggled currency in accordance with the civil and criminal forfeiture provisions found in Title 18. A summary of the proposal submitted by the Justice Department is enclosed for your review.

I have informed Justice Department officials that I am willing to entertain any credible proposal for aiding law enforcement in detecting and prosecuting drug-related money laundering, and therefore intend to keep an open mind on the merits of their suggested legislation responding to *Bajakaijian*. I also made clear to the Department, however, that the specific measure it has advanced is one that would require favorable consideration not only by our Committee, but also by the Committee on the Judiciary, since the substantive Title 31 offense created by the proposed legislation is one that falls squarely within Banking Committee jurisdiction and the sanctions involving civil and criminal forfeiture are obviously within the purview of the Judiciary Committee. (Indeed, while it is typically the case that the definition of a criminal offense is more fundamental to a statute than the penalties imposed for committing that offense, here, it seems to me, the reverse may be true.)

I am aware that you have been a leading critic of the way that the civil forfeiture laws are currently being applied. Accordingly, I have informed the Department that while I am open to their suggestions, I am unprepared to go forward with consideration of their proposal in this Congress unless you are supportive. In this regard, please let me know if there are any elements of the administration's approach that you think would be advisable at this time.

Thank you for your consideration of these matters.

Sincerely,

JAMES A. LEACH,
Chairman.

ANALYSIS OF BULK CASH SMUGGLING STATUTE AND RELATED AMENDMENTS

As recent Congressional hearings and investigative reports in the press have revealed, currency smuggling is an extremely serious law enforcement problem. Hundreds of millions of dollars in U.S. currency—representing the proceeds of drug trafficking and other criminal offenses, as well as income not reported for income tax purposes—is annually transported out of the United States to foreign countries in shipments of bulk cash. Smugglers use all available means to transport the currency out of the country, from false bottoms in personal luggage, to secret compartments in automobiles, to concealment in durable goods exported for sale abroad.

Presently, the only law enforcement weapon against such smuggling is Section 5316 of Title 31, United States Code, which makes it an offense to transport more than $10,000 in currency or monetary instruments into, or out of, the United States without filing a report with the United States Customs Service. The effectiveness of §5316 as a law enforcement tool has been diminished, however, by a recent Supreme Court decision. In *United States* v. *Bajakajian*, 118 S. Ct. 2028 (1988), the Supreme Court held that §5316 constitutes a mere reporting violation, which is not a serious offense to purposes of the Excessive Fines Clause of the Eighth Amendment. Accordingly, confiscation of the full amount of the smuggled currency is unconstitutional, even if the smuggler took elaborate steps to conceal the currency and otherwise obstruct justice.

Confiscation of the smuggled currency is, of course, the most effective weapon that can be employed against these smugglers. Accordingly, in response to the *Bajakajian* decision, the Department of Justice proposed making the act of bulk cash smuggling itself a criminal offense, and to authorize the imposition of the full range of civil and criminal sanctions when the offense is discovered. Because the act of concealing currency for the purpose of smuggling it out of the United States is inherently more serious than simply failing to file a Customs report, strong and meaningful sanctions, such as confiscation of the smuggled currency, are likely to withstand Eighth Amendment challenges to the new statute.

Sections 1 and 2 of the bill set forth the new bulk cash smuggling offense as well as a set of findings explaining why the smuggling of bulk cash is a serious law enforcement problem. The new offense, which would be codified at 31 U.S.C. §5331, would make it an offense for anyone to knowingly conceal more than $10,000 in currency or other monetary instruments on his person or in any conveyance, article of luggage, merchandise or other container, and to transport or attempt to transport that currency across the border with the intent to avoid the reporting requirements in Section 5316. In other words, the offense has three elements: (1) concealment; (2) transportation (or attempted transportation); and 3) specific intent to evade filing a complete and accurate report with the Customs Service.

The statute is intended to apply to persons who commit any of a wide variety of smuggling offenses involving bulk cash—from the money brokers for the drug cartels who stuff $20 bills into trucks bound for Mexico or appliances being exported to Colombia, to couriers who attempt to cross the border with currency concealed in their luggage. It would also apply to efforts to move money into or out of the United States at places other than ports of entry where CMIR reports are customarily filed. In other words, unlike the CMIR statute, which only applies once the duty to file the Customs report has been triggered, Section 5331 would apply to a person who had not yet reached the border, or was traveling at a place other than a port of entry, but was traveling (or intending to travel) toward the border with the intent to cross it, and had already concealed the money with the intent to evade the reporting requirement.

The penalty section provides for incarceration of up to 5 years. In addition, and in lieu of any criminal fine, the penalty section authorizes the confiscation of the smuggled money in accordance with the usual procedures for criminal and civil forfeiture. (The civil forfeiture provisions are essential to permit confiscation of discovered currency in cases where the smuggler is not found, is a fugitive, or is not the legal owner of the money; the innocent owner provisions of 18 U.S.C. §981(a)(2) would, however, protect innocent owners of smuggled money.) Confiscation of smuggled goods has been regarded as the appropriate penalty for smuggling offenses since the first Customs laws were enacted in the 18th Century. To address concerns that such confiscation is a blunt instrument that should be mitigated in some circumstances to avoid a hardship, the bill explicitly authorizes courts to mitigate forfeitures of currency involved in currency reporting offenses to avoid Eighth Amendment violations by considering a range of aggravating and mitigating circumstances. Those circumstances include the value of the currency or other monetary instruments involved in the offense; efforts by the person committing the offense to structure currency transactions, conceal property or otherwise obstruct justice; and whether the offense is part of a pattern of repeated violations.

It must be stressed, however, that bulk cash smuggling is an inherently more serious offense than simply failing to file a Customs report. Because the constitutionality of a forfeiture is dependent on the "gravity of the offense" under *Bajakajian*, it is anticipated that the full forfeiture of smuggled money will withstand constitutional scrutiny in most cases. For the confiscation to be reduced at all, the smuggler will have to show that the money was derived from a legitimate source and not intended to be used for any unlawful purpose. Even then, the court's duty will be to reduce the amount of confiscation to the maximum that would be permitted in accordance with the Eighth Amendment and the aggravating and mitigating factors set forth in the statute.

Section 3 of the bill makes conforming amendments to the existing criminal and civil forfeiture provisions for the reporting and structuring violations in Title 31. Its purpose is simply to put all of these provisions in one place (e.g., by moving some of the existing forfeiture provisions for currency reporting violations from title 18 to title 31 and combining them with the provisions that are already codified at 31 U.S.C. §5317(c)), and to set forth rules for mitigating the forfeitures to avoid constitutional violations in accordance with *Bajakajian*. This is necessary to address the concern expressed by the Court in *Bajakajian* that Congress had not made it clear that trial courts are authorized to reduce forfeitures down to the maximum level permissible to avoid violating the Excessive Fines Clause when a statute, on its face, appears to authorize only the full amount of structured of unreported currency.

Again, this does not imply that such forfeitures must be reduced in all cases. In structuring cases, for example, a pattern of repeated conduct over a period of time would likely support the confiscation of the full amount of structured currency irrespective of whether the defendant met his burden of showing that the property was derived from a legitimate source and was not intended to be used for any unlawful purpose.

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

□ 1745

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

Mr. Speaker, I rise in support of this measure, H.R. 4005, the Money Laundering Deterrence Act of 1998, authored by the gentleman from Iowa (Mr. LEACH), the distinguished chairman of the Committee on Banking and Financial Services.

This legislation significantly improves the ability of our Nation's law enforcement authorities to curtail money laundering and prosecute criminals involved in these illegal activities.

The Committee on Banking and Financial Services has had a successful and long bipartisan history of bringing anti-money laundering legislation to the floor of this House of Representatives and, following its completion, enactment into law.

We have traditionally reported bills making it more difficult for drug pushers and other criminals to deposit their profits in the legitimate banking system and have cleared the path and policies so that prosecutors can effectively charge and put these criminals in jail. This measure continues that effort because it clarifies and perfects existing law and regulations that have already been proven effective in the effort to curtail money laundering.

I believe it is important to focus the attention of the House on the series of amendments adopted in committee. These are amendments offered by our colleague the gentlewoman from California (Ms. WATERS), who is without peer in her efforts to get to the heart of serious drug problems in her Los Angeles congressional district.

The Waters amendments target the sensitive and secret world of the private banking community. The Waters amendments were designed to make certain that the comfort and courtesies afforded the wealthy in the banking board rooms are subject to the same reporting requirements enforced in the lobbies of our financial institutions.

With the passage of the Waters amendments, the committee will have some of the information it will need to ensure that laws of our Nation are fully enforced, even in the rarified world of private banking.

An important part of this bill reported by the Committee on Banking and Financial Services has been deleted in deference to the jurisdiction of the Committee on Ways and Means.

To complement the reporting requirements imposed on the financial industry, the Ways and Means Committee amended the tax code to require that all businesses and professional corporations file a report with the IRS whenever they accept $10,000 or more in cash as payment for goods and services provided. In hearings before our Committee, we received testimony which indicated that the protections appropriately provided to information gathered under the tax code were otherwise impeding the ability of the law enforcement community to access and use this information. The provisions of H.R. 4005, as reported by the Committee, transferred the reporting requirement from the tax code to the *Bank Secrecy Act,* the statute under which the financial institutions reports are presently collected and made available to legitimate law enforcement authorities. That provision has now been dropped. Although I accept and understand the need for the Ways and Means Committee to be able to review amendments to the tax code, the American public should not be asked to accept inefficiencies in our crime fighting policies because of the Congress' rules of jurisdiction.

Mr. Speaker, I sincerely hope that the Committee on Ways and Means will soon conduct a full review of the referenced 8300 reporting requirements so that appropriate changes can be made as soon as possible to maximize the use of these valued reports.

Finally, Mr. Speaker, I want to again compliment the gentleman from Iowa (Mr. LEACH) for his leadership in bringing this bill not only through the committee, but to the full House in a timely manner and basis. This bill is an important step in providing the law enforcement community the tools they need to keep money laundering under control.

I again urge adoption of this bill and support for it.

Mr. Speaker, I submit for the RECORD the thoughtful statements supporting the bill from the gentleman from New York (Mr. LAFALCE), the ranking Democrat Member.

Mr. LAFALCE: Mr. Speaker, I rise to support H.R. 4005, The Money Laundering Deterrence Act of 1998.

I wish to join the Ranking Member of the Financial Institutions Subcommittee, Congressman BRUCE VENTO, in complimenting the distinguished Chairman of the Banking Committee, Congressman JIM LEACH, for bringing this bill to the floor in a timely manner. As was noted by previous speakers, this legislation significantly improves the ability of our nation's law enforcement authorities to bring money launderers to justice.

H.R. 4005 continues the Banking Committee's long and bipartisan tradition of reporting important anti-money laundering legislation to the House of Representatives. Today's bill continues this effort in that it further improves existing law and encourages greater reporting of suspicious financial activity by financial institutions and their agents.

I am pleased to report that some of the most important provisions of this bill were introduced as amendments authored by the distinguished Congresswoman from California, MAXINE WATERS. Congresswoman WATERS' tremendous energy and dedication to the concerns of Congressional District have led her to be one of the Congress' most vigilant crusaders against those who would use the traditional banking system to launder illegal proceeds, particularly those profits realized from the sale of illegal drugs in her South Central Los Angeles District. The Waters' amendments were designed to make certain that wealthy individuals cannot use their influence to cause banks to "look the other way" when it comes to those laws the banks normally implement vigorously. With the passage of the Waters amendments, the Committee will have begun the effort of investigating private banking practices, particularly as they relate to serving wealthy individuals who insist on secrecy in their financial dealings.

Finally, Mr. Speaker, I again compliment Chairman LEACH for his leadership in bringing this bill not only to the Committee but to the full House on a timely basis. The bill is another important step in providing the law enforcement community the tools they need to keep money laundering under control.

I urge the adoption of this bill.

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

Mr. LEACH. Mr. Speaker, I yield 3 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA), who has been so instrumental in bringing this bill forward.

Mrs. ROUKEMA. Mr. Speaker, I especially rise to thank the chairman for his leadership here, and certainly for those on the other side of the aisle who have been working so hard on this legislation, both pieces of legislation I should say. And I do want to say that the good news has been that the U.S. is making significant strides in limiting money laundering through our financial institutions. That we know.

But the bad news, as we learned, is that organized crime is turning to other U.S. businesses for their money laundering as well as financial institutions in other countries. And I believe these two pieces of legislation are making a significant step in the direction of helping the law enforcement community with stronger statutes on money laundering so that we can coordinate with the help law enforcement needs.

I certainly want to thank the chairman again for his leadership here. I also want to say that I believe that we can go farther, and of course I am assuming and doing everything I can do to hope that the other body will act promptly on this legislation and not let it falter here in the waning days of this Congress.

But I would also say that there is more to be done in the next Congress. And I have introduced just on Friday of this past week the Bulk Cash Smuggling Act of 1998. We will go into more on that at another time. But it will be complementary to what we are doing here. It deals with currency or monetary instruments in excess of $10,000 that is transported either in or out of the United States and civil forfeiture questions with regard to those monies. We will talk about that at another time. It should complement what we are doing.

But we are taking a giant stride in the right direction here to get at the criminal elements that are making a sham out of our financial institutions.

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

Just in closing from my side, I would say that this half trillion dollars of illegal money that is washing through our society through our banks needs to be regulated, needs to be addressed. We need to provide the law enforcement and Treasury and other specific officials with the authority so that they can, in fact, trace this and, in fact, effectively fight the type of creative crime that is going on in our society, especially with electronic banking and other regulations.

At the same time we are very concerned about privacy, very concerned about due process. I think this bill does strike the proper balance in terms of those issues and puts in the hands of law enforcement officials at the national and State level a consistent policy with regards to this that can and will continue to need our diligence and attention to prove if it is going to ultimately be effective in dealing with the growing problem of money laundering for these diverse problems, whether it is for crime, whether it is for drugs, whether it is for other types of gambling and other types of illegal activities.

As most I think can see, the tools need to be there in the hands of the prosecutors and in the hands of the law enforcement officials to, in fact, enforce our laws at the State and at the national level.

Ms. WATERS. Mr. Speaker, I rise in strong support of H.R. 4005, the Money Laundering Deterrence Act of 1998. I would like to thank Chairman LEACH, Ranking Member LAFALCE and Representatives ROUKEMA and VENTO for their efforts to bring this bill to the floor.

This tough bi-partisan bill reflects a new willingness by Congress to get tough on drug money laundering. The illegal drug trade is one of the world's largest industries, with annual revenues of more than $500 billion a year worldwide, eclipsing even the revenues generated from the production of oil and gas. But the illegal drug trade would come to a screeching halt tomorrow without the ability to launder drug profits through financial insitutions globally. By making our money laundering laws tougher and closing up the loopholes this legislation is an important step in putting an end to the ability of the cartels use to profit from their terrible trade.

Now the need for tougher money laundering is clearer than ever. We only need to look at the massive money laundering, murder and drug trafficking case involving Raul Salinas de Gotari, former Mexican cabinet minister and brother of Mexican President Carlos Salinas de Gotari. This case highlights allegations of the use of Citibank/Citicorp's private bank system by Salinas and other drug traffickers in laundering at least $130 million dollars in drug proceeds.

Citibank's private banker, Amy Elliot was central to the allegations. Ms. Elliot set up an elaborate and secretive system for Salinas to get his money that was banked in Mexico out of the country, and into offshore and Swiss bank accounts. Ms. Elliott used Citibank's concentration accounts to transfer hundreds of millions of Salinas' proceeds. The concentration accounts acted to effectively cut off the paper trail of Salinas' money, making it next to impossible for law enforcement agencies to track the drug money. With Ms. Elliot's skillful assistance, the former President's borther is suspected of laundering hundreds of millionas of dollars in drug proceeds.

Two weeks ago, the New York Times and the Wall Street Journal reported that the Swiss Attorney General's office has completed a 369 page report on this case that asserts among other damaging allegations that "[w]hen Carlos Salinas de Gotari became President of Mexico in 1988, Raul Salinas de Gortari assumed control over practically all drug shipments through Mexico. Through his influence and bribes paid with drug money, officials of the army and the police supported and protected the flourishing drug business."

This is simply one of many cases that point to the need for comprehensive money laundering legislation. The Money Laundering Deterrence Act of 1998 is a very good first step.

I offered a number of amendments to the bill in Committee to focus attention on the "private banking" system and the dangers of its abuse by major money launderers, drug cartels and organized crime syndicates.

I also amended the bill by calling for tougher enforcement of our nation's money laundering laws and closer scrutiny of our domestic financial institutions. These amendments added important weapons in the battle against major money laundering operations.

My amendments strengthen H.R. 4005 by:

Requiring the Secretary of the Treasury to submit to the House and Senate Banking Committees a report on the "private banking" system;

Prohibiting banks from maintaining accounts that prevent the name and account number of a customer from being associated with the account activity of an account holder. This would outlaw certain concentration accounts in use by banks, if they can be used to effectively hide the identity of the account holder;

Requiring the Secretary of the Treasury to issue "Know Your Customer" regulations within 120 days from the date of enactment of the Act; and

Identifying areas outside the United States where money laundering is concentrated and increasing penalties for violations of United States money laundering laws associated with activities in these identified countries.

I am pleased we are moving forward in the pursuit of the money laundering kingpins who are at the center of the half a trillion dollar annual drug trade and I ask my colleagues to support this important legislation.

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

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

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 4005, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read:

"A bill to amend titles 18 and 31, United States Code, to improve methods for preventing money laundering and other financial crimes, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4005, the bill just passed.

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

There was no objection.

MONEY LAUNDERING AND FINANCIAL CRIMES STRATEGY ACT OF 1998

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1756) to amend chapter 53 of title 31, United States Code, to require the development and implementation by the Secretary of the Treasury of a national money laundering and related financial crimes strategy to combat money laundering and related financial crimes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1756

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Money Laundering and Financial Crimes Strategy Act of 1998".

SEC. 2. MONEY LAUNDERING AND RELATED FINANCIAL CRIMES.

(a) IN GENERAL.—Chapter 53 of title 31, United States Code is amended by adding at the end the following new subchapter:

"SUBCHAPTER III—MONEY LAUNDERING AND RELATED FINANCIAL CRIMES

"§ 5340. Definitions

"For purposes of this subchapter, the following definitions shall apply:

"(1) DEPARTMENT OF THE TREASURY LAW ENFORCEMENT ORGANIZATIONS.—The term 'Department of the Treasury law enforcement organizations' has the meaning given to such term in section 9703(p)(1).

"(2) MONEY LAUNDERING AND RELATED FINANCIAL CRIME.—The term 'money laundering and related financial crime' means an offense under subchapter II of this chapter, chapter II of title I of Public Law 91–508 (12 U.S.C. 1951, et seq.; commonly referred to as the 'Bank Secrecy Act'), or section 1956, 1957, or 1960 of title 18 or any related Federal, State, or local criminal offense.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(4) ATTORNEY GENERAL.—The term 'Attorney General' means the Attorney General of the United States.

"PART 1—NATIONAL MONEY LAUNDERING AND RELATED FINANCIAL CRIMES STRATEGY

"§ 5341. National money laundering and related financial crimes strategy

"(a) DEVELOPMENT AND TRANSMITTAL TO CONGRESS.—

"(1) DEVELOPMENT.—The President, acting through the Secretary and in consultation with the Attorney General, shall develop a national strategy for combating money laundering and related financial crimes.

"(2) TRANSMITTAL TO CONGRESS.—By February 1 of 1999, 2000, 2001, 2002, and 2003, the President shall submit a national strategy developed in accordance with paragraph (1) to the Congress.

"(3) SEPARATE PRESENTATION OF CLASSIFIED MATERIAL.—Any part of the strategy that involves information which is properly classified under criteria established by Executive Order shall be submitted to the Congress separately in classified form.

"(b) DEVELOPMENT OF STRATEGY.—The national strategy for combating money laundering and related financial crimes shall address any area the President, acting through the Secretary and in consultation with the Attorney General, considers appropriate, including the following:

"(1) GOALS, OBJECTIVES, AND PRIORITIES.—Comprehensive, research-based goals, objectives, and priorities for reducing money laundering and related financial crime in the United States.

"(2) PREVENTION.—Coordination of regulatory and other efforts to prevent the exploitation of financial systems in the United States for money laundering and related financial crimes, including a requirement that the Secretary shall—

"(A) regularly review enforcement efforts under this subchapter and other provisions of law and, when appropriate, modify existing regulations or prescribe new regulations for purposes of preventing such criminal activity; and

"(B) coordinate prevention efforts and other enforcement action with the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Federal Trade Commission, other Federal banking agencies, the National Credit Union Administration Board, and such other Federal agencies as the Secretary, in consultation with the Attorney General, determines to be appropriate.

"(3) DETECTION AND PROSECUTION INITIATIVES.—A description of operational initiatives to improve detection and prosecution of money laundering and related financial crimes and the seizure and forfeiture of proceeds and instrumentalities derived from such crimes.

"(4) ENHANCEMENT OF THE ROLE OF THE PRIVATE FINANCIAL SECTOR IN PREVENTION.—The enhancement of partnerships between the private financial sector and law enforcement agencies with regard to the prevention and

detection of money laundering and related financial crimes, including providing incentives to strengthen internal controls and to adopt on an industrywide basis more effective policies.

"(5) ENHANCEMENT OF INTERGOVERNMENTAL COOPERATION.—The enhancement of—

"(A) cooperative efforts between the Federal Government and State and local officials, including State and local prosecutors and other law enforcement officials; and

"(B) cooperative efforts among the several States and between State and local officials, including State and local prosecutors and other law enforcement officials,

for financial crimes control which could be utilized or should be encouraged.

"(6) PROJECT AND BUDGET PRIORITIES.—A 3-year projection for program and budget priorities and achievable projects for reductions in financial crimes.

"(7) ASSESSMENT OF FUNDING.—A complete assessment of how the proposed budget is intended to implement the strategy and whether the funding levels contained in the proposed budget are sufficient to implement the strategy.

"(8) DESIGNATED AREAS.—A description of geographical areas designated as 'high-risk money laundering and related financial crime areas' in accordance with, but not limited to, section 5342.

"(9) PERSONS CONSULTED.—Persons or officers consulted by the Secretary pursuant to subsection (d).

"(10) DATA REGARDING TRENDS IN MONEY LAUNDERING AND RELATED FINANCIAL CRIMES.—The need for additional information necessary for the purpose of developing and analyzing data in order to ascertain financial crime trends.

"(11) IMPROVED COMMUNICATIONS SYSTEMS.—A plan for enhancing the compatibility of automated information and facilitating access of the Federal Government and State and local governments to timely, accurate, and complete information.

"(c) EFFECTIVENESS REPORT.—At the time each national strategy for combating financial crimes is transmitted by the President to the Congress (other than the 1st transmission of any such strategy) pursuant to subsection (a), the Secretary shall submit a report containing an evaluation of the effectiveness of policies to combat money laundering and related financial crimes.

"(d) CONSULTATIONS.—In addition to the consultations required under this section with the Attorney General, in developing the national strategy for combating money laundering and related financial crimes, the Secretary shall consult with—

"(1) the Board of Governors of the Federal Reserve System and other Federal banking agencies and the National Credit Union Administration Board;

"(2) State and local officials, including State and local prosecutors;

"(3) the Securities and Exchange Commission;

"(4) the Commodities and Futures Trading Commission;

"(5) the Director of the Office of National Drug Control Policy, with respect to money laundering and related financial crimes involving the proceeds of drug trafficking;

"(6) the Chief of the United States Postal Inspection Service;

"(7) to the extent appropriate, State and local officials responsible for financial institution and financial market regulation;

"(8) any other State or local government authority, to the extent appropriate;

"(9) any other Federal Government authority or instrumentality, to the extent appropriate; and

"(10) representatives of the private financial services sector, to the extent appropriate.

"§ 5342. High-risk money laundering and related financial crime areas

"(a) FINDINGS AND PURPOSE.—

"(1) FINDINGS.—The Congress finds the following:

"(A) Money laundering and related financial crimes frequently appear to be concentrated in particular geographic areas, financial systems, industry sectors, or financial institutions.

"(B) While the Secretary has the responsibility to act with regard to Federal offenses which are being committed in a particular locality or are directed at a single institution, because modern financial systems and institutions are interconnected to a degree which was not possible until recently, money laundering and other related financial crimes are likely to have local, State, national, and international effects wherever they are committed.

"(2) PURPOSE AND OBJECTIVE.—It is the purpose of this section to provide a mechanism for designating any area where money laundering or a related financial crime appears to be occurring at a higher than average rate such that—

"(A) a comprehensive approach to the problem of such crime in such area can be developed, in cooperation with State and local law enforcement agencies, which utilizes the authority of the Secretary to prevent such activity; or

"(B) such area can be targeted for law enforcement action.

"(b) ELEMENT OF NATIONAL STRATEGY.—The designation of certain areas as areas in which money laundering and related financial crimes are extensive or present a substantial risk shall be an element of the national strategy developed pursuant to section 5341(b).

"(c) DESIGNATION OF AREAS.—

"(1) DESIGNATION BY SECRETARY.—The Secretary, after taking into consideration the factors specified in subsection (d), shall designate any geographical area, industry, sector, or institution in the United States in which money laundering and related financial crimes are extensive or present a substantial risk as a 'high-risk money laundering and related financial crimes area'.

"(2) CASE-BY-CASE DETERMINATION IN CONSULTATION WITH THE ATTORNEY GENERAL.—In addition to the factors specified in subsection (d), any designation of any area under paragraph (1) shall be made on the basis of a determination by the Secretary, in consultation with the Attorney General, that the particular area, industry, sector, or institution is being victimized by, or is particularly vulnerable to, money laundering and related financial crimes.

"(3) SPECIFIC INITIATIVES.—Any head of a department, bureau, or law enforcement agency, including any State or local prosecutor, involved in the detection, prevention, and suppression of money laundering and related financial crimes and any State or local official or prosecutor may submit—

"(A) a written request for the designation of any area as a high-risk money laundering and related financial crimes area; or

"(B) a written request for funding under section 5351 for a specific prevention or enforcement initiative, or to determine the extent of financial criminal activity, in an area.

"(d) FACTORS.—In considering the designation of any area as a high-risk money laundering and related financial crimes area, the Secretary shall, to the extent appropriate and in consultation with the Attorney General, take into account the following factors:

"(1) The population of the area.

"(2) The number of bank and nonbank financial institution transactions which originate in such area or involve institutions located in such area.

"(3) The number of stock or commodities transactions which originate in such area or involve institutions located in such area.

"(4) Whether the area is a key transportation hub with any international ports or airports or an extensive highway system.

"(5) Whether the area is an international center for banking or commerce.

"(6) The extent to which financial crimes and financial crime-related activities in such area are having a harmful impact in other areas of the country.

"(7) The number or nature of requests for information or analytical assistance which—

"(A) are made to the analytical component of the Department of the Treasury; and

"(B) originate from law enforcement or regulatory authorities located in such area or involve institutions or businesses located in such area or residents of such area.

"(8) The volume or nature of suspicious activity reports originating in the area.

"(9) The volume or nature of currency transaction reports or reports of cross-border movements of currency or monetary instruments originating in, or transported through, the area.

"(10) Whether, and how often, the area has been the subject of a geographical targeting order.

"(11) Observed changes in trends and patterns of money laundering activity.

"(12) Unusual patterns, anomalies, growth, or other changes in the volume or nature of core economic statistics or indicators.

"(13) Statistics or indicators of unusual or unexplained volumes of cash transactions.

"(14) Unusual patterns, anomalies, or changes in the volume or nature of transactions conducted through financial institutions operating within or outside the United States.

"(15) The extent to which State and local governments and State and local law enforcement agencies have committed resources to respond to the financial crime problem in the area and the degree to which the commitment of such resources reflects a determination by such government and agencies to address the problem aggressively.

"(16) The extent to which a significant increase in the allocation of Federal resources to combat financial crimes in such area is necessary to provide an adequate State and local response to financial crimes and financial crime-related activities in such area.

"PART 2—FINANCIAL CRIME-FREE COMMUNITIES SUPPORT PROGRAM

"§ 5351. Establishment of financial crime-free communities support program

"(a) ESTABLISHMENT.—The Secretary of the Treasury, in consultation with the Attorney General, shall establish a program to support local law enforcement efforts in the development and implementation of a program for the detection, prevention, and suppression of money laundering and related financial crimes.

"(b) PROGRAM.—In carrying out the program, the Secretary of the Treasury, in consultation with the Attorney General, shall—

"(1) make and track grants to grant recipients;

"(2) provide for technical assistance and training, data collection, and dissemination of information on state-of-the-art practices that the Secretary determines to be effective in detecting, preventing, and suppressing money laundering and related financial crimes; and

"(3) provide for the general administration of the program.

"(c) ADMINISTRATION.—The Secretary shall appoint an administrator to carry out the program.

"(d) CONTRACTING.—The Secretary may employ any necessary staff and may enter into contracts or agreements with Federal and State law enforcement agencies to delegate authority for the execution of grants and for such other activities necessary to carry out this chapter.

"§ 5352. Program authorization

"(a) GRANT ELIGIBILITY.—To be eligible to receive an initial grant or a renewal grant under this part, a State or local law enforcement agency or prosecutor shall meet each of the following criteria:

"(1) APPLICATION.—The State or local law enforcement agency or prosecutor shall submit an application to the Secretary in accordance with section 5353(a)(2).

"(2) ACCOUNTABILITY.—The State or local law enforcement agency or prosecutor shall—

"(A) establish a system to measure and report outcomes—

"(i) consistent with common indicators and evaluation protocols established by the Secretary, in consultation with the Attorney General; and

"(ii) approved by the Secretary;

"(B) conduct biennial surveys (or incorporate local surveys in existence at the time of the evaluation) to measure the progress and effectiveness of the coalition; and

"(C) provide assurances that the entity conducting an evaluation under this paragraph, or from which the applicant receives information, has experience in gathering data related to money laundering and related financial crimes.

"(b) GRANT AMOUNTS.—

"(1) GRANTS.—

"(A) IN GENERAL.—Subject to subparagraph (D), for a fiscal year, the Secretary of the Treasury, in consultation with the Attorney General, may grant to an eligible applicant under this section for that fiscal year, an amount determined by the Secretary of the Treasury, in consultation with the Attorney General, to be appropriate.

"(B) SUSPENSION OF GRANTS.—If such grant recipient fails to continue to meet the criteria specified in subsection (a), the Secretary may suspend the grant, after providing written notice to the grant recipient and an opportunity to appeal.

"(C) RENEWAL GRANTS.—Subject to subparagraph (D), the Secretary may award a renewal grant to a grant recipient under this subparagraph for each fiscal year following the fiscal year for which an initial grant is awarded.

"(D) LIMITATION.—The amount of a grant award under this paragraph may not exceed $750,000 for a fiscal year.

"(2) GRANT AWARDS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary may, with respect to a community, make a grant to 1 eligible applicant that represents that community.

"(B) EXCEPTION.—The Secretary may make a grant to more than 1 eligible applicant that represent a community if—

"(i) the eligible coalitions demonstrate that the coalitions are collaborating with one another; and

"(ii) each of the coalitions has independently met the requirements set forth in subsection (a).

"(c) CONDITION RELATING TO PROCEEDS OF ASSET FORFEITURES.—

"(1) IN GENERAL.—No grant may be made or renewed under this part to any State or local law enforcement agency or prosecutor unless the agency or prosecutor agrees to donate to the Secretary of the Treasury for the program established under this part any amount received by such agency or prosecutor (after the grant is made) pursuant to any criminal or civil forfeiture under chapter 46 of title 18, United States Code, or any similar provision of State law.

"(2) SCOPE OF APPLICATION.—Paragraph (1) shall not apply to any amount received by a State or local law enforcement agency or prosecutor pursuant to any criminal or civil forfeiture referred to in such paragraph in excess of the aggregate amount of grants received by such agency or prosecutor under this part.

"(d) ROLLING GRANT APPLICATION PERIODS.—In establishing the program under this part, the Secretary shall take such action as may be necessary to ensure, to the extent practicable, that—

"(1) applications for grants under this part may be filed at any time during a fiscal year; and

"(2) some portion of the funds appropriated under this part for any such fiscal year will remain available for grant applications filed later in the fiscal year.

"§ 5353. Information collection and dissemination with respect to grant recipients

"(a) APPLICANT AND GRANTEE INFORMATION.—

"(1) APPLICATION PROCESS.—The Secretary shall issue requests for proposal, as necessary, regarding, with respect to the grants awarded under section 5352, the application process, grant renewal, and suspension or withholding of renewal grants. Each application under this paragraph shall be in writing and shall be subject to review by the Secretary.

"(2) REPORTING.—The Secretary shall, to the maximum extent practicable and in a manner consistent with applicable law, minimize reporting requirements by a grant recipient and expedite any application for a renewal grant made under this part.

"(b) ACTIVITIES OF SECRETARY.—The Secretary may—

"(1) evaluate the utility of specific initiatives relating to the purposes of the program;

"(2) conduct an evaluation of the program; and

"(3) disseminate information described in this subsection to—

"(A) eligible State local law enforcement agencies or prosecutors; and

"(B) the general public.

"§ 5354. Grants for fighting money laundering and related financial crimes

"(a) IN GENERAL.—After the end of the 1-year period beginning on the date the 1st national strategy for combating money laundering and related financial crimes is submitted to the Congress in accordance with section 5341, and subject to subsection (b), the Secretary may review, select, and award grants for State or local law enforcement agencies and prosecutors to provide funding necessary to investigate and prosecute money laundering and related financial crimes in high-risk money laundering and related financial crime areas.

"(b) SPECIAL PREFERENCE.—Special preference shall be given to applications submitted to the Secretary which demonstrate collaborative efforts of 2 or more State and local law enforcement agencies or prosecutors who have a history of Federal, State, and local cooperative law enforcement and prosecutorial efforts in responding to such criminal activity.

"§ 5355. Authorization of appropriations

"There are authorized to be appropriated the following amounts for the following fiscal years to carry out the purposes of this subchapter:

"For fiscal year:	The amount authorized is:
1999	$5,000,000.
2000	$7,500,000.
2001	$10,000,000.
2002	$12,500,000.
2003	$15,000,000.".

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 53 of title 31, United States Code, is amended by adding at the end the following item:

"SUBCHAPTER III—MONEY LAUNDERING AND RELATED FINANCIAL CRIMES

"5340. Definitions.

"PART 1—NATIONAL MONEY LAUNDERING AND RELATED FINANCIAL CRIMES STRATEGY

"5341. National money laundering and related financial crimes strategy.

"5342. High-risk money laundering and related financial crime areas.

"PART 2—FINANCIAL CRIME-FREE COMMUNITIES SUPPORT PROGRAM

"5351. Establishment of financial crime-free communities support program.

"5352. Program authorization.

"5353. Information collection and dissemination with respect to grant recipients.

"5354. Grants for fighting money laundering and related financial crimes.

"5355. Authorization of appropriations.".

(c) REPORT AND RECOMMENDATIONS.—Before the end of the 5-year period beginning on the date the 1st national strategy for combating money laundering and related financial crimes is submitted to the Congress pursuant to section 5341(a)(1) of title 31, United States Code (as added by section 2(a) of this Act), the Secretary of the Treasury, in consultation with the Attorney General, shall submit a report to the Committee on Banking and Financial Services and the Committee on the Judiciary of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on the Judiciary of the Senate on the effectiveness of and the need for the designation of areas, under section 5342 of title 31, United States Code (as added by such section 2(a)), as high-risk money laundering and related financial crime areas, together with recommendations for such legislation as the Secretary and the Attorney General may determine to be appropriate to carry out the purposes of such section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentlewoman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

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

Mr. Speaker, H.R. 1756, the Money Laundering and Financial Crimes

Strategy Act of 1998, directs the Secretary of the Treasury to create a national strategy for combatting money laundering and other financial crimes by coordinating Federal, State and local efforts and resources.

The legislation provides for the designation of high-risk money laundering areas for the purpose of providing these localities with increased Federal assistance and access to information related to money laundering and other financial crimes.

The bill also provides a mechanism to fund money laundering investigations conducted by State and local law enforcement agencies.

Efforts by law enforcement officials to combat money laundering, the process by which criminal elements seek to legitimize the proceeds of their illegal activities, have taken on particular urgency as operations of large-scale criminal organizations in the United States and abroad have grown increasingly sophisticated.

Money laundering and related financial crimes are often inextricably tied to the illegal drug trade that has ravaged so many communities in rural as well as urban sectors of America. State and local law enforcement officials and prosecutors, particularly in less urbanized areas, often find themselves overwhelmed by the sheer size and scope of the criminal enterprises arrayed against them and encounter particular difficulty in following the complex money trails by which these organizations conceal and launder their ill-gotten gains.

Recent law enforcement initiatives have demonstrated that working partnerships among Federal, State and local agencies can yield impressive results in the fight against drug-related money laundering. Perhaps the best example of the benefits of a coordinated law enforcement response to money laundering can be found in the Treasury Department's successful use of a geographic targeting order, or GTO, in 1996 and 1997 to combat money laundering in a segment of the money transmitter industry in the New York City metropolitan area.

H.R. 1756 is designed to apply the lessons of the New York GTO to other communities in other parts of the country by calling for the formulation of a national strategy for combatting money laundering and related financial crimes that emphasizes the importance of coordination and information sharing among Federal, State and local authorities and by singling out localities in which money laundering is particularly widespread for increased Federal law enforcement support and financial assistance.

The bill directs the Secretary of the Treasury, in consultation with the Attorney General, to assist such localities by providing grants, technical assistance and training in information on best practices to support their efforts to detect and prevent money laundering and related financial crimes.

In closing, Mr. Speaker, let me say that H.R. 1756 is another example of the spirit of bipartisanship and comity that I believe characterized the work of the Committee on Banking, Housing and Urban Affairs in this particular area. Introduced by the gentlewoman from New York (Ms. VELÁZQUEZ) and approved by the committee by a voice vote, the legislation commands broad bipartisan support.

Companion legislation introduced by the Senator from Iowa, Mr. GRASSLEY, is now pending in the other body.

In addition to congratulating the gentlewoman from New York (Ms. VELÁZQUEZ) in developing and championing this legislation, I would like to commend the ranking minority Member, the gentleman from New York (Mr. LAFALCE), and the gentleman from Minnesota (Mr. VENTO) for their invaluable assistance in moving this important bill through our committee.

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

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

Mr. Speaker, I would like to begin by thanking the chairman, the gentleman from Iowa (Mr. LEACH), and the gentleman from New York (Mr. LAFALCE) for their help in passing this important legislation. I would also like to thank Queens District Attorney Richard Brown who was helpful in crafting this bill.

The Money Laundering and Financial Crimes Strategy Act is the result of many long years of hard work, and Congress' consideration to date marks an important step in the war against crime.

As we heard earlier, there have been many successful efforts to combat money laundering. What many of those stories overlooked is that this criminal activity has been a plague in communities, like the one that I represent, for years. There are many great local law enforcement officials who have been working hard and who have been successful at stopping these criminals.

To many, money laundering seems like something from a spy novel. To the families and the communities that I represent, these criminal enterprises are a reality. The fact remains that these criminals are attracted to low-income and immigrant communities. That is how I became involved.

About 4 years ago, I began working with the Queens District Attorney's Office and residents of Jackson Heights in Queens to address the growing problem of money laundering in that area.

There is a section of the Roosevelt Avenue in Jackson Heights that law enforcement officials call Ground Zero. That neighborhood is home to many hard-working, low-income families. The tragedy is that it is also home to hundreds of money wire services that transfers up to $1.3 billion in illegal drug proceeds to South America.

While legitimate companies struggle to provide valuable services to the families in those neighborhoods, neighborhoods that do not have access to banks or other financial institutions, criminals set up shop in businesses ranging from beeper outlets to travel agencies to convenience stores. Instead of helping to create jobs, economic development and a better way of life for my constituents, they bring fear, violence and drugs. For that reason, the DA's office approached me for help.

Working with them, I conceived the Money Laundering and Financial Crimes Strategy Act. That was 3 years ago. The main goal of my legislation is to provide local law enforcement and prosecutors the hand they need to combat these criminal syndicates.

For a moment, just consider the sheer size and changing nature of money laundering enterprises. Then consider the burden on local law enforcement officials. They need our help.

Some local police departments and prosecutors are expected to battle crime networks with budgets bigger than some States. They must fight crime syndicates that can relocate anywhere at any time. For that reason, it is time that Washington reach out and become a real partner in this war. My legislation directs the Department of the Treasury, in consultation with the Attorney General, to develop a national strategy to combat money laundering and related financial crimes.

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The strategy would include goals for reducing money laundering as well as coordinated regulatory efforts to prevent exploitation of the financial sector in the United States. Other elements are operational initiatives to improve the detection of money laundering, and intergovernmental initiatives and actions to fight these crimes.

The key component of this legislation is the designation of areas as high risk money laundering areas. Any area designated a high risk area would be eligible for increased Federal law enforcement assistance and access to information sharing. These localities would also be eligible for Federal financial crimes grants.

The Money Laundering and Financial Crimes Strategy Act would bring everyone combating these financial crimes to the table for consultation. It would also coordinate and strengthen relationships formed with those fighting on the front lines. Most importantly, greater attention would be paid to areas at high risk of money laundering activity. Participation by local law enforcement and even the private sector in those areas would be fostered.

If localities are going to keep winning, we must give them the best tools.

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

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume. In conclusion, let me just state that this is a very subtle bill that would not be before the House if it were not for the commitment as well as the persistence of the gentlewoman from New York (Ms. VELÁZQUEZ). Her hard work and thoughtfulness in my judgment deserve very serious commendation in this body.

Mr. LAFALCE. I rise to urge the adoption of H.R. 1756, the Money Laundering and Financial Crimes Strategy Act of 1998, legislation sponsored by NYDIA VELÁZQUEZ, a distinguished and hard-working Member of the Banking Committee.

Mr. Speaker, in separate legislation considered today in the House, Members were asked to support amendments to the Bank Secrecy Act, thereby authorizating additional steps to combat money laundering activities. As a result of that bill and a host of other amendments to the Bank Secrecy Act enacted in recent years, H.R. 1756 is logical and much needed because it requires the Secretary of the Treasury to develop and implement a national strategy for combating money laundering and related financial crimes. Further, to the extent funds can be appropriated in the future, H.R. 1756 establishes a federal funding program to support efforts by state and local law enforcement authorities to investigate and prosecute money laundering practices.

The adoption of the bill is necessary because I am pleased to report to the House that we have reached the point where we need a comprehensive strategy specifically focusing on the federal government's money laundering initiatives. We have on the books significant reporting requirements and numerous deterrence programs. We have seen anti-money laundering statutes used as the basis for the successful prosecution of criminal and, most recently, we have witnessed the use of stings and other investigative tactics designed solely to strike at the criminal's ability to legitimize illegal profits by washing them through the financial system.

Because of our success, we must now develop a national strategy to ensure that the high demand for the limited resources available to combat money laundering are properly targeted to those activities that return the best results. H.R. 1756 accomplishes this purposes and deserves the full support of the House of Representatives.

I would be remiss if I did not comment on the role the sponsor of the bill has played in the effort to combat financial crime. Congresswoman NYDIA VELÁZQUEZ did not sit by when money wire transfer businesses in her New York Congressional District were identified as suspected money laundering entities, transferring huge amounts of cash into the financial system without filing the required reports or taking the appropriate actions required by the "know your customer" standards. Congresswoman VELÁZQUEZ personally participated in the law enforcement effort to shut down the unlawful operations and today's bill is but another example of ongoing efforts to protect the residents of her Congressional community.

I also commend Chairman LEACH for scheduling the legislation for the consideration of the Banking Committee and for working with me to bring this important legislation to the floor of the House today.

I strongly urge the adoption of this much needed legislation.

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

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 1756, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEACH. 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. 1756, the bill just passed.

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

There was no objection.

DEPARTMENT OF STATE SPECIAL AGENTS RETIREMENT ACT OF 1998

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 633) to amend the Foreign Service Act of 1980 to provide that the annuities of certain special agents and security personnel of the Department of State be computed in the same way as applies generally with respect to Federal law enforcement officers, and for other purposes, as amended.

The Clerk read as follows:

H.R. 633

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of State Special Agents Retirement Act of 1998".

SEC. 2. AMENDMENTS RELATING TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.

(a) DEFINITION OF A SPECIAL AGENT.—

(1) IN GENERAL.—Section 804 of the Foreign Service Act of 1980 (22 U.S.C. 4044) is amended—

(A) by striking "and" at the end of paragraph (13);

(B) by striking the period at the end of paragraph (14) and inserting "; and"; and

(C) by adding at the end the following:

"(15) 'special agent' means an employee of the Department of State with a primary skill code of 2501—

"(A) the duties of whose position—

"(i) are primarily—

"(I) the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, or

"(II) the protection of persons pursuant to section 2709(a)(3) of title 22, United States Code, against threats to personal safety; and

"(ii) are sufficiently rigorous that employment opportunities should be limited to young and physically vigorous individuals, as determined by the Secretary of State pursuant to section 4823 of title 22, United States Code;

"(B) performing duties described in subparagraph (A) before, on, or after the date of the enactment of this paragraph; or

"(C) transferred directly to a position which is supervisory or administrative in nature after performing duties described in subparagraph (A) for at least 3 years.".

(2) CONFORMING AMENDMENT.—Section 852 of such Act (22 U.S.C. 4071a) is amended—

(A) by striking "and" at the end of paragraph (7);

(B) by striking the period at the end of paragraph (8) and inserting "; and"; and

(C) by adding at the end the following:

"(9) the term 'special agent' has the same meaning given in section 804(15).".

(b) CONTRIBUTIONS.—

(1) IN GENERAL.—Section 805(a) of such Act (22 U.S.C. 4045(a)) is amended by adding at the end the following:

"(3) For service as a special agent, paragraph (1) shall be applied by substituting for '7 percent' the percentage that applies to law enforcement officers under section 8334(a)(1) of title 5, United States Code.".

(2) CONFORMING AMENDMENT.—Section 805(a)(1) (22 U.S.C. 4045(a)(1)) of such Act is amended by striking "Except as provided in subsection (h)," and inserting "Except as otherwise provided in this section,".

(c) SPECIAL CONTRIBUTION FOR PRIOR NONDEPOSIT SERVICE.—Section 805(d) of such Act (22 U.S.C. 4045(d)) is amended by adding at the end the following:

"(6) Subject to paragraph (4) and subsection (h), for purposes of applying this subsection with respect to prior service as a special agent, the percentages of basic pay set forth in section 8334(c) of title 5, United States Code, with respect to a law enforcement officer, shall apply instead of the percentages set forth in paragraph (1).".

(d) COMPUTATION OF ANNUITIES.—

(1) IN GENERAL.—Section 806(a) of such Act (22 U.S.C. 4046(a)) is amended—

(A) by redesignating paragraph (6) as paragraph (7); and

(B) by inserting after paragraph (5) the following:

"(6)(A) The annuity of a special agent under this subchapter shall be computed under paragraph (1) except that, in the case of a special agent described in subparagraph (B), paragraph (1) shall be applied by substituting for '2 percent'—

"(i) the percentage under subparagraph (A) of section 8339(d)(1) of title 5, United States Code, for so much of the participant's total service as is specified thereunder; and

"(ii) the percentage under subparagraph (B) of section 8339(d)(1) of title 5, United States Code, for so much of the participant's total service as is specified thereunder.

"(B) A special agent described in this subparagraph is any such agent or former agent who—

"(i)(I) retires voluntarily or involuntarily under section 607, 608, 611, 811, 812, or 813, under conditions authorizing an immediate annuity, other than for cause on charges of misconduct or delinquency, or retires for disability under section 808; and

"(II) at the time of retirement—

"(aa) if voluntary, is at least 50 years of age and has completed at least 20 years of service as a special agent; or

"(bb) if involuntary or disability, has completed at least 20 years of service as a special agent; or

"(ii) dies in Service after completing at least 20 years of service as a special agent, when an annuity is payable under section 809.

"(C) For purposes of subparagraph (B), included with the years of service performed by an individual as a special agent shall be any service performed by such individual as a law enforcement officer (within the meaning of section 8331(20) or section 8401(17) of title 5, United States Code), or a member of the Capitol Police.".

(2) SPECIAL RULE FOR SPECIAL AGENTS WITH PRIOR SERVICE UNDER THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM OR THE CIVIL SERVICE RETIREMENT SYSTEM.—Section 806(a) of such Act (22 U.S.C. 4046(a)), as amended by paragraph (1), is further amended—

(A) by redesignating paragraph (7) (as so redesignated by paragraph (1)) as paragraph (8); and

(B) by inserting after paragraph (6) (as added by paragraph (1)) the following:

"(7) In the case of a special agent who becomes or became subject to subchapter II—

"(A) for purposes of paragraph (6)(B), any service performed by the individual as a special agent (whether under this subchapter or under subchapter II), as a law enforcement officer (within the meaning of section 8331(20) or section 8401(17) of title 5, United States Code), or as a member of the Capitol Police shall be creditable; and

"(B) if the individual satisfies paragraph 6(B), the portion of such individual's annuity which is attributable to service under the Foreign Service Retirement and Disability System or the Civil Service Retirement System shall be computed in conformance with paragraph (6).".

(3) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Paragraph (8) of section 806(a) of such Act (22 U.S.C. 4046(a)), as so redesignated by paragraph (2)(A), is amended by striking "and (4)" and inserting "(4), and (6)".

(B) Paragraphs (1) and (3) of section 855(b) of such Act (22 U.S.C. 4071d(b)) are each amended by inserting "611," after "608,".

SEC. 3. MANDATORY SEPARATION OF SPECIAL AGENTS.

The first sentence of section 812(a)(2) of the Foreign Service Act of 1980 (22 U.S.C. 4052(a)(2)) is amended to read as follows: "Notwithstanding paragraph (1)—

"(A) an individual described in section 4(a)(2) of the Department of State Special Agents Retirement Act of 1998 who is otherwise eligible for immediate retirement under this chapter, or

"(B) a Foreign Service criminal investigator/inspector of the Office of Inspector General of the Agency for International Development who would have been eligible for retirement pursuant to either section 8336(c) or 8412(d) of title 5, United States Code, as applicable, had the employee remained in civil service,

shall be separated from the Service on the last day of the month in which such individual under subparagraph (A) or such Foreign Service criminal investigator/inspector under subparagraph (B) attains 57 years of age or completes 20 years of service if then over that age.".

SEC. 4. EFFECTIVE DATE; APPLICABILITY.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendments made by this Act—

(1) shall take effect on the date of the enactment of this Act; and

(2) shall apply with respect to—

(A) any individual first appointed on or after that date as a special agent who will have any portion of such individual's annuity computed in conformance with section 806(a)(6) of the Foreign Service Act; and

(B) any individual making an election under subsection (b), subject to the provisions of such subsection.

(b) ELECTION FOR CURRENT PARTICIPANTS.—

(1) ELIGIBILITY.—An election under this subsection may be made by any currently employed participant under chapter 8 of the Foreign Service Act of 1980 who is serving or has served as a special agent, or by a survivor of a special agent who was eligible to make an election under this section.

(2) EFFECT OF AN ELECTION.—

(A) IN GENERAL.—If an individual makes an election under this subsection, the amendments made by this Act shall become applicable with respect to such individual, subject to subparagraph (B).

(B) TREATMENT OF PRIOR SERVICE.—

(i) SPECIAL CONTRIBUTION.—An individual may, after making the election under this subsection, make a special contribution up to the full amount of the difference between the contributions actually deducted from pay for prior service and the deductions that would have been required if the amendments made by this Act had then been in effect. Any special contributions under this clause shall be computed under regulations based on section 805(d) of the Foreign Service Act of 1980 (as amended by section 2), including provisions relating to the computation of interest.

(ii) ACTUARIAL REDUCTION.—

(I) RULE IF THE SPECIAL CONTRIBUTION IS PAID.—If the full amount of the special contribution under clause (i) is paid, no reduction under this clause shall apply.

(II) RULE IF LESS THAN THE ENTIRE AMOUNT IS PAID.—If no special contribution under clause (i) is paid, or if less than the entire amount of such special contribution is paid, the recomputed annuity shall be reduced by an amount sufficient to make up the actuarial present value of the shortfall.

(c) REGULATIONS AND NOTICE.—Not later than 6 months after the date of the enactment of this Act, the Secretary of State—

(1) shall promulgate such regulations as may be necessary to carry out this Act; and

(2) shall take measures reasonably designed to provide notice to participants as to any rights they might have under this Act.

(d) ELECTION DEADLINE.—An election under subsection (b) must be made not later than 90 days after the date on which the relevant notice under subsection (c)(2) is provided.

(e) DEFINITION.—For purposes of this section, the term "special agent" has the meaning given such term under section 804(15) of the Foreign Service Act of 1980 (22 U.S.C. 4044(15)), as amended by section 2(a).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from Indiana (Mr. HAMILTON) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this measure.

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

There was no objection.

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

Mr. Speaker, H.R. 633 amends the Foreign Service Act to provide that the annuities of diplomatic security special agents of the Department of State who are participating in the Foreign Service retirement and disability system be computed in the same way as applies generally to Federal law enforcement officers participating in the Civil Service Retirement System. Mr. Speaker, we all know of the good work around the world by the special agents of the Diplomatic Security Service.

In general, Federal law enforcement officers who contribute an additional ½ percent of their basic salary to their retirement fund are eligible to receive a multiplier of 2½ percent per year for up to 20 years, instead of 2 percent per year. This amounts to a 25 percent increase in their annuity computation for their first 20 years as law enforcement agents, in comparison to other "Old System" employees.

This bill ensures that our DS special agents would also receive this benefit which, as I mentioned, is available to their Civil Service law enforcement colleagues throughout the Federal Government. The legislation affects a relatively small number of people, around 200 DS agents in the State Department, and will resolve equity and morale concerns in the Bureau of Diplomatic Security.

The bill also provides that just as old system civil service law enforcement officers are subject to mandatory retirement, the old system foreign service law enforcement officers who are the beneficiaries of this bill will also be subject to mandatory retirement.

Mr. Speaker, this bill is the fruit of a great deal of work and diligence by the gentleman from Virginia (Mr. DAVIS). It passed by a bipartisan voice vote in our committee. Accordingly, I support the measure.

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

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume. I rise in support of H.R. 633. I commend the gentleman from Virginia (Mr. DAVIS) and the gentleman from Virginia (Mr. MORAN) for their leadership in introducing the bill. I appreciate very much the gentleman from New York making sure it is on the schedule today.

The bill provides equity for a small group of State Department diplomatic security agents. Today most law enforcement agents in the Federal Government who were hired before 1984 will receive a 7.5 percent annuity when

they retire. The State Department diplomatic security agents hired prior to 1984, however, will receive 7 percent. There are fewer than 200 such officers at the Department of State.

This bill would allow those diplomatic security officers hired prior to 1984 whose primary duties are investigation, apprehension or detention of criminal suspects and who are in rigorous physical shape to receive the higher annuity upon retirement, after paying an increased contribution into the retirement system.

This is a bipartisan bill. It is supported by the Administration. It brings deserved equity for the Diplomatic Security Service. Diplomatic security agents protect U.S. personnel. They ensure the security of vital U.S. information and buildings at home and abroad. Foreign service diplomatic security officers deserve to be treated similarly to their civil service colleagues throughout the Federal Government.

The cost of H.R. 633 has been estimated by the Office of Management and Budget to be $2.5 million over fiscal years 1999 through the year 2003. It is not a costly new program since it will apply to a narrow category of officers. I urge my colleagues to support this bill.

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

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. DAVIS), the sponsor of the measure.

Mr. DAVIS of Virginia. I thank the gentleman for yielding me this time.

Mr. Speaker, it is my privilege for the House today to consider H.R. 633, as amended, a bill I introduced to bring equity to agents of the Diplomatic Security Service. With the hard work and dedication of the gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations and his staff members Hillel Weinberg and Kristen Gilley, the House is prepared today to pass this important legislation.

Specifically, H.R. 633 would amend the Foreign Service Act of 1980 to provide that the annuities of DS special agents of the Department of State, who are participating in the Foreign Service Retirement and Disability System, be computed in the same way as applies generally to Federal law enforcement officers. In general, law enforcement officers must contribute an additional one-half percent of their basic salary to their retirement fund and, in return, are eligible to receive a one-half percent per year served, up to 20 years, or a 10 percent increase in their annuity.

As Members know, despite performing traditional law enforcement activities and being placed in high-risk situations on behalf of the United States at home and abroad, many DS special agents are currently treated differently than all other law enforcement agents in regards to their retirement annuity calculations. The security functions that DS special agents carry out every day include protecting U.S. personnel and the security of vital U.S. information and installations both domestically and internationally. Their duties are critical to the viability of overseas operations of the United States and to the protection of thousands of U.S. citizens around the world.

Special agents of the Bureau of Diplomatic Security are charged with the security of American diplomatic personnel overseas. These agents also protect Members of Congress and their staffs while on official business overseas. We have seen time and time again the threats that DS special agents face protecting America's interests. In the past few years alone, DS special agents have been placed in harm's way while serving in Bosnia, Burundi, Liberia and Haiti.

H.R. 633 is supported by the U.S. Department of State, the Office of Personnel Management, the American Foreign Service Association, the Diplomatic Security Special Agents Association, the Federal Law Enforcement Officers Association, and the Fraternal Order of Police.

I would also like to thank again the gentleman from New York (Mr. GILMAN), the gentleman from Florida (Mr. MICA), the gentleman from Virginia (Mr. MORAN), the Department of State, and my constituent Jim Prietch for their leadership in making this legislation possible.

Mr. LANTOS. Mr. Speaker, as an enthusiastic Cosponsor of H.R. 633, I rise in strong support of this legislation and urge my colleagues to support its passage.

The adoption of H.R. 633 is a simple matter of equity. It provides that a small number of diplomatic security agents at the Department of State will receive the same rate of annuity when they retire as other federal law enforcement officials now receive. The cost of the program is minimal and will be absorbed in the budget of the Department of State, but the fundamental issues is one of fairness.

It is important, Mr. Speaker, to keep in mind that Diplomatic Security special agents are fully trained law enforcement officers with critical law enforcement responsibilities established in law. These agents have principal responsibilities for investigation, apprehension and detention of criminal suspects. They protect U.S. government personnel while traveling abroad, they protect our diplomatic facilities in foreign countries, they protect the integrity of foreign policy information, and they provide an important protective function in the United States for visiting foreign government leaders and our own diplomats.

Mr. Speaker, I commend our distinguished colleagues, Mr. DAVIS and Mr. MORAN of Virginia, for introducing this important piece of legislation, and I urge my colleagues to support its adoption.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 633, 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.

IRAQ LIBERATION ACT OF 1998

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4655) to establish a program to support a transition to democracy in Iraq, as amended.

The Clerk read as follows:

H.R. 4655

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Iraq Liberation Act of 1998".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) On September 22, 1980, Iraq invaded Iran, starting an eight year war in which Iraq employed chemical weapons against Iranian troops and ballistic missiles against Iranian cities.

(2) In February 1988, Iraq forcibly relocated Kurdish civilians from their home villages in the Anfal campaign, killing an estimated 50,000 to 180,000 Kurds.

(3) On March 16, 1988, Iraq used chemical weapons against Iraqi Kurdish civilian opponents in the town of Halabja, killing an estimated 5,000 Kurds and causing numerous birth defects that affect the town today.

(4) On August 2, 1990, Iraq invaded and began a seven month occupation of Kuwait, killing and committing numerous abuses against Kuwaiti civilians, and setting Kuwait's oil wells ablaze upon retreat.

(5) Hostilities in Operation Desert Storm ended on February 28, 1991, and Iraq subsequently accepted the ceasefire conditions specified in United Nations Security Council Resolution 687 (April 3, 1991) requiring Iraq, among other things, to disclose fully and permit the dismantlement of its weapons of mass destruction programs and submit to long-term monitoring and verification of such dismantlement.

(6) In April 1993, Iraq orchestrated a failed plot to assassinate former President George Bush during his April 14–16, 1993, visit to Kuwait.

(7) In October 1994, Iraq moved 80,000 troops to areas near the border with Kuwait, posing an imminent threat of a renewed invasion of or attack against Kuwait.

(8) On August 31, 1996, Iraq suppressed many of its opponents by helping one Kurdish faction capture Irbil, the seat of the Kurdish regional government.

(9) Since March 1996, Iraq has systematically sought to deny weapons inspectors from the United Nations Special Commission on Iraq (UNSCOM) access to key facilities and documents, has on several occasions endangered the safe operation of UNSCOM helicopters transporting UNSCOM personnel in

Iraq, and has persisted in a pattern of deception and concealment regarding the history of its weapons of mass destruction programs.

(10) On August 5, 1998, Iraq ceased all cooperation with UNSCOM, and subsequently threatened to end long-term monitoring activities by the International Atomic Energy Agency and UNSCOM.

(11) On August 14, 1998, President Clinton signed Public Law 105-235, which declared that "the Government of Iraq is in material and unacceptable breach of its international obligations" and urged the President "to take appropriate action, in accordance with the Constitution and relevant laws of the United States, to bring Iraq into compliance with its international obligations.".

(12) On May 1, 1998, President Clinton signed Public Law 105-174, which made $5,000,000 available for assistance to the Iraqi democratic opposition for such activities as organization, training, communication and dissemination of information, developing and implementing agreements among opposition groups, compiling information to support the indictment of Iraqi officials for war crimes, and for related purposes.

SEC. 3. SENSE OF CONGRESS REGARDING UNITED STATES POLICY TOWARD IRAQ.

It should be the policy of the United States to support efforts to remove the regime headed by Saddam Hussein from power in Iraq and to promote the emergence of a democratic government to replace that regime.

SEC. 4. ASSISTANCE TO SUPPORT A TRANSITION TO DEMOCRACY IN IRAQ.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—The President may provide to the Iraqi democratic opposition organizations designated in accordance with section 5 the following assistance:

(1) BROADCASTING ASSISTANCE.—(A) Grant assistance to such organizations for radio and television broadcasting by such organizations to Iraq.

(B) There is authorized to be appropriated to the United States Information Agency $2,000,000 for fiscal year 1999 to carry out this paragraph.

(2) MILITARY ASSISTANCE.—(A) The President is authorized to direct the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training for such organizations.

(B) The aggregate value (as defined in section 644(m) of the Foreign Assistance Act of 1961) of assistance provided under this paragraph may not exceed $97,000,000.

(b) HUMANITARIAN ASSISTANCE.—The Congress urges the President to use existing authorities under the Foreign Assistance Act of 1961 to provide humanitarian assistance to individuals living in areas of Iraq controlled by organizations designated in accordance with section 5, with emphasis on addressing the needs of individuals who have fled to such areas from areas under the control of the Saddam Hussein regime.

(c) RESTRICTION ON ASSISTANCE.—No assistance under this section shall be provided to any group within an organization designated in accordance with section 5 which group is, at the time the assistance is to be provided, engaged in military cooperation with the Saddam Hussein regime.

(d) NOTIFICATION REQUIREMENT.—The President shall notify the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 at least 15 days in advance of each obligation of assistance under this section in accordance with the procedures applicable to reprogramming notifications under such section 634A.

(e) REIMBURSEMENT RELATING TO MILITARY ASSISTANCE.—

(1) IN GENERAL.—Defense articles, defense services, and military education and training provided under subsection (a)(2) shall be made available without reimbursement to the Department of Defense except to the extent that funds are appropriated pursuant to paragraph (2).

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President for each of the fiscal years 1998 and 1999 such sums as may be necessary to reimburse the applicable appropriation, fund, or account for the value (as defined in section 644(m) of the Foreign Assistance Act if 1961) of defense articles, defense services, or military education and training provided under subsection (a)(2).

(f) AVAILABILITY OF FUNDS.—(1) Amounts authorized to be appropriated under this section are authorized to remain available until expended.

(2) Amounts authorized to be appropriated under this section are in addition to amounts otherwise available for the purposes described in this section.

(g) AUTHORITY TO PROVIDE ASSISTANCE.—Activities under this section (including activities of the nature described in subsection (b)) may be undertaken notwithstanding any other provision of law.

SEC. 5. DESIGNATION OF IRAQI DEMOCRATIC OPPOSITION ORGANIZATION.

(a) INITIAL DESIGNATION.—Not later than 90 days after the date of enactment of this Act, the President shall designate one or more Iraqi democratic opposition organizations that the President determines satisfy the criteria set forth in subsection (c) as eligible to receive assistance under section 4.

(b) DESIGNATION OF ADDITIONAL ORGANIZATIONS.—At any time subsequent to the initial designation pursuant to subsection (a), the President may designate one or more additional Iraqi democratic opposition organizations that the President determines satisfy the criteria set forth in subsection (c) as eligible to receive assistance under section 4.

(c) CRITERIA FOR DESIGNATION.—In designating an organization pursuant to this section, the President shall consider only organizations that—

(1) include a broad spectrum of Iraqi individuals, groups, or both, opposed to the Saddam Hussein regime; and

(2) are committed to democratic values, to respect for human rights, to peaceful relations with Iraq's neighbors, to maintaining Iraq's territorial integrity, and to fostering cooperation among democratic opponents of the Saddam Hussein regime.

(d) NOTIFICATION REQUIREMENT.—At least 15 days in advance of designating an Iraqi democratic opposition organization pursuant to this section, the President shall notify the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 of his proposed designation in accordance with the procedures applicable to reprogramming notifications under such section 634A.

SEC. 6. WAR CRIMES TRIBUNAL FOR IRAQ.

Consistent with section 301 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102-138), House Concurrent Resolution 137, 105th Congress (approved by the House of Representatives on November 13, 1997), and Senate Concurrent Resolution 78, 105th Congress (approved by the Senate on March 13, 1998), the Congress urges the President to call upon the United Nations to establish an international criminal tribunal for the purpose of indicting, prosecuting, and imprisoning Saddam Hussein and other Iraqi officials who are responsible for crimes against humanity, genocide, and other criminal violations of international law.

SEC. 7. ASSISTANCE FOR IRAQ UPON REPLACEMENT OF SADDAM HUSSEIN REGIME.

It is the sense of Congress that once the Saddam Hussein regime is removed from power in Iraq, the United States should support Iraq's transition to democracy by providing immediate and substantial humanitarian assistance to the Iraqi people, by providing democracy transition assistance to Iraqi parties and movements with democratic goals, and by convening Iraq's foreign creditors to develop a multilateral response to Iraq's foreign debt incurred by Saddam Hussein's regime.

SEC. 8. RULE OF CONSTRUCTION.

Nothing in this Act shall be construed to authorize or otherwise speak to the use of United States Armed Forces (except as provided in section 4(a)(2)) in carrying out this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from Indiana (Mr. HAMILTON) each will control 20 minutes.

Mr. PAUL. Mr. Speaker, I would like to inquire whether or not either gentleman is opposed to the bill.

The SPEAKER pro tempore. Is the gentleman from Indiana opposed to the bill?

Mr. HAMILTON. I support the bill, Mr. Speaker.

Mr. PAUL. Mr. Speaker, I request the time in opposition.

The SPEAKER pro tempore. Under the rule, the gentleman from Texas (Mr. PAUL) will control 20 minutes in opposition and the gentleman from New York (Mr. GILMAN) will control 20 minutes in support of the bill.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this measure.

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

There was no objection.

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

Mr. Speaker, I introduced H.R. 4655, the Iraq Liberation Act of 1998, in late September in order to give our President additional tools with which to confront the continuing threat to international peace and security posed by Saddam Hussein.

For almost 8 years, since the end of Operation Desert Storm, we have waited for Saddam Hussein's regime to live up to its international obligations. After dozens of U.N. Security Council resolutions and compromise after compromise, we have too little to show.

The dilemma of current U.S. policy is dramatically illustrated by the events

we have witnessed this past year. In January and February, our Nation was on the verge of launching massive military strikes against Iraq in order to compel Saddam to afford U.N. weapons inspectors access to certain sites that he had declared off-limits. Our Nation stood down after U.N. Secretary-General Kofi Anan brokered a deal in which Saddam promised to behave better in the future. But, our leaders said, if Saddam violates his agreement with Kofi Anan, we will retaliate swiftly and massively.

After spending over $1 billion to build up U.S. forces in the Persian Gulf earlier this year, those additional forces were slowly drawn down and brought home. And then, of course, Saddam reneged on his commitments once again.

Today is the 61st day without U.N. weapons inspections in Iraq. The situation as regards weapons inspections is far worse today than it was back in January and February when our Nation was threatening military action.

One of the reasons our Nation did not undertake military action in February, and one of the reasons our leaders are not today delivering on their threats of swift and massive retaliation, is that the kind of military action they have in mind just might not work. Certainly we can inflict massive damage on Saddam with air strikes. But what if he simply absorbs the damage and continues to defy the U.N.?

As things stand today, we would have only three alternatives in such a situation. First, we could forge ahead with our air strikes, bouncing the rubble in Baghdad, but increasingly making it appear to the world that we are the aggressor, not Saddam. Second, we could mount a second invasion of Iraq by U.S. ground forces. Or, third, we could admit failure and give up.

Of course, none of these alternatives have been considered acceptable. And so today we find our Nation paralyzed by indecision. Saddam has never before been in such clear violation of his international obligations. Our government has never before been so obviously unwilling to do anything about it.

The purpose of the Iraq Liberation Act is to try to break this logjam. It creates a fourth alternative, an alternative that meets both our short-term and our longer-term requirements with regard to Iraq. In the short term, we need to be able to bring more effective pressure to bear on Saddam in order to force him to comply with his international obligations. In the longer term, we need to remove his regime from power.

□ 1815

Let there be no mistake about it. Saddam is the problem, and there will be no permanent solution as long as his regime remains. The Iraq Liberation Act gives the President tools that he should find useful in designing a comprehensive strategy to deal with Saddam both in the short term and over the longer term. The legislation does not require the President to equip a rebel army in Iraq, but it gives him all the authority he needs to do so. If he uses that authority, it will cost money, perhaps as much as $99 million that the bill authorizes, perhaps ultimately more, but whatever the cost, it will be far less than the $1.4 billion supplemental appropriation we provided this year alone for unbudgeted U.S. military operations against Saddam Hussein.

Since this bill was introduced, Mr. Speaker, we have been working with the administration to try to refine it in order to make it most useful to the President. At their suggestion we have incorporated a number of changes at our committee markup last week to improve the legislation, and as a result of our work with the administration I have been informed the administration does not oppose enactment of the bill.

With regard to one technical matter, I note that the criterion in Section 5 (c)(1) for designation of Iraqi opposition organizations is intended to ensure that only broad based organizations are designated. They may be broad based by having a broad spectrum of groups cooperating within one organization. In the case of organizations composed primarily of one ethnic sector such organizations may also be designated if they include a broad spectrum of individuals within the sector. In any event, I would expect the designation issue to be the subject of dialogue and accommodation between the Executive Branch and Congress as required by the notification provision contained in section 5(d).

Mr. Speaker, this bill will give our government additional tools with which to confront the threat to international peace and security posed by Saddam Hussein, and for this reason I believe it deserves the support of our Members. Accordingly, I urge our colleagues to vote in favor of H.R. 4655.

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

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

Mr. Speaker, understand this legislation came before the committee on Friday, one legislative day prior to today. There has been no committee report filed, and it was brought up under suspension. And I believe this legislation is very serious legislation. It is not a casual piece of legislation condemning a leader in another country that is doing less than honorable things.

I see this piece of legislation as essentially being a declaration of virtual war. It is giving the President tremendous powers to pursue war efforts against a sovereign Nation. It should not be done casually. I think it is another example of a flawed foreign policy that we have followed for a good many decades.

For instance, at the beginning of this legislation it is cited as one of the reasons why we must do something. It says on September 22, 1980, Iraq invaded Iran starting an 8-year war in which Iraq employed chemical weapons against Iranian troops, very serious problems. We should condemn that. But the whole problem is we were Iraq's ally at that time, giving him military assistance, giving him funds and giving him technology for chemical weapons.

So here we are now deciding that we have to virtually declare war against this individual. It is not like he is the only hoodlum out there. I could give my colleagues a list of 15 or 20. I do not like the leadership of China. Why do we not do something about China? I do not like the leadership of Sudan. But all of a sudden we have to decide what we are going to give this President to pursue getting rid of Saddam Hussein.

Just a few months ago, or last November, we passed a resolution, and the resolution was H.R. 137. It sounded very general and very benign, and it talked about the atrocities caused by Saddam Hussein, and we asked to condemn and also to set up a U.N. commission to study this and give the U.N. authority to pursue arrests and convict and try Saddam Hussein. So this is not something we are doing for the interests of the United States. We are doing this under the interests of the United Nations, but we are the spokesperson for them.

Not too long ago, a few years back, in 1980s, in our efforts to bring peace and democracy to the world we assisted the freedom fighters of Afghanistan, and in our infinite wisdom we gave money, technology and training to Bin Laden, and now, this very year, we have declared that Bin Laden was responsible for the bombing in Africa. So what is our response, because we allow our President to pursue war too easily? What was the President's response? Some even say that it might have been for other reasons than for national security reasons. So he goes off and bombs Afghanistan, and he goes off and bombs Sudan, and now the record shows that very likely the pharmaceutical plant in Sudan was precisely that, a pharmaceutical plant.

So I say we should stop and think for a minute before we pursue and give the President more authority to follow a policy that to me is quite dangerous. This to me is equivalent to declaring war and allowing the President to pursue this.

Another complaint listed on this legislation: in February 1988 Iraq forcibly relocated Kurdish civilians from their homes. Terrible thing to do, and they probably did; there is no doubt about it. But what did we do after the Persian Gulf war? We encouraged the

Kurdish people to stand up and fight against Saddam Hussein, and they did, and we forgot about them, and they were killed by the tens of thousands. There is no reason for them to trust us. There is no reason for the Sudanese people to believe and trust in us, in what we do when we rain bombs on their country and they have done nothing to the United States. The people of Iraq certainly have not done anything to the United States, and we certainly can find leaders around the world that have not done equally bad things. I think we should stop and think about this.

Just today it was announced that the Turks are lined up on the Syrian border. What for? To go in there and kill the Kurds because they do not like the Kurds. I think that is terrible. But what are we doing about it? Who are the Turks? They are our allies, they are our friends. They get military assistance. The American people are paying the Turks to keep their military up. So we are responsible for that.

This policy makes no sense. Some day we have to think about the security of United States. We spend this money. We spent nearly $100 million bombing nobody and everybody for who knows what reason last week. At the same time our military forces are under trained and lack equipment, and we are wasting money all around the world trying to get more people, see how many people we can get to hate us. Some day we have to stop and say why are we pursuing this. Why do we not have a policy that says that we should, as a Congress, defend the United States, protect us, have a strong military, but not to police the world in this endless adventure of trying to be everything to everybody. We have been on both sides of every conflict since World War II. Even not too long ago they were talking about bombing in Kosovo. As a matter of fact, that is still a serious discussion. But a few months ago they said, well, we are not quite sure who the good guys are, maybe we ought to bomb both sides. It makes no sense. Why do we not become friends to both sides?

There are people around the world that we deal with that are equally repulsive to Saddam Hussein, and I believe very sincerely that the founders of this country were on the right track when they said stay out of entangling alliances. And we should trade with people; we would get along with them better. We have pursued this type of policy in Cuba for 40 years, and it has served Castro well. Why do we not go down and get rid of Castro? Where do we get this authority to kill a dictator? We do not have that authority, and to do it under one day of hearings, mark it up, bring it up the next day under suspension; I do not understand why anybody could vote for this just on the nature of it.

We should not be doing this. We should stop and think about it and try to figure out a much better way.

I, for instance, am on a bill to trade with Cuba. Oh, how horrible, we should not trade with Cuba, they are a bunch of Commies down there. But we should be selling them rice and we should be selling them our crops. We should not be bombing these people.

As my colleagues know, at the end of this bill I think we get a hint as to why we do not go to Rwanda for humanitarian reasons. Now there is some atrocities. Why do we not clean that mess up? Because I believe very sincerely that there is another element tied into this, and I think it has something to do with money, and I think it has something to do with oil. The oil interests need the oil in Iraq, and he does not, Saddam Hussein does not, comply with the people of the west. So he has to go.

But also at the end of this legislation it tells us something about what might be going on. It is they are asking to set up and check into the funds that Saddam Hussein owes to the west. Who is owed? They do not owe me any money. But I will bet my colleagues there is a lot of banks in New York who are owed a lot of money, and this is one of the goals, to set up and make sure Saddam Hussein pays his bills.

All I do is ask my colleagues to think about it, urge them to go slowly. Nothing is so pressing that we should give the President this much authority to go to war.

Under the appropriations it is endless, it is open, endless, and here we are concerned about saving Social Security. Any amount of money spent on this bill comes out of Social Security. Yes, there was yelling and screaming about a tax cut. Oh, it is coming out of Social Security. Well, this money is not appropriated, and it is such sums as necessary for military and economic benefits. After we get rid of one thug, we are going to have it in. I hope we make a better choice than we did with Bin Laden. I mean he was our close ally.

Please think twice, slow up, vote against this bill. We do not need this.

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

Mr. GILMAN. Mr. Speaker, I yield 8 minutes to the gentleman from Indiana (Mr. HAMILTON), and I ask unanimous consent that he be permitted to control this time.

The SPEAKER pro tempore (Mr. MILLER of Florida). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for this generous grant of time, and I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill, but I do have some concerns about it. The bill appears to be simple. It authorizes U.S. assistance for Iraqi opposition to Saddam Hussein. There are very good intentions behind it. Almost all of us oppose Saddam Hussein, and we would like to see him out of power. We all want to support a viable Iraqi opposition.

Having said that, the bill does have some serious implications for United States efforts to retain the sanctions on Iraq and maintain strong international support for our policies toward Iraq.

My understanding is that U.S. policy toward Iraq since the Gulf War has been a policy of containment. We have pursued that policy now for over 2 administrations. That policy has been reasonably successful at a price that we are willing to pay. We have protected fundamental American national interests in the region, stability, the free flow of oil, the security of friends and allies. We have specifically rejected an invasion of Iraq to overthrow Saddam Hussein. Such an invasion would take several hundred thousand troops. There is no guarantee that we would get Saddam Hussein or that his successor would be any better.

□ 1830

Having rejected an invasion of Iraq, but still seeking to get rid of Saddam, we now come to this bill. The policy message that Congress sends with this bill is different than the stated policy of the United States.

This bill states that it should be the policy of the United States to seek to remove the regime headed by Saddam Hussein. What is striking about the bill is the United States, the most powerful nation in the world, would depend on third parties, not even third countries, to carry out its policy objectives.

Let me state several concerns about the bill even though I support the bill. First no one should underestimate the difficulties of uniting the Iraqi opposition. It includes some 70 groups and at least three or four major groups.

We have tried over many years to unite the Iraqi opposition, and it has not happened. There is, however, modest reason for encouragement. The two main Kurdish groups have a fragile agreement with each other, but they don't want to work with Ahmed Chalabi.

We have aided some of these opposition leaders since the early 1970s. We have worked hard since 1991 to bring them together. Success has been limited. Any program for unifying the opposition and turning it into a viable alternative through the current Iraqi regime is a long-term proposition.

Second, I am concerned about creating false expectations. Iraqi opposition leaders may misinterpret this bill as an open-ended U.S. commitment to their cause.

When the Kurdish leaders were in town last week, they talked about security assurances from the United

States. It is apparent from their comments that they expect very substantial support from the United States, including air power.

We have to spell out very carefully and in writing what the United States is prepared and not prepared to do. On at least three occasions, Iraqi opposition leaders felt that the United States broke its commitments, and we should not contribute to false expectations again.

Third, there is a wide gap here between means and objectives in this bill. When we declare that our policy is to remove Saddam Hussein from power, we raise the objectives of our policy very high. Yet we provide modest means to achieve what has proven to be a very difficult objective. When you have a gap between goals and means, that often leads to trouble in the conduct of American foreign policy.

Fourth, I wonder whether the bill is at all workable, whether it is possible for the administration to implement a program of military assistance. For example, can we identify any country that is prepared to accept military equipment in the presence of armed Iraqi opposition groups on its territory? I am not able to do that as of now.

Finally, the bill could harm the ability of the United States to keep U.N. sanctions in place against Iraq. If it becomes the public policy of the United States to remove Saddam Hussein, as this bill seeks to do, then there will be less unity in confronting Baghdad, more criticism of the United States, and probably more difficulty in getting support for sanctions and for U.N. weapons inspections among Arab States and among Security Council members.

Under present circumstances, it is hard to name one Arab country or one Security Council member that would support a U.S. program to remove Saddam Hussein from power.

I understand that some Members question how well the sanctions are working, but we should not throw out one of the key elements of our strategy.

No Member should think that by supporting this bill, we are strengthening sanctions against Iraq. We risk the opposite.

To conclude, this is a very serious piece of legislation the committee has produced. I will not oppose the bill, because I, like most of us, feel the opposition should be supported, and Iraq and the world would be better off without Saddam Hussein.

But we should have a clear idea of what we are doing. We are making a down payment on support for the opposition. We should have no illusions about the bill.

Uniting the opposition will take a long time. The bill could create false expectations. There is a wide gap between means and objectives in this bill. There is plenty of doubt whether the bill is workable. The bill does risk the weakening of sanctions against Iraq.

Let us be very clear about what the bill does and does not do. The bill states the sense of Congress. It does not change U.S. policy. The bill does not compel the provision of military assistance to Iraqi opposition groups. The bill leaves the administration flexibility in carrying out U.S. policy toward Iraqi opposition groups. I understand that the administration does not oppose the bill.

So despite some of my concerns, I support the bill. As the legislative process moves along, I hope improvements can be made in the bill.

Mr. PAUL. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. MILLER of Florida). The gentleman from Texas (Mr. PAUL) has 10 minutes remaining. The gentleman from New York (Mr. GILMAN) has 6½ minutes remaining. The gentleman from Indiana (Mr. HAMILTON) has 2 minutes remaining.

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

Mr. Speaker, the gentleman from Indiana makes some very good points indicating that he is not convinced that this is workable. So back to the practicality of the bill. Even though one might argue there is a lot of good intentions here, even a Member that is supporting the bill is very uncertain whether it is workable.

In some ways, even if it is workable, it is going to be working against us and working against the United States and working against the taxpayers of this country.

But I would also like to challenge the statement that this does not change policy, because on section 3, it says it should be the policy of the United States to seek to remove the regime headed by Saddam Hussein from power in Iraq and promote the emergence of a democratic government to replace that regime.

That sounds pretty clear to me. As a matter of fact, I think it sounds so clear that it contradicts U.S. law. How do you remove somebody without killing them? Is it just because we do not use our own CIA to bump them off that we are not morally and legally responsible? We will be.

So we are talking about killing Saddam Hussein, a ruthless dictator. But how many ruthless dictators do we have? We have plenty. So how many more should we go after?

So the real question is, why at this particular time, why would we give our President more authority to wage war? He has way too much authority already if the President can drop bombs when he pleases. This of course has occurred not only in this administration but in the administrations of the 1980s as well where bombs were dropped to make some points. But generally speaking, the points are not well made. They usually come back to haunt us.

This is more or less what has happened. This is part of a policy that we have been following for quite a few decades. Yet, the problems continue to emerge.

We can hardly be sympathetic to the Kurds who are being punished by the Iraqis at the same time we are paying the Turks to do the same thing to the Kurds. So there is something awful inconsistent about this.

There is nothing wrong with a policy of trying to maintain friendship with people, trying to trade with people and influence them that way rather than saying, if you do not do exactly as we tell you, we are going to bomb you.

This is a policy we have been following for way too long. It costs a lot of money. It costs a lot of respect for law because, technically, it is not legal. Waging war should only occur when the Congress and the people decide this. But to casually give more and more authority to the President to do this and encourage him to bump off dictators is a dangerous precedent to set.

I think there is no doubt in my mind what is best for the United States. We should not pass this resolution. If there need to be more efforts made, do it some other way. But, obviously, this is not a good way to do it. It is sacrificing the principle of law. It is sacrificing the Constitution. It is sacrificing the practicalities of even the people who are supporting it are not quite sure it is going to work.

So I would say give serious consideration to not supporting this bill. We need a "no" vote on this.

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

Mr. GILMAN. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from California (Mr. ROHRABACHER) a member of our committee.

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of H.R. 4655, and I would like to applaud the gentleman from New York (Mr. GILMAN), chairman of the committee, and the gentleman from California (Mr. COX) for what I consider to be a well thought out, both philosophically and practically, plan that will get our country out of a situation in which we are now in jeopardy unless we do something.

The only thing coming back to haunt us now is that, when the Gulf War was going on, we did not dispatch Saddam Hussein from this planet. We did not finish the job. We should not have gotten involved in that war unless we intended to finish it. Unfortunately, we did not do so, and now we will live with that decision not to finish that job.

There is a symmetry to the affairs of State. There can be no peace without freedom, and there can be no prosperity without peace. Our failure in the

Gulf War was in not supporting those who oppose Saddam Hussein's tyranny and not to finish the job on Saddam Hussein himself back when we had the power to determine the course of events in the Persian Gulf.

Our willingness not to finish the job, our unwillingness, I should say, to finish the job and to stand for our ideals, which are to support those elements in their area who believed in freedom or at least some degree of freedom and were not aggressing upon their neighbors, were opposed to aggression, that is the decision that haunts us today.

Saddam Hussein now has a blood feud with us, and he will murder if we give him the opportunity to do so with weapons of mass destruction. He will murder millions of Americans. So like it or not, America's safety is now tied to events in Iraq and in the Persian Gulf. We cannot turn our backs on that region, or we will risk the death of millions of Americans, not to speak of just those people in the Persian Gulf itself.

But it is not too late to get ourselves out of this dilemma by supporting the people in the region and in Iraq itself who oppose Saddam Hussein's aggression and his dictatorship.

This resolution is exactly the right formula, and we should have used it long ago. If we would have used it while we were there in the Gulf during the Gulf War, we would not have the problems and the threat to our well-being that we face today.

Support democracy. Oppose tyranny. Oppose aggression and repression. That is what America's policy should be based on. We should strengthen the victims so they can defend themselves. These things are totally consistent with America's philosophy, and it is a pragmatic approach as well.

Furthermore, this resolution calls to hold Saddam Hussein himself accountable. The man is a murderer. The man has murdered large numbers of his own people. The man has invaded his neighbors. It is the dictatorship in Iraq, not the people of Iraq, who are the enemies of the United States and threaten our well-being.

That is what this resolution is all about. It is not a declaration of war. It is a declaration that we are on the side of the Iraqi people and the other people of that region who believe in freedom to some degree, whatever degree that is, more than what they have today, and oppose aggression.

Let us stand up and stand by our ideals, because we did not do that before, and we left the practical planners to say do not eliminate Saddam Hussein, and now we face this threat.

Our support for the Mujahedin collapsed the Soviet Union. Yes, there was a price to pay, because after the Soviet Union collapsed, we walked away, and we did not support those elements in the Mujahedin who were somewhat in favor of the freedom and western values.

With those people who oppose this effort of pro democracy foreign policy, a pro freedom foreign policy rather than isolation foreign policy, they would have had us stay out of that war in Afghanistan. They would never have had us confronting Soviet aggression in different parts of the world.

Would the world be a better place today? No. But our problem, again, was not in supporting the Mujahedin, not supporting those people who oppose Soviet tyranny, but our failure was not supporting those people who believed in democracy and following through with them to see that the pro freedom elements were supported.

That is what this resolution is all about, making sure that we support those people in that region, in the Gulf region, and in Iraq itself who are our natural allies. Let us hold Saddam Hussein accountable rather than putting ourselves in a place where we let the situation go to such a degree that we end up having to kill hundreds of thousands of people in the regions, Iraqis who are not even our enemies.

So let us support those people in Iraq who are our friends and in the region who are our friends, and let us push for democracy.

Even in Kuwait today, we can be proud that there has been some democratic reform as compared to what the system was before when we were there. So I stand in support of this resolution.

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

Mr. Speaker, the gentleman from California makes a very good point, that sometimes we get involved in these battles and we never fight to complete victory. He argues the case for pursuing it and always winning and take out the dictator that we are opposing.

□ 1845

There is some merit to that argument, but there is also a very good reason why that does not happen and will not happen. It is because when we fight a war for non-national security reasons, when it is limited to protecting oil or some other interest, then there is a limitation, there is no wanting to expand it.

When we fight a war for national security reasons, we declare the war, the people join, they are willing to support it financially, they volunteer to go into the military, and they fight to win. But we have not done that since World War II, precisely because we have this namby-pamby foreign policy of being everything to everybody and we do not even defend our national security adequately enough.

The gentleman from California makes a good point also. He is concerned that somebody like Saddam Hussein may attack us with weapons of mass destruction. He is precisely right. I am concerned about that too. But I would say that our exposure is about 100 times greater because of our policy. Why is it that the terrorists want to go after Americans? Because we are always dropping bombs on people and telling people what to do; because we are the policemen. We pretend to be the arbitrator of every argument in the world, even those that have existed for 1,000 years. It is a failed, flawed policy.

So I would say I have exactly the same concerns, but I think the policy that we follow has generated this problem, and it will continue.

Mr. Speaker, let me just close by talking a little bit about this authorization. It says, there are to be authorized appropriations, such sums as may be necessary to reimburse the applicable appropriation funds. This is what the money is to go for: Defense articles, defense services, military education, and training. Sounds like getting ready for the Bay of Pigs. That is exactly what we did. And then we backed off, we were not doing it for the right reason, and of course we have solidified for 40 years the dictatorship in Cuba.

So do my colleagues think our policy over the last 10 years has actually helped to weaken Saddam Hussein? Every time he comes out of it stronger. And then those who say, "Well, we should march in," we should all question. Those of us here in the Congress who are so anxious to take out this dictator, they should be willing to march themselves, or send their children and send their grandchildren. Is it worth that? No, no, we would not want to do that, we have to keep our troops safe, safe from harm, but we will just pay somebody to do it. We will pay somebody to do it and we will make wild promises. Promise the Kurds something. They will take care of Saddam Hussein. And sure enough, the promises never come through.

Mr. ROHRABACHER. Mr. Speaker, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Speaker, the gentleman does not think it is proper for us to offer those people who are struggling for freedoms in Iraq against their dictatorship a helping hand?

Mr. PAUL. Mr. Speaker, reclaiming my time, I think it would be absolutely proper to do that, as long as it came out of the gentleman's wallet and we did not extract it from somebody in this country, a taxpayer at the point of a gun and say, look, bin Laden is a great guy. I want more of your money.

That is what we did in the 1980s. That is what the Congress did. They went to the taxpayers, they put a gun to their head, and said, you pay up, because we think bin Laden is a freedom fighter.

Mr. ROHRABACHER. Well, if the gentleman will further yield, it was just not handled correctly.

Mr. PAUL. Mr. Speaker, again reclaiming my time, the policy is flawed. The policy is flawed.

I think the conclusions we have today are logical. I do not think they lack logic. I think that if one decides that we are fighting for our national security reasons, we never stop short of victory. So this would go along with the gentleman's argument that we stopped too soon in Iraq. But we were not there for national security reasons. They were not about to invade us, and they are not about to invade us. The only way we should fear an invasion by these hoodlums is if we incite them to terrorism.

We should consider this a very serious piece of legislation. This is a vote for virtual war and giving more power to the President. It has an open-ended appropriation, and if we spend one nickel on it, we are going to take it out of Social Security, the way the budget works around here.

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

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Speaker, I have 2 minutes remaining under my time as yielded by the chairman.

Let me just make this observation, if I may. I think the gentleman from Texas questioned my statement a moment ago in which I said that the bill states the sense of Congress, it does not change U.S. policy. I believe my statement is correct for a couple of reasons. The language in the bill is only sense of Congress language. It does not say what the policy is; it says what the policy should be.

More importantly, perhaps, is that we in this body cannot set policy without the approval of the executive branch. The President is the chief foreign policymaker, of course, and it is my understanding that the policy of the United States Government is and will remain, after passage of this resolution, a policy of containment.

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

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

In closing this debate I want to respond to a few of the points that have been made by other speakers. First, the bill does not make an open-ended financial commitment. It does not authorize an unlimited expenditure of funds; it authorizes such sums as may be necessary, subject to a cap of $97 million.

On the contrary, the purpose of the bill is to save money. We had to pass a $1.4 billion supplemental appropriation earlier this year to pay for U.S. military deployments to confront Saddam Hussein. We are going to have to spend that kind of money over and over again, unless we try something new, because today Saddam is far from complying with his international commitments than he was 9 months ago.

Second, this bill does not force the President to do anything that he might deem unwise. Rather, it gives him additional options for defending our national interests in the Persian Gulf region. Accordingly, I urge support for this measure and I urge my colleagues to vote "yes" on H.R. 4655.

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

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 4655, as amended.

The question was taken.

Mr. PAUL. 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.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the Chair will now put the question on the following motions to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 4614 de novo; H.R. 1154, by the yeas and nays; and H.R. 4655, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

CONVEYANCE OF FEDERAL LAND IN NEW CASTLE, NEW HAMPSHIRE

The SPEAKER pro tempore. The pending business is the question de novo of suspending the rules and passing the bill, H.R. 4614, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN), that the House suspend the rules and pass the bill, H.R. 4614, as amended.

The question was taken.

Mr. HASTINGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 230, nays 168, not voting 36, as follows:

[Roll No. 480]

YEAS—230

Aderholt
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
Delahunt
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Gutknecht
Hall (TX)
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manton
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Minge
Moran (KS)
Morella
Myrick
Nadler
Nethercutt
Neumann
Ney
Northup
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riley
Rogan
Rohrabacher
Roukema
Royce
Ryun
Sabo
Salmon
Saxton
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Talent
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)

NAYS—168

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Barcia
Barrett (WI)
Bentsen
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Carson
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutsch

Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Furse
Gejdenson
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Miller (CA)
Mink
Mollohan
Moran (VA)
Murtha
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Rush
Sánchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Skaggs
Skelton
Slaughter
Smith, Adam
Stabenow
Stark
Strickland
Tanner
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—36

Becerra
Bishop
Boehlert
Calvert
Dixon
Frost
Granger
Greenwood
Hansen
Harman
Hinojosa
Kennelly
McDade
McGovern
Millender-McDonald
Moakley
Neal
Norwood
Owens
Pelosi
Poshard
Pryce (OH)
Riggs
Rogers
Ros-Lehtinen
Roybal-Allard
Sanford
Scarborough
Schaefer, Dan
Shuster
Spratt
Stokes
Stupak
Tauzin
Yates
Young (FL)

□ 1915

Ms. BROWN of Florida and Mr. BOSWELL and Mr. McNULTY changed their vote from "yea" to "nay."

Messrs. BURTON of Indiana, LAZIO of New York, SNYDER, CHRISTENSEN, CARDIN, and ADERHOLT changed their vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each additional motion to suspend the rules in which the Chair has postponed further proceedings.

INDIAN FEDERAL RECOGNITION ADMINISTRATIVE PROCEDURES ACT OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1154, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 1154, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 190, nays 208, not voting 36, as follows:

[Roll No. 481]

YEAS—190

Abercrombie
Ackerman
Allen
Armey
Baldacci
Barcia
Barrett (WI)
Berman
Berry
Bilirakis
Blumenauer
Bonilla
Bonior
Bono
Borski
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Cannon
Capps
Carson
Clay
Clayton
Clement
Clyburn
Combest
Condit
Conyers
Coyne
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
Deutsch
Dicks
Doggett
Dooley
Dreier
Edwards
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fawell
Fazio
Filner
Ford
Frank (MA)
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Gilchrest
Gilman
Gonzalez
Goodling
Gordon
Green
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hastings (FL)
Hayworth
Hefner
Hilliard
Hinchey
Hooley
Houghton
Hoyer
Hulshof
Hunter
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
Kleczka
Knollenberg
Lampson
Lantos
Lee
Levin
Lewis (CA)
Lewis (GA)
Lofgren
Lowey
Luther
Manton
Markey
Martinez
Matsui
McCarthy (MO)
McCollum
McDermott
McHale
McIntyre
McNulty
Meehan
Meeks (NY)
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Nadler
Oberstar
Obey
Olver
Ortiz
Packard
Pallone
Parker
Pascrell
Pastor
Payne
Peterson (MN)
Pickering
Pombo
Price (NC)
Quinn
Radanovich
Rahall
Rangel
Redmond
Reyes
Rivers
Rodriguez
Rogan
Rohrabacher
Rothman
Rush
Sabo
Salmon
Sánchez
Sanders
Sandlin
Sawyer
Schaffer, Bob
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Smith, Adam
Stabenow
Stark
Stenholm
Strickland
Tanner
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Velázquez
Vento
Walsh
Waters
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Wexler
Wise
Woolsey
Wynn
Young (AK)

NAYS—208

Aderholt
Andrews
Archer
Bachus
Baesler
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilbray
Blagojevich
Bliley
Blunt
Boehner
Boswell
Boucher
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dingell
Doolittle
Doyle
Duncan
Dunn
Ehlers
English
Ensign
Everett
Ewing
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Ganske
Gibbons
Gillmor
Goode
Goodlatte
Goss
Graham
Hall (OH)
Hastert
Hastings (WA)
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Jones
Kanjorski
Kasich
Kelly
King (NY)
Kingston
Klink
Klug
Kolbe
Kucinich
LaFalce
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
McCarthy (NY)
McCrery
McHugh
McInnis
McIntosh
McKeon
McKinney
Meek (FL)
Menendez
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Nussle
Oxley
Pappas
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickett
Pitts
Pomeroy
Porter
Portman
Ramstad
Regula
Riley
Roemer
Roukema
Royce
Ryun
Saxton
Scarborough
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Turner
Upton
Visclosky
Wamp
Watkins
Watts (OK)
Weller
Weygand
White
Whitfield
Wicker
Wilson
Wolf

NOT VOTING—36

Becerra
Bishop
Boehlert
Calvert
Dixon
Frost
Granger
Greenwood
Hansen
Harman
Hinojosa
Kennelly
McDade
McGovern
Millender-McDonald
Moakley
Murtha
Neal
Norwood
Owens
Pelosi
Poshard
Pryce (OH)
Riggs
Rogers
Ros-Lehtinen
Roybal-Allard
Sanford
Schaefer, Dan
Shuster
Spratt
Stokes
Stupak
Tauzin
Yates
Young (FL)

□ 1923

Mr. BENTSEN and Mr. BAKER changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

IRAQ LIBERATION ACT OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 4655, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 4655, as amended, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 360, nays 38, not voting 36, as follows:

[Roll No. 482]

YEAS—360

Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Blagojevich
Bliley
Blumenauer
Blunt
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Christensen
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hinchey
Hobson
Hoekstra
Holden
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Miller (FL)
Minge
Mollohan
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Nethercutt
Neumann
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riley
Rodriguez
Roemer
Rogan
Rohrabacher
Rothman
Roukema
Royce
Ryun
Salmon
Sánchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Sisisky
Skeen
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stabenow
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Traficant
Turner
Upton
Velázquez
Visclosky
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)

NAYS—38

Abercrombie
Bartlett
Brown (CA)
Carson
Chenoweth
Clay
Conyers
Davis (IL)
Doggett
Everett
Ewing
Ford
Furse
Hastings (FL)
Hilliard
Hostettler
Jackson (IL)
Jefferson
LaHood
Lee
Lewis (GA)
McKinney
Miller (CA)
Mink
Paul
Payne
Pombo
Rivers
Rush
Sabo
Serrano
Skaggs
Skelton
Stark
Towns
Vento
Walsh
Waters

NOT VOTING—36

Becerra
Bishop
Boehlert
Calvert
Dixon
Frost
Granger
Greenwood
Hansen
Harman
Hinojosa
Kennelly
McDade
McGovern
Millender-McDonald
Moakley
Murtha
Neal
Norwood
Owens
Pelosi
Poshard
Pryce (OH)
Riggs
Rogers
Ros-Lehtinen
Roybal-Allard
Sanford
Schaefer, Dan
Shuster
Spratt
Stokes
Stupak
Tauzin
Yates
Young (FL)

□ 1932

The Clerk announced the following pair:

On this vote:

Mr. Calvert and Mr. McDade for, with Mr. Yates against.

Ms. BROWN of Florida changed her vote from "nay" to "yea."

Mr. MILLER of California changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BISHOP. Mr. Speaker, I was unavoidably detained in Georgia today (October 5) due to a failure of aircraft equipment. This caused me to miss Roll Numbers 480, 481 and 482. Had I been present, I would have voted "no" on HR 4614, "yes" on HR 1154 and "yes" on HR 4655.

RECOMMITTAL OF CONFERENCE REPORT TO H.R. 4104, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1999, TO COMMITTEE OF CONFERENCE

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that the conference report to accompany the bill (H.R. 4104) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes, be recommitted to the Committee of Conference.

The Clerk read the title of the bill.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that any further roll call vote on suspensions will be postponed until tomorrow.

COMMERCIAL SPACE ACT OF 1998

Mr. ROHRABACHER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 572) providing for the consideration of the bill H.R. 1702 and the Senate amendment thereto.

The Clerk read as follows:

H. RES. 572

Resolved, That, upon the adoption of this resolution, the House shall be considered to have taken from the Speaker's table the bill H.R. 1702 together with the Senate amendment thereto, and to have concurred in the Senate amendment with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Commercial Space Act of 1998".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
TITLE I—PROMOTION OF COMMERCIAL SPACE OPPORTUNITIES
Sec. 101. Commercialization of Space Station.
Sec. 102. Commercial space launch amendments.
Sec. 103. Launch voucher demonstration program.
Sec. 104. Promotion of United States Global Positioning System standards.
Sec. 105. Acquisition of space science data.
Sec. 106. Administration of Commercial Space Centers.
Sec. 107. Sources of Earth science data.
TITLE II—FEDERAL ACQUISITION OF SPACE TRANSPORTATION SERVICES
Sec. 201. Requirement to procure commercial space transportation services.
Sec. 202. Acquisition of commercial space transportation services.
Sec. 203. Launch Services Purchase Act of 1990 amendments.
Sec. 204. Shuttle privatization.
Sec. 205. Use of excess intercontinental ballistic missiles.
Sec. 206. National launch capability study.

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) the term "Administrator" means the Administrator of the National Aeronautics and Space Administration;

(2) the term "commercial provider" means any person providing space transportation services or other space-related activities, primary control of which is held by persons other than Federal, State, local, and foreign governments;

(3) the term "payload" means anything that a person undertakes to transport to, from, or within outer space, or in suborbital trajectory, by means of a space transportation vehicle, but does not include the space transportation vehicle itself except for its components which are specifically designed or adapted for that payload;

(4) the term "space-related activities" includes research and development, manufacturing, processing, service, and other associated and support activities;

(5) the term "space transportation services" means the preparation of a space transportation vehicle and its payloads for transportation to, from, or within outer space, or in suborbital trajectory, and the conduct of transporting a payload to, from, or within outer space, or in suborbital trajectory;

(6) the term "space transportation vehicle" means any vehicle constructed for the purpose of operating in, or transporting a payload to, from, or within, outer space, or in suborbital trajectory, and includes any component of such vehicle not specifically designed or adapted for a payload;

(7) the term "State" means each of the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other commonwealth, territory, or possession of the United States; and

(8) the term "United States commercial provider" means a commercial provider, organized under the laws of the United States or of a State, which is—

(A) more than 50 percent owned by United States nationals; or

(B) a subsidiary of a foreign company and the Secretary of Transportation finds that—

(i) such subsidiary has in the past evidenced a substantial commitment to the United States market through—

(I) investments in the United States in long-term research, development, and manufacturing (including the manufacture of major components and subassemblies); and

(II) significant contributions to employment in the United States; and

(ii) the country or countries in which such foreign company is incorporated or organized, and, if appropriate, in which it principally conducts its business, affords reciprocal treatment to companies described in subparagraph (A) comparable to that afforded to such foreign company's subsidiary in the United States, as evidenced by—

(I) providing comparable opportunities for companies described in subparagraph (A) to participate in Government sponsored research and development similar to that authorized under this Act;

(II) providing no barriers, to companies described in subparagraph (A) with respect to local investment opportunities, that are not provided to foreign companies in the United States; and

(III) providing adequate and effective protection for the intellectual property rights of companies described in subparagraph (A).

TITLE I—PROMOTION OF COMMERCIAL SPACE OPPORTUNITIES

SEC. 101. COMMERCIALIZATION OF SPACE STATION.

(a) POLICY.—The Congress declares that a priority goal of constructing the International Space Station is the economic development of Earth orbital space. The Congress further declares that free and competitive markets create the most efficient conditions for promoting economic development, and should therefore govern the economic development of Earth orbital space. The Congress further declares that the use of free market principles in operating, servicing, allocating the use of, and adding capabilities to the Space Station, and the resulting fullest possible engagement of commercial providers and participation of commercial users, will reduce Space Station operational costs for all partners and the Federal Government's share of the United States burden to fund operations.

(b) REPORTS.—(1) The Administrator shall deliver to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, within 90 days after the date of the enactment of this Act, a study that identifies and examines—

(A) the opportunities for commercial providers to play a role in International Space Station activities, including operation, use, servicing, and augmentation;

(B) the potential cost savings to be derived from commercial providers playing a role in each of these activities;

(C) which of the opportunities described in subparagraph (A) the Administrator plans to make available to commercial providers in fiscal years 1999 and 2000;

(D) the specific policies and initiatives the Administrator is advancing to encourage and facilitate these commercial opportunities; and

(E) the revenues and cost reimbursements to the Federal Government from commercial users of the Space Station.

(2) The Administrator shall deliver to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, within 180 days after the date of the enactment of this Act, an independently-conducted market study that examines and evaluates potential industry interest in providing commercial goods and services for the operation, servicing, and augmentation of the International Space Station, and in the commercial use of the International Space Station. This study shall also include updates to the cost savings and revenue estimates made in the study described in paragraph (1) based on the external market assessment.

(3) The Administrator shall deliver to the Congress, no later than the submission of the President's annual budget request for fiscal year 2000, a report detailing how many proposals (whether solicited or not) the National Aeronautics and Space Administration received during calendar years 1997 and 1998 regarding commercial operation, servicing, utilization, or augmentation of the International Space Station, broken down by each of these four categories, and specifying how many agreements the National Aeronautics and Space Administration has entered into in response to these proposals, also broken down by these four categories.

(4) Each of the studies and reports required by paragraphs (1), (2), and (3) shall include consideration of the potential role of State governments as brokers in promoting commercial participation in the International Space Station program.

SEC. 102. COMMERCIAL SPACE LAUNCH AMENDMENTS.

(a) AMENDMENTS.—Chapter 701 of title 49, United States Code, is amended—

(1) in the table of sections—

(A) by amending the item relating to section 70104 to read as follows:

"70104. Restrictions on launches, operations, and reentries.";

(B) by amending the item relating to section 70108 to read as follows:

"70108. Prohibition, suspension, and end of launches, operation of launch sites and reentry sites, and reentries.";

(C) by amending the item relating to section 70109 to read as follows:

"70109. Preemption of scheduled launches or reentries.";

and

(D) by adding at the end the following new items:

"70120. Regulations.
"70121. Report to Congress.".

(2) in section 70101—

(A) by inserting "microgravity research," after "information services," in subsection (a)(3);

(B) by inserting ", reentry," after "launching" both places it appears in subsection (a)(4);

(C) by inserting ", reentry vehicles," after "launch vehicles" in subsection (a)(5);

(D) by inserting "and reentry services" after "launch services" in subsection (a)(6);

(E) by inserting ", reentries," after "launches" both places it appears in subsection (a)(7);

(F) by inserting ", reentry sites," after "launch sites" in subsection (a)(8);

(G) by inserting "and reentry services" after "launch services" in subsection (a)(8);

(H) by inserting "reentry sites," after "launch sites," in subsection (a)(9);

(I) by inserting "and reentry site" after "launch site" in subsection (a)(9);

(J) by inserting ", reentry vehicles," after "launch vehicles" in subsection (b)(2);

(K) by striking "launch" in subsection (b)(2)(A);

(L) by inserting "and reentry" after "conduct of commercial launch" in subsection (b)(3);

(M) by striking "launch" after "and transfer commercial" in subsection (b)(3); and

(N) by inserting "and development of reentry sites," after "launch-site support facilities," in subsection (b)(4);

(3) in section 70102—

(A) in paragraph (3)—

(i) by striking "and any payload" and inserting in lieu thereof "or reentry vehicle and any payload from Earth";

(ii) by striking the period at the end of subparagraph (C) and inserting in lieu thereof a comma; and

(iii) by adding after subparagraph (C) the following:

"including activities involved in the preparation of a launch vehicle or payload for launch, when those activities take place at a launch site in the United States.";

(B) by inserting "or reentry vehicle" after "means of a launch vehicle" in paragraph (8);

(C) by redesignating paragraphs (10), (11), and (12) as paragraphs (14), (15), and (16), respectively;

(D) by inserting after paragraph (9) the following new paragraphs:

"(10) 'reenter' and 'reentry' mean to return or attempt to return, purposefully, a reentry vehicle and its payload, if any, from Earth orbit or from outer space to Earth.

"(11) 'reentry services' means—

"(A) activities involved in the preparation of a reentry vehicle and its payload, if any, for reentry; and

"(B) the conduct of a reentry.

"(12) 'reentry site' means the location on Earth to which a reentry vehicle is intended to return (as defined in a license the Secretary issues or transfers under this chapter).

"(13) 'reentry vehicle' means a vehicle designed to return from Earth orbit or outer space to Earth, or a reusable launch vehicle designed to return from Earth orbit or outer space to Earth, substantially intact."; and

(E) by inserting "or reentry services" after "launch services" each place it appears in paragraph (15), as so redesignated by subparagraph (C) of this paragraph;

(4) in section 70103(b)—

(A) by inserting "AND REENTRIES" after "LAUNCHES" in the subsection heading;

(B) by inserting "and reentries" after "commercial space launches" in paragraph (1); and

(C) by inserting "and reentry" after "space launch" in paragraph (2);

(5) in section 70104—

(A) by amending the section designation and heading to read as follows:

"§ 70104. Restrictions on launches, operations, and reentries";

(B) by inserting "or reentry site, or to reenter a reentry vehicle," after "operate a launch site" each place it appears in subsection (a);

(C) by inserting "or reentry" after "launch or operation" in subsection (a)(3) and (4);

(D) in subsection (b)—

(i) by striking "launch license" and inserting in lieu thereof "license";

(ii) by inserting "or reenter" after "may launch"; and

(iii) by inserting "or reentering" after "related to launching"; and

(E) in subsection (c)—

(i) by amending the subsection heading to read as follows: "PREVENTING LAUNCHES AND REENTRIES.—";

(ii) by inserting "or reentry" after "prevent the launch"; and

(iii) by inserting "or reentry" after "decides the launch";

(6) in section 70105—

(A) by inserting "(1)" before "A person may apply" in subsection (a);

(B) by striking "receiving an application" both places it appears in subsection (a) and inserting in lieu thereof "accepting an application in accordance with criteria established pursuant to subsection (b)(2)(D)";

(C) by adding at the end of subsection (a) the following: "The Secretary shall transmit to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a written notice not later than 30 days after any occurrence when a license is not issued within the deadline established by this subsection.

"(2) In carrying out paragraph (1), the Secretary may establish procedures for safety approvals of launch vehicles, reentry vehicles, safety systems, processes, services, or personnel that may be used in conducting licensed commercial space launch or reentry activities.";

(D) by inserting "or a reentry site, or the reentry of a reentry vehicle," after "operation of a launch site" in subsection (b)(1);

(E) by striking "or operation" and inserting in lieu thereof ", operation, or reentry" in subsection (b)(2)(A);

(F) by striking "and" at the end of subsection (b)(2)(B);

(G) by striking the period at the end of subsection (b)(2)(C) and inserting in lieu thereof "; and";

(H) by adding at the end of subsection (b)(2) the following new subparagraph:

"(D) regulations establishing criteria for accepting or rejecting an application for a license under this chapter within 60 days after receipt of such application."; and

(I) by inserting ", including the requirement to obtain a license," after "waive a requirement" in subsection (b)(3);

(7) in section 70106(a)—

(A) by inserting "or reentry site" after "observer at a launch site";

(B) by inserting "or reentry vehicle" after "assemble a launch vehicle"; and

(C) by inserting "or reentry vehicle" after "with a launch vehicle";

(8) in section 70108—

(A) by amending the section designation and heading to read as follows:

"§ 70108. Prohibition, suspension, and end of launches, operation of launch sites and reentry sites, and reentries";

and

(B) in subsection (a)—

(i) by inserting "or reentry site, or reentry of a reentry vehicle," after "operation of a launch site"; and

(ii) by inserting "or reentry" after "launch or operation";

(9) in section 70109—

(A) by amending the section designation and heading to read as follows:

"§ 70109. Preemption of scheduled launches or reentries";

(B) in subsection (a)—

(i) by inserting "or reentry" after "ensure that a launch";

(ii) by inserting ", reentry site," after "United States Government launch site";

(iii) by inserting "or reentry date commitment" after "launch date commitment";

(iv) by inserting "or reentry" after "obtained for a launch";

(v) by inserting ", reentry site," after "access to a launch site";

(vi) by inserting ", or services related to a reentry," after "amount for launch services"; and

(vii) by inserting "or reentry" after "the scheduled launch"; and

(C) in subsection (c), by inserting "or reentry" after "prompt launching";

(10) in section 70110—

(A) by inserting "or reentry" after "prevent the launch" in subsection (a)(2); and

(B) by inserting "or reentry site, or reentry of a reentry vehicle," after "operation of a launch site" in subsection (a)(3)(B);

(11) in section 70111—

(A) by inserting "or reentry" after "launch" in subsection (a)(1)(A);

(B) by inserting "and reentry services" after "launch services" in subsection (a)(1)(B);

(C) by inserting "or reentry services" after "or launch services" in subsection (a)(2);

(D) by striking "source." in subsection (a)(2) and inserting "source, whether such source is located on or off a Federal range.";

(E) by inserting "or reentry" after "commercial launch" both places it appears in subsection (b)(1);

(F) by inserting "or reentry services" after "launch services" in subsection (b)(2)(C);

(G) by inserting after subsection (b)(2) the following new paragraph:

"(3) The Secretary shall ensure the establishment of uniform guidelines for, and consistent implementation of, this section by all Federal agencies.";

(H) by striking "or its payload for launch" in subsection (d) and inserting in lieu thereof "or reentry vehicle, or the payload of either, for launch or reentry"; and

(I) by inserting ", reentry vehicle," after "manufacturer of the launch vehicle" in subsection (d);

(12) in section 70112—

(A) in subsection (a)(1), by inserting "launch or reentry" after "(1) When a";

(B) by inserting "or reentry" after "one launch" in subsection (a)(3);

(C) by inserting "or reentry services" after "launch services" in subsection (a)(4);

(D) in subsection (b)(1), by inserting "launch or reentry" after "(1) A";

(E) by inserting "or reentry services" after "launch services" each place it appears in subsection (b);

(F) by inserting "applicable" after "carried out under the" in paragraphs (1) and (2) of subsection (b);

(G) by inserting "OR REENTRIES" after "LAUNCHES" in the heading for subsection (e);

(H) by inserting "or reentry site or a reentry" after "launch site" in subsection (e); and

(I) in subsection (f), by inserting "launch or reentry" after "carried out under a";

(13) in section 70113(a)(1) and (d)(1) and (2), by inserting "or reentry" after "one launch" each place it appears;

(14) in section 70115(b)(1)(D)(i)—

(A) by inserting "reentry site," after "launch site,"; and

(B) by inserting "or reentry vehicle" after "launch vehicle" both places it appears;

(15) in section 70117—

(A) by inserting "or reentry site, or to reenter a reentry vehicle" after "operate a launch site" in subsection (a);

(B) by inserting "or reentry" after "approval of a space launch" in subsection (d);

(C) by amending subsection (f) to read as follows:

"(f) LAUNCH NOT AN EXPORT; REENTRY NOT AN IMPORT.—A launch vehicle, reentry vehicle, or payload that is launched or reentered

is not, because of the launch or reentry, an export or import, respectively, for purposes of a law controlling exports or imports, except that payloads launched pursuant to foreign trade zone procedures as provided for under the Foreign Trade Zones Act (19 U.S.C. 81a–81u) shall be considered exports with regard to customs entry."; and

(D) in subsection (g)—

(i) by striking "operation of a launch vehicle or launch site," in paragraph (1) and inserting in lieu thereof "reentry, operation of a launch vehicle or reentry vehicle, operation of a launch site or reentry site,"; and

(ii) by inserting "reentry," after "launch," in paragraph (2); and

(16) by adding at the end the following new sections:

"§ 70120. Regulations

"(a) IN GENERAL.—The Secretary of Transportation, within 9 months after the date of the enactment of this section, shall issue regulations to carry out this chapter that include—

"(1) guidelines for industry and State governments to obtain sufficient insurance coverage for potential damages to third parties;

"(2) procedures for requesting and obtaining licenses to launch a commercial launch vehicle;

"(3) procedures for requesting and obtaining operator licenses for launch;

"(4) procedures for requesting and obtaining launch site operator licenses; and

"(5) procedures for the application of government indemnification.

"(b) REENTRY.—The Secretary of Transportation, within 6 months after the date of the enactment of this section, shall issue a notice of proposed rulemaking to carry out this chapter that includes—

"(1) procedures for requesting and obtaining licenses to reenter a reentry vehicle;

"(2) procedures for requesting and obtaining operator licenses for reentry; and

"(3) procedures for requesting and obtaining reentry site operator licenses.

"§ 70121. Report to Congress

"The Secretary of Transportation shall submit to Congress an annual report to accompany the President's budget request that—

"(1) describes all activities undertaken under this chapter, including a description of the process for the application for and approval of licenses under this chapter and recommendations for legislation that may further commercial launches and reentries; and

"(2) reviews the performance of the regulatory activities and the effectiveness of the Office of Commercial Space Transportation.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 70119 of title 49, United States Code, is amended to read as follows:

"§ 70119. Authorization of appropriations

"There are authorized to be appropriated to the Secretary of Transportation for the activities of the Office of the Associate Administrator for Commercial Space Transportation—

"(1) $6,275,000 for the fiscal year ending September 30, 1999; and

"(2) $6,600,000 for the fiscal year ending September 30, 2000.".

(c) EFFECTIVE DATE.—The amendments made by subsection (a)(6)(B) shall take effect upon the effective date of final regulations issued pursuant to section 70105(b)(2)(D) of title 49, United States Code, as added by subsection (a)(6)(H).

SEC. 103. LAUNCH VOUCHER DEMONSTRATION PROGRAM.

Section 504 of the National Aeronautics and Space Administration Authorization Act, Fiscal Year 1993 (15 U.S.C. 5803) is amended—

(1) in subsection (a)—

(A) by striking "the Office of Commercial Programs within"; and

(B) by striking "Such program shall not be effective after September 30, 1995.";

(2) by striking subsection (c); and

(3) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 104. PROMOTION OF UNITED STATES GLOBAL POSITIONING SYSTEM STANDARDS.

(a) FINDING.—The Congress finds that the Global Positioning System, including satellites, signal equipment, ground stations, data links, and associated command and control facilities, has become an essential element in civil, scientific, and military space development because of the emergence of a United States commercial industry which provides Global Positioning System equipment and related services.

(b) INTERNATIONAL COOPERATION.—In order to support and sustain the Global Positioning System in a manner that will most effectively contribute to the national security, public safety, scientific, and economic interests of the United States, the Congress encourages the President to—

(1) ensure the operation of the Global Positioning System on a continuous worldwide basis free of direct user fees;

(2) enter into international agreements that promote cooperation with foreign governments and international organizations to—

(A) establish the Global Positioning System and its augmentations as an acceptable international standard; and

(B) eliminate any foreign barriers to applications of the Global Positioning System worldwide; and

(3) provide clear direction and adequate resources to the Assistant Secretary of Commerce for Communications and Information so that on an international basis the Assistant Secretary can—

(A) achieve and sustain efficient management of the electromagnetic spectrum used by the Global Positioning System; and

(B) protect that spectrum from disruption and interference.

SEC. 105. ACQUISITION OF SPACE SCIENCE DATA.

(a) ACQUISITION FROM COMMERCIAL PROVIDERS.—The Administrator shall, to the extent possible and while satisfying the scientific or educational requirements of the National Aeronautics and Space Administration, and where appropriate, of other Federal agencies and scientific researchers, acquire, where cost effective, space science data from a commercial provider.

(b) TREATMENT OF SPACE SCIENCE DATA AS COMMERCIAL ITEM UNDER ACQUISITION LAWS.—Acquisitions of space science data by the Administrator shall be carried out in accordance with applicable acquisition laws and regulations (including chapters 137 and 140 of title 10, United States Code). For purposes of such law and regulations, space science data shall be considered to be a commercial item. Nothing in this subsection shall be construed to preclude the United States from acquiring, through contracts with commercial providers, sufficient rights in data to meet the needs of the scientific and educational community or the needs of other government activities.

(c) DEFINITION.—For purposes of this section, the term "space science data" includes scientific data concerning—

(1) the elemental and mineralogical resources of the moon, asteroids, planets and their moons, and comets;

(2) microgravity acceleration; and

(3) solar storm monitoring.

(d) SAFETY STANDARDS.—Nothing in this section shall be construed to prohibit the Federal Government from requiring compliance with applicable safety standards.

(e) LIMITATION.—This section does not authorize the National Aeronautics and Space Administration to provide financial assistance for the development of commercial systems for the collection of space science data.

SEC. 106. ADMINISTRATION OF COMMERCIAL SPACE CENTERS.

The Administrator shall administer the Commercial Space Center program in a coordinated manner from National Aeronautics and Space Administration headquarters in Washington, DC.

SEC. 107. SOURCES OF EARTH SCIENCE DATA.

(a) ACQUISITION.—The Administrator shall, to the extent possible and while satisfying the scientific or educational requirements of the National Aeronautics and Space Administration, and where appropriate, of other Federal agencies and scientific researchers, acquire, where cost-effective, space-based and airborne Earth remote sensing data, services, distribution, and applications from a commercial provider.

(b) TREATMENT AS COMMERCIAL ITEM UNDER ACQUISITION LAWS.—Acquisitions by the Administrator of the data, services, distribution, and applications referred to in subsection (a) shall be carried out in accordance with applicable acquisition laws and regulations (including chapters 137 and 140 of title 10, United States Code). For purposes of such law and regulations, such data, services, distribution, and applications shall be considered to be a commercial item. Nothing in this subsection shall be construed to preclude the United States from acquiring, through contracts with commercial providers, sufficient rights in data to meet the needs of the scientific and educational community or the needs of other government activities.

(c) STUDY.—(1) The Administrator shall conduct a study to determine the extent to which the baseline scientific requirements of Earth Science can be met by commercial providers, and how the National Aeronautics and Space Administration will meet such requirements which cannot be met by commercial providers.

(2) The study conducted under this subsection shall—

(A) make recommendations to promote the availability of information from the National Aeronautics and Space Administration to commercial providers to enable commercial providers to better meet the baseline scientific requirements of Earth Science;

(B) make recommendations to promote the dissemination to commercial providers of information on advanced technology research and development performed by or for the National Aeronautics and Space Administration; and

(C) identify policy, regulatory, and legislative barriers to the implementation of the recommendations made under this subsection.

(3) The results of the study conducted under this subsection shall be transmitted to the Congress within 6 months after the date of the enactment of this Act.

(d) SAFETY STANDARDS.—Nothing in this section shall be construed to prohibit the Federal Government from requiring compliance with applicable safety standards.

(e) ADMINISTRATION AND EXECUTION.—This section shall be carried out as part of the Commercial Remote Sensing Program at the Stennis Space Center.

(f) REMOTE SENSING.—

(1) APPLICATION CONTENTS.—Section 201(b) of the Land Remote Sensing Policy Act of 1992 (15 U.S.C. 5621(b)) is amended—

(A) by inserting "(1)" after "NATIONAL SECURITY.—"; and

(B) by adding at the end the following new paragraph:

"(2) The Secretary, within 6 months after the date of the enactment of the Commercial Space Act of 1998, shall publish in the Federal Register a complete and specific list of all information required to comprise a complete application for a license under this title. An application shall be considered complete when the applicant has provided all information required by the list most recently published in the Federal Register before the date the application was first submitted. Unless the Secretary has, within 30 days after receipt of an application, notified the applicant of information necessary to complete an application, the Secretary may not deny the application on the basis of the absence of any such information.".

(2) NOTIFICATION OF AGREEMENTS.—Section 202(b)(6) of the Land Remote Sensing Policy Act of 1992 (15 U.S.C. 5622(b)(6)) is amended by inserting "significant or substantial" after "Secretary of any".

TITLE II—FEDERAL ACQUISITION OF SPACE TRANSPORTATION SERVICES

SEC. 201. REQUIREMENT TO PROCURE COMMERCIAL SPACE TRANSPORTATION SERVICES.

(a) IN GENERAL.—Except as otherwise provided in this section, the Federal Government shall acquire space transportation services from United States commercial providers whenever such services are required in the course of its activities. To the maximum extent practicable, the Federal Government shall plan missions to accommodate the space transportation services capabilities of United States commercial providers.

(b) EXCEPTIONS.—The Federal Government shall not be required to acquire space transportation services under subsection (a) if, on a case-by-case basis, the Administrator or, in the case of a national security issue, the Secretary of the Air Force, determines that—

(1) a payload requires the unique capabilities of the Space Shuttle;

(2) cost effective space transportation services that meet specific mission requirements would not be reasonably available from United States commercial providers when required;

(3) the use of space transportation services from United States commercial providers poses an unacceptable risk of loss of a unique scientific opportunity;

(4) the use of space transportation services from United States commercial providers is inconsistent with national security objectives;

(5) the use of space transportation services from United States commercial providers is inconsistent with international agreements for international collaborative efforts relating to science and technology;

(6) it is more cost effective to transport a payload in conjunction with a test or demonstration of a space transportation vehicle owned by the Federal Government; or

(7) a payload can make use of the available cargo space on a Space Shuttle mission as a secondary payload, and such payload is consistent with the requirements of research, development, demonstration, scientific, commercial, and educational programs authorized by the Administrator.

Nothing in this section shall prevent the Administrator from planning or negotiating agreements with foreign entities for the launch of Federal Government payloads for international collaborative efforts relating to science and technology.

(c) DELAYED EFFECT.—Subsection (a) shall not apply to space transportation services and space transportation vehicles acquired or owned by the Federal Government before the date of the enactment of this Act, or with respect to which a contract for such acquisition or ownership has been entered into before such date.

(d) HISTORICAL PURPOSES.—This section shall not be construed to prohibit the Federal Government from acquiring, owning, or maintaining space transportation vehicles solely for historical display purposes.

SEC. 202. ACQUISITION OF COMMERCIAL SPACE TRANSPORTATION SERVICES.

(a) TREATMENT OF COMMERCIAL SPACE TRANSPORTATION SERVICES AS COMMERCIAL ITEM UNDER ACQUISITION LAWS.—Acquisitions of space transportation services by the Federal Government shall be carried out in accordance with applicable acquisition laws and regulations (including chapters 137 and 140 of title 10, United States Code). For purposes of such law and regulations, space transportation services shall be considered to be a commercial item.

(b) SAFETY STANDARDS.—Nothing in this section shall be construed to prohibit the Federal Government from requiring compliance with applicable safety standards.

SEC. 203. LAUNCH SERVICES PURCHASE ACT OF 1990 AMENDMENTS.

The Launch Services Purchase Act of 1990 (42 U.S.C. 2465b et seq.) is amended—

(1) by striking section 202;

(2) in section 203—

(A) by striking paragraphs (1) and (2); and

(B) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively;

(3) by striking sections 204 and 205; and

(4) in section 206—

(A) by striking "(a) COMMERCIAL PAYLOADS ON THE SPACE SHUTTLE.—"; and

(B) by striking subsection (b).

SEC. 204. SHUTTLE PRIVATIZATION.

(a) POLICY AND PREPARATION.—The Administrator shall prepare for an orderly transition from the Federal operation, or Federal management of contracted operation, of space transportation systems to the Federal purchase of commercial space transportation services for all nonemergency space transportation requirements for transportation to and from Earth orbit, including human, cargo, and mixed payloads. In those preparations, the Administrator shall take into account the need for short-term economies, as well as the goal of restoring the National Aeronautics and Space Administration's research focus and its mandate to promote the fullest possible commercial use of space. As part of those preparations, the Administrator shall plan for the potential privatization of the Space Shuttle program. Such plan shall keep safety and cost effectiveness as high priorities. Nothing in this section shall prohibit the National Aeronautics and Space Administration from studying, designing, developing, or funding upgrades or modifications essential to the safe and economical operation of the Space Shuttle fleet.

(b) FEASIBILITY STUDY.—The Administrator shall conduct a study of the feasibility of implementing the recommendation of the Independent Shuttle Management Review Team that the National Aeronautics and Space Administration transition toward the privatization of the Space Shuttle. The study shall identify, discuss, and, where possible, present options for resolving, the major policy and legal issues that must be addressed before the Space Shuttle is privatized, including—

(1) whether the Federal Government or the Space Shuttle contractor should own the Space Shuttle orbiters and ground facilities;

(2) whether the Federal Government should indemnify the contractor for any third party liability arising from Space Shuttle operations, and, if so, under what terms and conditions;

(3) whether payloads other than National Aeronautics and Space Administration payloads should be allowed to be launched on the Space Shuttle, how missions will be prioritized, and who will decide which mission flies and when;

(4) whether commercial payloads should be allowed to be launched on the Space Shuttle and whether any classes of payloads should be made ineligible for launch consideration;

(5) whether National Aeronautics and Space Administration and other Federal Government payloads should have priority over non-Federal payloads in the Space Shuttle launch assignments, and what policies should be developed to prioritize among payloads generally;

(6) whether the public interest requires that certain Space Shuttle functions continue to be performed by the Federal Government; and

(7) how much cost savings, if any, will be generated by privatization of the Space Shuttle.

(c) REPORT TO CONGRESS.—Within 60 days after the date of the enactment of this Act, the National Aeronautics and Space Administration shall complete the study required under subsection (b) and shall submit a report on the study to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives.

SEC. 205. USE OF EXCESS INTERCONTINENTAL BALLISTIC MISSILES.

(a) IN GENERAL.—The Federal Government shall not—

(1) convert any missile described in subsection (c) to a space transportation vehicle configuration; or

(2) transfer ownership of any such missile to another person, except as provided in subsection (b).

(b) AUTHORIZED FEDERAL USES.—(1) A missile described in subsection (c) may be converted for use as a space transportation vehicle by the Federal Government if, except as provided in paragraph (2) and at least 30 days before such conversion, the agency seeking to use the missile as a space transportation vehicle transmits to the Committee on National Security and the Committee on Science of the House of Representatives, and to the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate, a certification that the use of such missile—

(A) would result in cost savings to the Federal Government when compared to the cost of acquiring space transportation services from United States commercial providers;

(B) meets all mission requirements of the agency, including performance, schedule, and risk requirements;

(C) is consistent with international obligations of the United States; and

(D) is approved by the Secretary of Defense or his designee.

(2) The requirement under paragraph (1) that the certification described in that paragraph must be transmitted at least 30 days before conversion of the missile shall not apply if the Secretary of Defense determines that compliance with that requirement would be inconsistent with meeting immediate national security requirements.

(c) MISSILES REFERRED TO.—The missiles referred to in this section are missiles owned by the United States that—

(1) were formerly used by the Department of Defense for national defense purposes as intercontinental ballistic missiles; and

(2) have been declared excess to United States national defense needs and are in compliance with international obligations of the United States.

SEC. 206. NATIONAL LAUNCH CAPABILITY STUDY.

(a) FINDINGS.—Congress finds that a robust satellite and launch industry in the United States serves the interest of the United States by—

(1) contributing to the economy of the United States;

(2) strengthening employment, technological, and scientific interests of the United States; and

(3) serving the foreign policy and national security interests of the United States.

(b) DEFINITIONS.—In this section:

(1) SECRETARY.—The term "Secretary" means the Secretary of Defense.

(2) TOTAL POTENTIAL NATIONAL MISSION MODEL.—The term "total potential national mission model" means a model that—

(A) is determined by the Secretary, in consultation with the Administrator, to assess the total potential space missions to be conducted in the United States during a specified period of time; and

(B) includes all launches in the United States (including launches conducted on or off a Federal range).

(c) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall, in consultation with the Administrator and appropriate representatives of the satellite and launch industry and the governments of States and political subdivisions thereof—

(A) prepare a report that meets the requirements of this subsection; and

(B) submit that report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives.

(2) REQUIREMENTS FOR REPORT.—The report prepared under this subsection shall—

(A) identify the total potential national mission model for the period beginning on the date of the report and ending on December 31, 2007;

(B) identify the resources that are necessary or available to carry out the total potential national mission model described in subparagraph (A), including—

(i) launch property and services of the Department of Defense, the National Aeronautics and Space Administration, and non-Federal facilities; and

(ii) the ability to support commercial launch-on-demand on short notification, taking into account Federal requirements, at launch sites or test ranges in the United States;

(C) identify each deficiency in the resources referred to in subparagraph (B); and

(D) with respect to the deficiencies identified under subparagraph (C), include estimates of the level of funding necessary to address those deficiencies for the period described in subparagraph (A).

(d) RECOMMENDATIONS.—Based on the reports under subsection (c), the Secretary, after consultation with the Secretary of Transportation, the Secretary of Commerce, and representatives from interested private sector entities, States, and local governments, shall—

(1) identify opportunities for investment by non-Federal entities (including States and political subdivisions thereof and private sector entities) to assist the Federal Government in providing launch capabilities for the commercial space industry in the United States;

(2) identify 1 or more methods by which, if sufficient resources referred to in subsection (c)(2)(D) are not available to the Department of Defense and the National Aeronautics and Space Administration, the control of the launch property and launch services of the Department of Defense and the National Aeronautics and Space Administration may be transferred from the Department of Defense and the National Aeronautics and Space Administration to—

(A) 1 or more other Federal agencies;

(B) 1 or more States (or subdivisions thereof);

(C) 1 or more private sector entities; or

(D) any combination of the entities described in subparagraphs (A) through (C); and

(3) identify the technical, structural, and legal impediments associated with making launch sites or test ranges in the United States viable and competitive.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. ROHRABACHER) and the gentleman from Tennessee (Mr. GORDON) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. ROHRABACHER).

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

Mr. Speaker, this resolution takes from the Speaker's desk H.R. 1702 as reported back by the Senate and passed with an amendment.

The Commercial Space Act of 1998 is a small legislative step that will enable giant leaps for America's commercial space industry. It is the culmination of 3 years of extensive bipartisan consultation and cooperation within the Committee on Science, with the Senate Committee on Commerce, Science and Transportation, and with the administration as well.

I support the product of this effort and wish to thank the Members on both sides of the aisle and in the other body for their help in making this possible.

H.R. 1702 passed the House last year. The Senate passed an amended H.R. 1702 this July. The House and Senate have negotiated the compromise bill that is before us today. I urge my colleagues to support this commercial space bill so we can send it to the Senate and then to the President for his immediate signature.

The compromise bill promotes the continued growth of the United States commercial space industry. It requires an independent market study of and a NASA report on progress in commercializing the international space station. It authorizes the Department of Transportation to license the reentry of space transportation vehicles.

It makes permanent a launch voucher demonstration program so that scientists can buy their own launch services instead of being told when and how their experiments can fly into space. It encourages the President to ensure that the United States global positioning system becomes the world standard so that foreign systems will not interfere with the GPS satellite signals.

It encourages NASA to buy commercial data for both space science and earth science researchers. It directs NASA to manage its commercial space centers out of NASA headquarters in Washington, D.C.

It includes provisions which clarify the regulation of U.S. commercial remote sensing companies. It requires the Federal Government to purchase space transportation services instead of building and operating its own vehicles. It requires NASA to plan for the potential privatization of the space shuttle. It allows the use of access ICBMs as low-cost space transportation vehicles, and it requires that the Department of Defense study our national launch demand and infrastructure capability through the year 2007.

At the same time, I am sad to report that one of the most important portions of H.R. 1702, which dealt with commercial remote sensing, had to be abandoned in order to secure the passage of this legislation in the Senate, but some of our government's Cold War bureaucrats seem to want to have the same power that they had and are unwilling to see that change take place for now, but we will fight that battle on another day.

I can honestly say that we tried very hard to meet the administration halfway, and after holding two subcommittee hearings on the topic, the committee made several changes to the bill in order to accommodate the administration requests, both in committee markup and later on the House floor. The State Department kept pushing for even more authority than they have now, so rather than give them that authority and make life even harder for our remote sensing industry, we decided simply to strike title II from the bill, and say, we will come back and talk about that issue on another day.

Today, however, we should celebrate a legislative glass that is more than half full. The chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), and ranking member, the gentleman from California (Mr. BROWN) have offered us a great deal of leadership in this area. I salute both of them. I especially salute the ranking member, the gentleman from California (Mr. BROWN), who is with us on the floor at

this time. He and the chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), have shown in the Committee on Science that we certainly have as bipartisan a committee as anyone on the floor, and the gentleman from Tennessee (Mr. GORDON), the ranking member on the subcommittee, has been working with me in that spirit.

I am very proud to have worked with my friends on the other side of the aisle to come up with this piece of legislation.

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

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

Mr. Speaker, I rise in support of H.R. 1702, the Commercial Space Act of 1998. This act represents another in a long series of bipartisan efforts to promote the development of a healthy and expanding U.S. commercial space sector.

I will not attempt to discuss every provision in H.R. 1702, but I would like to highlight a number of important aspects of the bill.

First, H.R. 1702 contains a series of amendments to existing law that should help the U.S. commercial launch industry to move to a new generation of low-cost launch vehicles. The amendments authorize the U.S. Department of Transportation to license reusable launch vehicles, vehicles that can take off, fly into space and return to earth to be used again.

A number of U.S. companies, both large and small, have such new vehicles under development. However, they need to have a predictable licensing and regulatory environment. H.R. 1702 will help establish that environment.

Second, H.R. 1702 makes a strong statement of support for the global positioning system and encourages the administration to ensure the operation of the global positioning system on a continuous worldwide basis, free of direct user fees. GPS has provided the foundation for the growth of entirely new businesses, and we need to assure that it and its augmentations continue to play that role.

Third, H.R. 1702 contains other provisions to promote governmental purchases of commercial data and launch services when appropriate. These provisions can help to promote the further development of the commercial space sector in the years ahead.

Mr. Speaker, this final version of H.R. 1702 is the result of constructive discussions and compromises between the House, the Senate and the administration. I want to express my appreciation for the positive roles played by the chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), the ranking member, the gentleman from California (Mr. BROWN), the subcommittee chairman, the gentleman from California (Mr. ROHRABACHER) and their staffs.

H.R. 1702 is a bill that will foster economic growth, and I urge my colleagues to support it.

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

Mr. ROHRABACHER. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, we have with us today in the hall the former chairman, now ranking member, the gentleman from California (Mr. BROWN), who I mentioned, but we also have the former chairman of the Committee on Science, Mr. Walker, who spent considerable time and effort on this piece of legislation, and I would like to applaud Mr. Walker's efforts over the years. He has spent many, many years on space commercialization projects, and this piece of legislation reflects that hard work and dedication on his part.

Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. WELDON), who has worked long and hard on this piece of legislation.

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Mr. WELDON of Florida. Mr. Speaker, I thank the chairman of the subcommittee for yielding time, and I rise in support of this legislation. I encourage all of my colleagues on both sides of the aisle to support and vote for this very important legislation.

I represent the east central coast of Florida, the area that includes Cape Canaveral and Kennedy Space Center. Years ago, most of the launches were for the government. But today the majority of launches from Cape Canaveral are for commercial satellites. These are telecommunications satellites that carry TV signals or telephone conversations as well as remote sensing satellites that can help American farmers better manage their crops and be more efficient and more productive. That is what this legislation is all about, being more efficient and more productive, the use of space for the betterment of mankind, helping to create better jobs, using our tax dollars more efficiently.

This legislation will make it easier for everyone, from satellite or launch vehicle manufacturers to remote sensing and telecommunications service providers to better be able to do business in the 21st century. It will better enable American companies to compete in an increasingly competitive international marketplace. The space industry is an example of another industry that the United States essentially created, but like many industries that the United States has created, it is at risk of going overseas and no longer being in the United States. Therefore, this legislation is badly needed.

In particular, I would like to mention the section of the bill that deals with the feature regarding the licensing of commercial space vehicles that reenter the atmosphere. Today the only space vehicle that regularly reenters the atmosphere is our Nation's space shuttle. But it is used for government missions and not for launching commercial satellites. There are several new launch vehicles in the developmental stage today, including the Lockheed Martin Venture Star that will launch commercial satellites and then return to earth, be refueled, refurbished and then launched again in a similar fashion to the way the space shuttle is handled. This legislation will better enable the government to license and regulate those types of launch vehicles.

Again, I rise in strong support. I commend the chairman of the subcommittee and ranking member, as well as the chairman and ranking member of the full committee for their work that they have done in support of this legislation.

Mr. GORDON. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. BROWN), one of the most knowledgeable Members of this body on our space program.

Mr. BROWN of California. I thank the ranking member for yielding me this time. I could abuse it since he put no limit on it, but I promise my colleagues I will not do that.

Mr. Speaker, I should point out that approximately 41 years ago we entered into a new age, the space age, with the launch of Sputnik which scared the daylights out of a lot of people around the world, including here in the United States, and stimulated our own efforts to move into the new space age. That age has proceeded more rapidly than many of us had ever assumed that it might and less rapidly than some had hoped. It is 41 years old approximately.

It is notable that today commercial space revenues have exceeded the amount of money which the governments of the world spend on space. This is a rather remarkable feature in itself, but I think we are just looking at the beginning of a vast increase in commercial space activities. Of course that is what this bill is intended to address.

It is not a revolutionary bill. I sometimes criticize legislation for not going as far as it should. I personally would like to have seen this bill go much further into new areas of space commercialization, new legislative structures and so forth. I recognize, however, the tremendous amount of work which has gone into bringing us this piece of legislation, and I am not going to be critical of the fact that the bill does not reach as far as I would like.

What I expect to see happening in the very near future was indicated I think rather well by the gentleman from Florida (Mr. WELDON) when he pointed to the vast expansion of reusable launch vehicles which are in the offing. One of those systems is being developed in my own district in California. Most of these systems are tied to the increasing number of communications

satellites which are being launched around the globe. We will see a proliferation of new systems with hundreds, possibly thousands of satellites, all of which will have to be launched into low earth orbit and then replaced at fairly frequent intervals. So we can be absolutely certain that we are going to see a very large demand for economical, reusable launch vehicle systems. This may be the driving factor in the development of a much more robust commercial space business than we have today.

There are also many other very attractive commercial opportunities in space which we will not dwell on this evening, but I see the potential for each of these other kinds of activities reaching similar possibilities to what we see in satellite communication systems.

I strongly support this bill. I commend the various people who worked so hard on it. I hope that we will be able to come back at a future time with a more comprehensive bill which will strengthen the position of the private sector in the development of commercial space business and will allow us to move even further into this great new space age that we are in.

Mr. Speaker, I would like to speak in favor of H.R. 1702, the Commercial Space Act of 1998. While H.R. 1702 is a relatively modest bill, it will, I believe, provide an important stimulus to the continued growth of the U.S. commercial space sector.

It was 41 years ago Sunday that the space age dawned with the launch of Sputnik. America and the rest of the world have come a long way in space since then. One of the most important developments has been the growth of a robust commercial space sector in the United States. Worldwide, commercial space revenues—driven in large part by the explosive growth of satellite communicaitons—exceeded governmental space expenditures for the first time last year. I expect that this trend will continue.

H.R. 1702 will help to promote the commercial space sector in a number of ways. I would like to focus on one of those, namely the licensing provisions for reusable launch vehicles (RLVs) and reentry vehicles. These RLVs offer the promise of significant reductions in the cost of launching payloads into space. A number of companies, including the entrepreneurial Kelly Space and Technology, Inc., are working hard to turn the promise of low cost access to space into reality.

H.R. 1702 will help provide a predictable licensing and regulatory environment that is necessary if this new industry is to flourish.

H.R. 1702 contains a number of other notable provisions, including ones related to the global positioning system, commercial launch services and commercial "data buys".

In addition, I am pleased that this final version of H.R. 1702 restores the ability of the U.S. government to continue to carry out international collaborations in science and technology with other nations—collaborations that have delivered great benefits to the United States.

Mr. Speaker, I believe that H.R. 1702 represents a constructive step forward by Congress in the promotion of a vibrant commercial space sector. I wish to express my appreciation to Science Committee Chairman SENSENBRENNER, as well as to Chairman ROHRABACHER and Mr. GORDON, the chair and ranking member of the Space Subcommittee for all of their efforts on this bill.

I urge my colleagues to pass H.R. 1702.

Mr. ROHRABACHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. BRADY) for a colloquy about an important provision of this bill.

Mr. BRADY of Texas. Mr. Speaker, I first want to thank the chairman for his leadership as chair of the Subcommittee on Space and Aeronautics and that of the ranking minority member for the leadership on this important issue.

Mr. Speaker, when this bill was marked up in the subcommittee, we added a section which required that NASA administer the Commercial Space Center program from NASA headquarters. These centers are the primary mechanism by which NASA works to spark new commercial research and investment in space development, particularly regarding commercial research on and use of the International Space Station. Because these centers are so important, the committee wanted to make sure that they were administered and funded in a fair and consistent way by NASA headquarters.

Mr. ROHRABACHER. Mr. Speaker, will the gentleman yield?

Mr. BRADY of Texas. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Speaker, the gentleman is entirely correct. The committee was concerned that when NASA abolished its Office of Space Access and Technology, some of these Commercial Space Centers got lost in the shuffle. Some of them were placed under the management of and funded through NASA's Office of Life and Microgravity Sciences and Applications, while others were turned over to various NASA field centers but without any money to fund them. While the Congress has no desire to tell NASA which Commercial Space Centers to fund, we do want to make sure that centers are not being harmed or even killed off because of hidden ad hoc decisions on management and funding. Section 106 of the Commercial Space Act requires that NASA headquarters administer, including providing visible and specified funding for, the Commercial Space Centers program.

Mr. BRADY of Texas. As the chairman of the subcommittee may know, the National Academy of Public Administration recently issued a study on the Commercial Space Center program which states that the role NASA headquarters should play in the Commercial Space Center program includes "guidance, oversight, funding, and the clarification of expectations and specification of accountability."

Mr. ROHRABACHER. The gentleman raises an excellent point. The report he refers to confirms the need to apply fair and consistent standards in managing and funding important activities like the Commercial Space Center program, which is precisely the intent of section 106 of this bill. I promise the gentleman from Texas that we will continue to work with him and many other Members of the House to ensure that NASA headquarters develops and implements an effective system of administering this program, including providing appropriate funds for those centers which are performing well on the taxpayers' behalf.

Mr. GORDON. Mr. Speaker, I have no more speakers. I simply close by saying this is a good bill, it deserves the strong support of this House, and I yield back the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield myself such time as I may consume. This bill moves forward with very few ruffles and flourishes. Yet we should not miss the significance of what it represents and of what is happening here today.

Last week on October 1, the Subcommittee on Space and Aeronautics held a hearing on the occasion of NASA's 40th anniversary. It seems almost like yesterday as Chairman BROWN noted when Sputnik went up, but it also seems like generations ago when we saw NASA in its heyday in the early 1960s launching Americans into space. But for the most part, the early part of NASA's history, at least the first two decades, and there has been an evolution since, for the most part, space was a government endeavor. During that early time, much of the impetus during the space race was brought on by a spirit of cooperation, if not a spirit of survival during the Cold War. Our race into space during the Cold War was looked at as something having to do with our national survival. Much of the spending that took place in terms of defense spending was justified and has brought us to this point today. In fact, over the years our space program has benefited greatly, our commercial space program and our civilian space program through NASA has benefited greatly from technological spinoffs from our own defense spending. However, we are now, and this is perhaps what this bill signifies, at a turning point. The Cold War is over. A whole new approach to space is being taken by the United States of America. No longer is space going to be the purview and the arena of government. Instead we are going to through this legislation unleash our greatest asset, and that is the creativity and the entrepreneurial genius and the profit motive of America's private sector. In fact, we can no longer afford a space program

that is basically a government program, or a defense-related program. We have to bring in private capital. We have to bring in the private sector. We have to bring in competition and the profit motive to make sure our space program, America's space effort, is done effectively and that we dream big dreams. Unlike in some programs that are controlled by the bureaucracy, those programs quite often are only interested in trying to get enough money for next year's funding level. What is happening with this commercial bill is a good first step. As I mentioned, Chairman Walker and Chairman BROWN, who have spent such a considerable amount of time, oversaw this legislation and have brought us to this turning point.

I would like to share just a few thoughts and perhaps our ranking member the gentleman from Tennessee (Mr. GORDON) would like to join me as well, just a few thoughts that emerged from our hearing last week when we were celebrating the 40th anniversary of NASA. We had some people who were talking about what the next 40 years of America's space program will be like. It is going to be much different than the first 40 years. In fact, I would expect that some of the investments in the private sector will have spinoffs that will help us in the defense arena. In fact, where before it was defense spending that the spinoffs helped us in the commercial and civilian area, it is going to go just the opposite in the years ahead. In order to spur growth and commercial activity in space, we will be working on another commercial space bill next year, starting next session, and I am sure we will have the same cooperation that we have had this year with both sides of the aisle.

There are many ideas that are exciting people about what we can do in space. The 40th anniversary is marking a turning point but it is marking, you might say we have reached a stage from which then we will proceed into outer space, and in the exploration and the utilization of space for the benefit of mankind.

The Speaker has mentioned to me his support for these type of approaches. I have spoken to the Speaker about a concept that is close to my heart of trying to declare space a tax-free zone and is something Mr. Walker talked about several years ago. I call it the zero-gravity, zero-tax approach. If we can ensure that people who are investing in space projects, new creative approaches and new projects, not things that have been done in the past but things that, for example, we are having trouble now with the Space Station, it is a big challenge to come up with some of the funds for Space Station.

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But if we enrich or enliven the private sector, and we give encouragement and incentive to people in the private sector and Wall Street to invest, perhaps there can be some economic activities on the space station with zero gravity and zero taxes to be paid that will bring money out of the private sector.

We can also look, for example, to the solution of some of the problems that have seemed intractable in our past.

Mr. Speaker, I am very excited about the possibility of using space as a vehicle to transport energy to different parts of the world. We have being studied now in the NASA budget with the support of the ranking member and our friends on the other side of the aisle, NASA is studying the idea of technology that might permit oil rich and gas rich Azerbaijan or Turkmenistan or countries in central Asia for example, Kazakhstan, to be able to use their natural gas to produce electricity there and shoot the electricity into a satellite system; we call it space grid; which could then transmit that electricity anywhere in the planet, and with a zero-gravity zero-tax approach, we might be able to build a space grid without the use of any taxpayers' dollars.

We might be able to establish a moon base in the next 10 years perhaps just from the external tanks of the shuttle, that we might be able to get there at very little money. We could have 20 or 30 of these external tanks that are pressurized tanks that future generations of American could put to use as a space colony on the moon.

Asteroids. There has been a lot of movies about asteroids lately that talk about the fear of asteroids hitting the earth, but asteroids also present to us a great opportunity. Asteroids are made out of materials that can be very valuable on the earth, and also asteroids can be turned into a space station that already exists and just is there to be exploited by mankind.

We are also developing now new propulsion systems, and up until now only rockets have been used to take mankind into space. In the future that will be different. In fact, the rockets that we use, we are developing new reusable rockets that will dramatically bring down the cost of getting into space via rockets, but at the same time we are developing new propulsion systems. For example, there is one that is based on a laser beam that will use the energy of the laser beam to transport an object, a satellite, into space so it does not have to carry its own fuel.

When these type of technologies are fully developed and we bring the full strength of the private sector, we will realize a new world, and we will realize a new opportunity on this world, and it is a very exciting time to be the chairman of this committee and to be a member of this committee, and again it represents, this dream represents, the best of bipartisanship in the House of Representatives.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I strongly favor this measure because it seeks to bolster our Nation's space industry's capabilities. By expanding our utilization of our commercial space industry, we foster a strong alliance between government and private-sector entities, an alliance that will propel America's space program into the next millennium.

This bill bolsters our Nation's space industry by establishing a regulatory infrastructure for the licensing of private reusable launch vehicles. Moreover, this piece of legislation alters the role of the National Aeronautics and Space Administration (NASA) to promote private-sector involvement and competition in the development of industrial space products.

By authorizing the Transportation Department's Office of Commercial Space Transportation to issue licenses to private companies for launching re-usable space vehicles, this measure allows commercial entities to launch vehicles into space and pilot them back to earth. Currently, private companies are not permitted to pilot their vehicles back to earth after a launch.

Providing this authorization will foster the development of a strong, private-sector space transportation industry in our country. It is my hope that this sector of the space industry will result in cost-effective transport services to NASA and commercial companies.

This measure also requires NASA to begin purchasing space transportation services from the private sector when such services are available. This portion of the bill has been carefully crafted to permit NASA autonomy when necessary. For instance, projects that require the unique capabilities of the space shuttle and sensitive national security projects would be excepted from the bill's requirement regarding NASA's utilization of private sector providers. More importantly, the use of commercial services would not be required for missions beyond Earth orbit, missions such as flights to the Moon, Mars, or beyond.

I also support this measure's advocacy of the U.S. Global Positioning System (GPS). This piece of legislation encourages the President to ensure the continued operation of the U.S. GPS navigation satellites on a world-wide basis. By promoting the U.S. GPS through international agreements, we can encourage our global partners to accept this extraordinary system as the international standard.

Finally, I believe that this measure's requirement that NASA plan for the potential privatization of the space shuttle is appropriate. The continued deployment of shuttle missions is imperative, and it is possible that private-sector corporations could provide more cost-efficient launches. By merging commercial and government resources, we could ensure that the space shuttle will remain a viable fixture in space exploration for many years to come.

This measure appeals to all involved, and I am certain that cooperation between American Government and commercial entities will pave the way to the exploration of unimaginable frontiers.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ROHRABACHER) that the House suspend

the rules and agree to the resolution, H. Res. 572.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROHRABACHER. Mr. Speaker, I ask unanimous consent that all the Members have 5 legislative days to revise and extend their remarks on House Resolution 572, the resolution just agreed to.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4570, OMNIBUS NATIONAL PARKS AND PUBLIC LANDS ACT OF 1998

Mr. McINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–776) on the resolution (H. Res. 573) providing for consideration of the bill (H.R. 4570) to provide for certain boundary adjustments and conveyances involving public lands, to establish and improve the management of certain heritage areas, historic areas, National Parks, wild and scenic rivers, and national trails, to protect communities by reducing hazardous fuels levels on public lands, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4194, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

Mr. McINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–777) on the resolution (H. Res. 574) waiving points of order against the conference report to accompany the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING A REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. McINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–778) on the resolution (H. Res. 575) waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4259, HASKELL INDIAN NATIONS UNIVERSITY AND SOUTHWESTERN INDIAN POLYTECHNIC INSTITUTE ADMINISTRATIVE SYSTEMS ACT OF 1998

Mr. McINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–779) on the resolution (H. Res. 576) providing for consideration of the bill (H.R. 4259) to allow Haskell Indian Nations University and the Southwestern Indian Polytechnic Institute each to conduct a demonstration project to test the feasibility and desirability of new personnel management policies and procedures, and for other purposes, which was referred to the House Calendar and ordered to be printed.

EXPORT APPLE ACT

Mr. EWING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4148) to amend the Export Apple and Pear Act to limit the applicability of the Act to apples.

The Clerk read as follows:

H.R. 4148

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

SECTION 1. SCOPE OF EXPORT APPLE AND PEAR ACT.

(a) SHORT TITLE.—The Act of June 10, 1933 (7 U.S.C. 581 et seq.; commonly known as the Export Apple and Pear Act), is amended by adding at the end the following new section:

"SEC. 11. This Act may be cited as the 'Export Apple Act'.".

(b) DEFINITION OF APPLES.—Section 9 of such Act (7 U.S.C. 589) is amended by striking paragraph (4) and inserting the following new paragraph:

"(4) The term 'apples' means fresh whole apples, whether or not the apples have been in storage.".

(c) ELIMINATION OF REFERENCES TO PEARS.—Such Act is further amended—

(1) by striking "and/or pears" each place it appears in the first section and sections 5 and 6; and

(2) by striking "or pears" each place it appears in the first section and sections 2, 3, and 4.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. EWING) and the gentleman from Texas (Mr. STENHOLM) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. EWING).

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

Mr. Speaker, I rise in support of H.R. 4148, a bill that amends the Export Apple and Pear Act to exclude pears from this act. This is being done because farmers producing pears for export advise us that this action will benefit the industry's effort to increase exports of pears.

Additionally, the U.S. Department of Agriculture advised the Committee on Agriculture that mandatory Federal quality standards are no longer needed to assure the high quality of exported pears. USDA believes that the U.S. pear industry needs greater flexibility than the act currently allows in order to respond to international markets. This bill will help the pear industry achieve increased exports and essential goals for all farmers in the U.S.

Mr. Speaker, this 65 year old law was originally intended to protect the reputation of U.S. apples and pears in foreign markets by requiring inspection and certification prior to export. Now, however, pear exporters find that the act is more of a hinderance than an asset for their exports. They wish to be able to export to all the markets willing to purchase U.S. pears. H.R. 4148 will allow U.S. farmers to increase pear exports.

Mr. Speaker, USDA supports enactment of H.R. 4148 and advises the committee that enactment of H.R. 4148 would not result in increased outlays. CBO estimates that there are no costs to H.R. 4148.

I urge my colleagues to support H.R. 4148.

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

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

Mr. Speaker, I rise in support of H.R. 4148 which updates the Apple and Pear Export Act. For many years, as the gentleman from Illinois (Mr. EWING) has explained, the act has served the very beneficial use for the two industries, but tonight the pear industry asked to be relieved from coming under that bill. The effect is to eliminate an outdated requirement for a law that worked well for many years but is now hindering further development for markets for U.S. pears.

The pear industry now believes that market opportunities will be enhanced by greater flexibility. For example, last year the sale of 200,000 cartons of pears to Russia was made possible by a January 1997 amendment to the act that allowed for the shipment of a more competitive grade of pears to that country. This bill gives greater control to the pear industry just as the Russian government has begun to privatize its economy.

Our farmers are increasingly dependent on foreign markets. It is, therefore, essential that the regulations they operate under are designed to help them compete in these markets.

Mr. Speaker, I urge my colleagues to support this regulatory improvement which will provide our pear producers with much greater flexibility.

Mr. SMITH of Oregon. Mr. Speaker, I rise in support of H.R. 4148, a bill to amend the Export Apple and Pear Act. The Export Apple and Pear Act, enacted on June 10, 1933, requires that apples and pears meet certain standards prior to export in order to ensure only high quality U.S. fruit moves in foreign commerce.

Pears exported from the United States are grown almost exclusively in Oregon, California and Washington and the pear organizations in these states support this bill. U.S. pear producers and shippers recommended that pears should be dropped from the Act so that they can increase the volume of pear exports.

H.R. 4148 eliminates pears from the Act, thereby allowing U.S. exporters greater flexibility in the changing international marketplace and the opportunity to increase exports. The U.S. Department of Agriculture (USDA) believes that mandatory federal quality standards for pears are no longer needed to assure the high quality of exported pears.

USDA supports enactment of H.R. 4148 and advises the Committee that enactment of H.R. 4148 would not result in increased outlays.

CBO estimates there is no cost to H.R. 4148.

I urge my colleagues to support H.R. 4148.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. EWING) that the House suspend the rules and pass the bill, H.R. 4148.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EWING. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on H.R. 4148, the bill just adopted.

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

There was no objection.

SELECTIVE AGRICULTURAL EMBARGOES ACT OF 1998

Mr. EWING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4647) to amend the Agricultural Trade Act of 1978 to require the President to report to Congress on any selective embargo on agricultural commodities, to provide a termination date for the embargo, to provide greater assurances for contract sanctity and for other purposes.

The Clerk read as follows:

H.R. 4647

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Selective Agricultural Embargoes Act of 1998".

SEC. 2. REPORTING ON SELECTIVE EMBARGOES.

The Agricultural Trade Act of 1978 (7 U.S.C. 5711 et seq.) is amended by adding at the end of title VI:

"SEC. 604. REPORTING ON SELECTIVE EMBARGOES.

"(a) REPORT.—If the President takes any action, pursuant to statutory authority, to embargo the export under an export sales contract (as defined in subsection (e)) of an agricultural commodity to a country that is not part of an embargo on all exports to the country, not later than 5 days after imposing the embargo, the President shall submit a report to Congress that sets forth in detail the reasons for the embargo and specifies the proposed period during which the embargo will be effective.

"(b) APPROVAL OF EMBARGO.—If a joint resolution approving the embargo becomes law during the 100-day period beginning on the date of receipt of the report provided for in subsection (a), the embargo shall terminate on the earlier of—

"(1) a date determined by the President; or

"(2) the date that is 1 year after the date of enactment of the joint resolution approving the embargo.

"(c) DISAPPROVAL OF EMBARGO.—If a joint resolution disapproving the embargo becomes law during the 100-day period referred to in subsection (b), the embargo shall terminate on the expiration of the 100-day period.

"(d) EXCEPTION.—Notwithstanding any other provision of this section, an embargo may take effect and continue in effect during any period in which the United States is in a state of war declared by Congress or national emergency, requiring such action, declared by the President.

"(e) DEFINITIONS.—As used in this section—

"(1) the term 'agricultural commodity' includes plant nutrient materials;

"(2) the term 'under an export sales contract' means under an export sales contract entered into before the President has transmitted to Congress notice of the proposed embargo; and

"(3) the term 'embargo' includes any prohibition or curtailment.".

SEC. 3. ADDITION OF PLANT NUTRIENT MATERIALS TO PROTECTION OF CONTRACT SANCTITY.

Section 602(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5712(c)) is amended by inserting "(including plant nutrient materials)" after "agricultural commodity" each place it appears.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. EWING) and the gentleman from Texas (Mr. STENHOLM) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. EWING).

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

Mr. Speaker, American agriculture plays a key role in the U.S. trade economy. The contributions of agricultural exports to the U.S. economy are impressive such as near record farm exports of just over $57 billion in 1997 and a positive trade balance of $21 billion among the largest of any economic sector.

Additionally the U.S. agricultural economy is more than twice as reliant on exports as the overall economy. This reliance makes agricultural specific embargoes especially painful for American farmers and ranchers.

I believe H.R. 4647 provides a vital and necessary foreign policy check and balance system. My legislation would require congressional review and approval of both houses of Congress if the President imposed an agricultural specific embargo on a foreign country. H.R. 4647 would require the President to submit a report to Congress detailing reasons for the embargo and a proposed termination date. Congress then has 100 days to approve or disapprove the embargo. If Congress approves the resolution, the embargo will terminate on the date determined by the President or 1 year after enactment, whichever occurs earliest. If a disapproving resolution is enacted, the embargo will terminate at the end of a hundred day period.

This legislation would not impact embargoes currently in place nor would it impede the President's authority to impose cross sector embargoes. Additionally, this legislation would not take effect during times of war. This legislation was the official policy of the United States when the Export Administration Amendments Act was adopted in 1985. Unfortunately that act expired in 1994 when Congress failed to reauthorize it. It is important to note that the failure to reauthorize was not a result of any opposition to the agricultural embargo language. Congress just failed to act.

Mr. Speaker, according to the United States Department of Agriculture, the Soviet grain embargo cost the United States about $2.3 billion in lost U.S. farm exports and U.S. Government compensation to American farmers.

□ 2015

The Soviet grain embargo is still very fresh in the minds of grain farmers throughout America. In the midst of an already poor overall economy, the imposition of the Soviet grain embargo triggered the worst agricultural economic turndown in America since the Great Depression.

As if we had not learned our lesson from the Soviet grain embargo, there are unilateral sanctions in effect today that have damaged our image as a reliable supplier of agricultural products. The problem with agricultural-specific embargoes is that our farmers and ranchers end up losing a share of the global marketplace while the embargoes often fail to achieve their purpose.

With the enactment of the Freedom to Farm Act, our farmers are dependent more and more on foreign markets for an increasingly significant portion of their income. In our global marketplace, the importance of being a reliable supplier of food and fiber cannot be overstated. Therefore, Congress should have input when the President decides to use American agriculture as a foreign policy tool. My legislation does not eliminate the President's ability to impose sanctions, it just includes Congress in the debate.

As many of my colleagues are aware, U.S. farmers and ranchers are increasingly dependent on the marketplace for a greater share of their incomes. To quote former President Ronald Reagan, "The freer the flow of world trade, the stronger the tides of human progress and peace among nations."

In echoing these sentiments, I believe we owe it to our farmers and ranchers to make sure that they do not bear a disproportionate share of the burden of U.S. foreign policy decisions.

Mr. Speaker, I ask that the rest of my colleagues join to help the American farmer and rancher by voting "yes" on H.R. 4647 today.

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

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

Mr. Speaker, I rise in support of the Selective Agricultural Embargoes Act, which I am proud to cosponsor.

When Congress passed Freedom to Farm 2½ years ago, Congress promised to open foreign markets to U.S. Agricultural products. So far, we have failed to pass Fast-Track authority or provide funding for the International Monetary Fund.

This bill, however, recognizes that sanctions, imposed as a part of a coordinated effort with our allies, may be an effective tool of foreign policy. The focus of this legislation, however, is to provide for greater scrutiny of the ineffective unilateral embargoes we place on our trading partners at the expense of our farmers and ranchers.

In the words of U.S. Trade Representative Charlene Barshefsky, unilateral sanctions send the message, "Stop that, or I'll shoot myself."

By providing for congressional review of unilateral agricultural sanctions, this bill will require us to put a little more thought into our actions, to think before we concede our agricultural markets to our competitors.

The bill will also help to maintain our reputation as a reliable supplier of food, which is essential to building long-term market share. It is time to find a more effective way to implement our foreign policy goals and to recognize that unilateral sanctions do not work.

Let us pass this bill and give our farmers and ranchers a fighting chance. It is a very good first step towards comprehensive reform.

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

Mr. EWING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Nebraska (Mr. BARRETT).

Mr. BARRETT of Nebraska. Mr. Speaker, I thank the chairman for yielding to me, and I congratulate him on his introduction of H.R. 4647.

Mr. Speaker, I certainly rise in support of the bill. As a matter of fact, an editorial in today's Journal of Commerce describes which national farm organizations support and which oppose trade. The analysis: most farmers support international trade.

If you had asked me this question 6 months ago, I would have readily agreed. But due to the problems in the agricultural economy and resulting mood in the countryside, I am not so sure today. American farmers in rural communities are hurting, and trade is blamed for many of these problems.

Farmers know that trade is the way to better prices and higher incomes. Many believe that trade has been a disaster for agriculture. While I disagree, I can certainly understand this feeling. Unfortunately, our government is a large part of the problem.

Agriculture has been used as a weapon to achieve questionable foreign policy far too often. It has not received the attention it deserves by this administration. In fact, it has been badly misused, often for political purposes. No wonder there is such disconnect with the government's role in trade in rural America. The government's actions or inactions, as the case may be, affect farmers' and ranchers' perceptions of their future.

I support H.R. 4647 because it will require the House and the Senate to approve an agriculture-specific embargo imposed by the President. We used to do this, and I am glad to see that we are on the way to doing that again. Congress must have a chance to analyze any proposed agriculture embargo in order to mitigate any unintentional consequences that do hurt farmers and ranchers.

In closing, Mr. Speaker, let me express my appreciation to the gentleman from Oregon (Mr. SMITH), the Committee on Agriculture chairman, for his leadership on trade. He has made a difference, and he will be missed.

Mr. STENHOLM. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. BOSWELL).

Mr. BOSWELL. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) and the gentleman from Illinois (Mr. EWING). It is good to be on the floor with them on this very, very important matter.

I appreciate the efforts that they have made, and we can come and talk about something that has a great impact on all of us, the whole country, as well as the producers and farmers and ranchers.

I used to, as a youngster, go work for a neighbor, one of my first jobs. He had an old horse that he called Jack. He would just about do anything that you asked him to do.

I went over early one morning, though; and as he was kind of getting the harness on old Jack, why Jack pawed and bit at him. He just reached around behind the fence and picked up about a 4-foot two-by-four, and he swatted him pretty good. And he turned to me; and, as a youngster, I was kind of dismayed. He said, "Well, you've got to get his attention." He said, "He will be okay for the rest of the day." So it worked out pretty good.

Well, I think that we have been swacked pretty good, too, as we have had some of these trade sanctions. It has hurt us a lot. I trust that it has got us our attention.

I agree with the things that both of the previous speakers have said. This is, not only important to the world economy that we live in, but to our country as a whole. The agriculture community can ill-afford these kind of things.

Then when we have had the opportunity to travel some around this world and have seen some of the places where people go without food and fiber, it is a very serious situation.

The combines are running in Iowa right now and other parts across the country. Because their prices are so low, the lack of market, so low, there is going to be a lot of grain piled out on the ground. It is going to rot. Much of it will not be used where it could have been used for people that could use it for their very livelihood.

So I am very supportive of H.R. 4647. I think it is a step in the right direction that, if something like this is going to be thought of in a unilateral sense, that they would come back and talk to us, the Members of the Congress, that we could discuss this and look it over and be sure that we are doing the right thing.

So I support this, and I appreciate the opportunity to speak, Mr. Speaker.

Mr. EWING. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. Mr. Speaker, I rise tonight also to support legislation that is vital to the U.S. agricultural interests, to the farmers and ranchers of Kansas and across the country. The Selective Agricultural Embargo Act is an important first step in our commitment to reign in embargoes and open markets for U.S. agricultural products.

Just last Friday, this Congress took a step to address the short-term needs of farmers by passing a disaster relief bill. Now it is time for Congress to help solve the long-term needs of producers by removing sanctions and opening agricultural markets.

The Soviet grain embargo cost United States farmers $2.3 billion. The

damage from that embargo left a lasting imprint upon agriculture and scarred our industry in a way that few would have imagined. However, it appears that we have not yet learned our lesson.

Wheat imports to North Korea, to Cuba, to Iran, and to Iraq have all doubled since 1995, just a few years ago, since then they have doubled, and now account for over 10 million tons of wheat. However, these growing markets are off limits to U.S. producers but not to Canadian and Australian farmers.

In today's global economy, unilateral sanctions unfairly penalize U.S. producers, reward our competitors, and have little impact on changing behavior on targeted countries. The American farmer is tired of paying the price for this failed U.S. policy.

Mr. Speaker, I urge passage of this important measure.

Mr. STENHOLM. Mr. Speaker, I yield such time as he may consume to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding, and I want to begin by commending the gentleman from Illinois (Mr. EWING), the subcommittee chairman, for sponsoring this legislation, H.R. 4647, the Selective Agricultural Embargoes Act of 1998.

We have, from time to time, embarked on a horridly foolish embargo strategy. The unilateral embargo has absolutely had the effect of the hurt America first strategy.

I remember vividly the reaction in our part of the country to the ill-advised Soviet grain embargo of 1980. Farmer after farmer could watch their year's profits go down the drain as, as a Nation, we embarked on a policy that did nothing to discourage the Soviet Union, the object of that embargo, but did everything to give great encouragement to our trade competitors who rushed in with their own grain, easily filling the market while we bore 100 percent of the cost of that venture.

Let us learn from this mistake, because an embargo of that nature does not just cost us in terms of this year's lost markets, it makes us unreliable as a trading partner, so that next year we do not get the sale and the year after that we do not get the sale.

We need to establish structurally everything we can to have confidence in our ongoing presence as a trading partner. That is why I think this bill is so well put together. It does not unilaterally say no, no, never, never, because we cannot possibly foresee the future, but it does bring Congress fully into the mix.

After 100 days, the evaluation period provided in this legislation, we can be darn sure that, if an embargo continued, it was only because there was a very strong, very deep national consensus that this is the direction that we ought to go.

I think that this legislation gets the balance just right and hopefully is going to put an end to the hurt America first strategy of prior agriculture embargoes.

I want to end with a word of caution, because this legislation itself is not in any way a comprehensive response to the deep crisis we have today in the farm country. We need to do our part to replenish the International Monetary Fund.

Our trading partners across the country, our grain customers are in deep financial trouble. We need to do our part in this international effort to shore up the stability of the financial markets across the world.

Secondly, even today, we have States imposing rigorous grain inspections against Canadian grain imports. Underscoring that it is not just free trade, it is fair trade that we have to focus on, and the subsidized grain imports into our country are not fair trade, and we have a right to fair trade with respect to those imports.

Finally, we will continue in this town in the next few days to evaluate whether the package of agriculture relief appropriated by the House last Friday is adequate.

I adamantly maintain that we have not done enough to help farmers through this period of prices tanking because, after all, prior farm bills provided a measure of protection when prices collapsed.

We are now in a farm bill environment that does not provide the protection, and we are going to lose farmers if we do not make a very significant response, one more significant than the one that this Congress has moved forward.

In the end, though, I commend the chairman for his legislation and also would like to reiterate the comments of another subcommittee chairman regarding the leadership the gentleman from Oregon (Chairman SMITH) has brought to the Committee on Agriculture. I have respected him about as much as any legislator I have had the opportunity to work with. His departure is going to leave a big old hole in the Committee on Agriculture. He has done a wonderful job as the chairman in this session.

Mr. EWING. Mr. Speaker, I yield such time as he may consume to the outstanding gentleman from Nebraska (Mr. BEREUTER), an expert on world trade matters.

Mr. BEREUTER. Mr. Speaker, I rise in strong support of the Selective Agriculture Embargoes Act, H.R. 4647. I would also like to commend the distinguished gentleman from Illinois (Mr. EWING) for his initiative and his persistence in bringing this important legislation to the floor prior to our adjournment. I also thank him for his kind words.

Last Friday, the New York Times ran an article on the massive grain surplus building in the Pacific Northwest.

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Though the article focused on the damaging impact of the Asian financial crisis on U.S. grain exports, the article also said, "What is also clear is that many farmers are increasingly angry over the trade embargoes that the United States has imposed on many nations around the world."

Would my colleagues believe it? We have imposed trade sanctions on 35 countries in the last 5 years, and we have trade sanctions standing on 75 or 80 countries now under existing law.

One farmer and State representative from Washington State was quoted as saying, "If we take their money and they take our grain, I don't think there is going to be anyone hurt."

Mr. Speaker, that farmer correctly understands that unilateral embargoes of U.S. food exports do not hurt or effect any real change on the targeted country. All U.S. farmers have a right to be angry that they are being used by both the executive and legislative branches to carry out symbolic acts so foreign policymakers can appear to be doing something about our toughest foreign policy problems.

There are three types of embargoes: Short supply embargoes, foreign policy embargoes, and national security embargoes, and all, unfortunately, end up hurting the people who should be least hurt by the intent of the authors.

Those farmers, I think, have a legitimate right to be angry, because when Congress and the President point the sanctions gun at a foreign country, that gun, more often than not, gets pointed at the guy on the tractor who is simply trying to provide for his family.

Hopefully, certain Members of Congress and the President relearned this lesson again this summer when American farmers lost, or nearly lost, at least, a $300,000 metric ton wheat sale to Pakistan because of our unilateral nonproliferation sanctions on that country. Sensing our serious mistake, those of us concerned in Congress rushed to reverse that sanction just hours before the bids for the wheat sale were made. Had we not acted, I am sure that Australian, French or Canadian wheat farmers would gladly become Pakistan's new primary supply of wheat.

Mr. Speaker, this legislation is very important in that it takes the first step towards rationalizing our sanctions policy by requiring the President to report to Congress on any selective embargo on agriculture commodities. It provides a termination date for any embargo, and it provides greater assurances for contract sanctity. In addition, the bill requires Congress to approve the embargo for it to extend beyond 100 days.

It is important to state what this legislation does not do. First, it does not alter any current sanctions because it only affects embargoes that

apply selectively to agriculture products like President Carter's ill-fated and totally ineffective grain embargo on the Soviet Union in 1980, or President Ford's unilateral, farmer-damaging, short-supply soybean embargo. Additionally, this legislation does nothing to restrict the President's ability to impose cross-sector embargoes or embargoes that apply to agriculture as well as other U.S. export goods.

Mr. Speaker, the Selective Agriculture Embargoes Act is straightforward, common-sense legislation that aims at ensuring that our future sanctions do not unnecessarily hurt our farmers and our agricultural sector, while having no impact on the targeted country. This Member, therefore, urges his colleagues to vote for H.R. 4647.

I thank my colleague from Illinois for his outstanding work on this. I would say to my colleague from North Dakota who addressed the House just a minute ago, I happen to agree with him on his view on the adequacy, or I should say the inadequacy, of the assistance rendered to farmers. I believe that the transition payments, even though they were up perhaps 29 percent, should be higher, because no one could really have anticipated the Asian financial crisis or the fact that the U.S. dollar was very much stronger suddenly than our major competitors. It is for that reason that I voted for his motion to recommit on the Agriculture Appropriation Conference Report.

Mr. Speaker, I urge support of the resolution.

Mr. STENHOLM. Mr. Speaker, I yield such time as she may consume to the gentlewoman from North Carolina (Mrs. CLAYTON).

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

I also want to join my colleagues in supporting H.R. 4647, the Selective Agriculture Embargoes Act. It is a reasonable act. It is a balanced approach. It is much needed. However, it is not all we need. It is, indeed, the first step and has gone a long way to make sure that agriculture will not be singularly selected as to be the area, the sector, that will be suffering.

Obviously, our farmers now depend more than ever before on the global market, and we need to make sure that the global market has a sense of stability. This also recognizes that we have a corresponding responsibility in adding to that stability. This allows us to be stable providers of food, and it also allows us not to be the victim of unilateral sanctions.

I commend the gentleman from Illinois (Mr. EWING) for the legislation, and I am delighted to join him as a cosponsor of this legislation, and I urge my colleagues to support it.

Mr. EWING. Mr. Speaker, I have no further requests for time.

Mr. STENHOLM. Mr. Speaker, I have no further speakers on this side. I commend the gentleman from Illinois (Mr. EWING) for his initiative in bringing this legislation to us tonight, and I encourage all of our colleagues to vote for it.

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

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

I want to close by thanking the gentleman from Texas and the gentlewoman from North Carolina and the gentleman from North Dakota and the Members on this side of the aisle that have come down here and talked about something that I think really is a hot button among farmers and ranchers across this country, and that is when their government unilaterally says, we are not going to allow you to deal with another country because we believe we can make a point by not allowing you to trade with them agriculturally. They are very much concerned about it. They want to see legislation like H.R. 4647 on the books to protect them from that kind of unilateral action.

So tonight I am pleased to be here with this bill, pleased to have the support of my colleagues in a bipartisan effort to address this problem.

Mr. SMITH of Oregon. Mr. Speaker, I rise in support of H.R. 4647, the Selective Agricultural Embargoes Act, introduced by Mr. Ewing, the Chairman of the Subcommittee on Risk Management and Specialty Corps.

The Selective Agricultural Embargoes Act of 1998 requires the President to report to Congress on any selective embargo on agricultural commodities and specifies the period during which the embargo will be in effect.

For American farmers and ranchers, trade is an essential part of their livelihood. Currently exports account for 30% of U.S. farm cash receipts and nearly 40% of all agricultural production is exported. U.S. farmers and ranchers produce much more than is consumed in the United States, therefore exports are vital to the prosperity and success of U.S. farmers and ranchers.

In order to continue to meet the worldwide demand for U.S. agricultural products, farmers and ranchers must continually assess the world market to determine where those markets are for specific agricultural products. It has become increasingly difficult to make this assessment because farmers and ranchers are denied access to certain world markets due to economic sanctions and embargoes, among other reasons.

For U.S. agriculture, embargoes or sanctions, whether imposed by the Administration or by law, often have unintended consequences that can fail unfairly on U.S. farmers and ranchers. U.S. agriculture remembers the 1980 Soviet grain embargo. The one lasting impression left of that embargo is that the U.S. could not be considered to be a reliable supplier of wheat. The past 18 years have been spent attempting to reverse that opinion.

Therefore because of the importance of assuring the reliability of the U.S. as a supplier of food and agricultural products, we must address the effects of embargoes on U.S. agriculture.

The Ewing bill amends the Agricultural Trade Act of 1978 to require that if the President acts to implement an embargo of any agricultural commodity to any country, the President must submit a report to Congress, within 5 days of imposing the embargo, that describes the reasons for the embargo and the period of time the embargo will be in effect. This requirement is applicable when there is an embargo of agriculture commodities to a country and that embargo does not include all exports to that country.

The bill also provides that if within 100 days of receiving the President's report, a joint resolution is enacted that approves the embargo, the embargo will end on the date determined by the President or 1 year after the date of enactment of the joint resolution, whichever is earlier. If a joint resolution disapproving the embargo is enacted during that 100-day period, the embargo will terminate at the end of that 100-day period.

The bill includes an exception providing that an embargo may take effect during any period in which there is a state of war declared by Congress or a national emergency declared by the President.

The bill also clarifies that "plant nutrient materials" are to be included in the category of agricultural commodities in the section of the Agricultural Trade Act of 1978 regarding contract sanctity. Therefore the protection afforded agricultural commodities in regard to suspension of trade and contract sanctity will be applied to plant nutrient materials.

Plant nutrient materials under export sales contracts will be protected from suspension of trade, as long as the contract is entered into before the suspension of trade is announced and the contract terms require delivery within 270 days after suspension of trade is imposed.

Mr. Speaker, I request unanimous consent that correspondence between Mr. Gilman, the Chairman of the Committee on International Relations, and I be included in the RECORD at this point.

I urge my colleagues to support H.R. 4647.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC, September 28, 1998.

Hon. ROBERT F. SMITH,
Chairman, Committee on Agriculture,
Washington, DC.

DEAR CHAIRMAN SMITH: I understand that the Committee on Agriculture is requesting that the House leadership permit the consideration of H.R. 4647 on the suspension calendar. This bill is identical to H.R. 3654 as introduced, with the exception of a technical change.

My understanding is that because of our Committee's jurisdiction over exports and national security issues under Rule X of the Rules of the House of Representatives, our Committee would be entitled to a sequential referral of this bill were it reported in the form introduced.

As I have discussed with Mr. Ewing, the sponsor of the bill, because of the need for prompt disposition of this matter, we have no objection to the consideration of this bill as introduced as a suspension item.

While not objecting to the consideration of the bill on the suspension calendar, however, I would like to state that we do not waive our jurisdiction over this bill or its subject

matter. I would request that, in light of our support for early action on the bill on the suspension calendar, (a) you undertake to support the naming of members of the Committee on International Relations as conferees on this bill, should a conference occur, and (b) you consult with me on any further action on the bill or on any counterpart from the Senate.

I also request that you include this correspondence and your response to it in the Record when the bill is considered.

With best wishes,

Sincerely,

BENJAMIN A. GILMAN,
Chairman.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, DC, September 28, 1998.

Hon. BEN GILMAN,
Chairman, House Committee on International Relations, Washington, DC.

DEAR CHAIRMAN GILMAN: Thank you for your correspondence on H.R. 4647.

We appreciate the position of your Committee that you will not object to the early consideration of the bill, as introduced, on the suspension calendar.

In light of your Committee's jurisdictional claim, should a conference be agreed to on the bill, I would support the naming of conferees from the Committee on International Relations, and I will certainly consult with you on any Senate amendment to the bill or further action on it or a counterpart from the Senate. Thank you again for your cooperation in this matter, and please feel free to contact me if you have any questions.

Sincerely,

ROBERT F. "BOB" SMITH,
Chairman, House Committee on Agriculture.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. EWING) that the House suspend the rules and pass the bill, H.R. 4647.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EWING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4647, the bill just passed.

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

There was no objection.

REMOVAL OF CONFEREES AND APPOINTMENT OF CONFEREES ON S. 2073, JUVENILE CRIME CONTROL AND DELINQUENCY ACT OF 1998

The SPEAKER pro tempore. Without objection, and pursuant to clause 6(f), rule X, the chair removes the gentleman from Delaware (Mr. CASTLE) and the gentleman from Indiana (Mr. SOUDER) as conferees on the Senate bill (S. 2073) to authorize appropriations for the National Center for Missing and Exploited Children, and appoints the gentleman from California (Mr. RIGGS), and the gentleman from Pennsylvania (Mr. GREENWOOD) to fill the vacancies.

There was no objection.

The SPEAKER pro tempore. The Clerk will notify the Senate of the change in conferees.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SHIMKUS). 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.

A TRIBUTE TO SANTA MARIA'S PEACE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. CAPPS) is recognized for 5 minutes.

Mrs. CAPPS. Mr. Speaker, as this session of Congress races to a close, we often lose sight of some of the wonderful things happening at home in our communities, and this is especially true when Washington, D.C. is consumed by political battles. That is why I rise today to commend the remarkable city of Santa Maria, California, which I am very proud to represent, in the 22nd district for its second annual Peace Week.

Mr. Speaker, earlier this year I stood on the House floor to congratulate Santa Maria on being named one of 10 All-American Cities. This high honor was justly granted to a city that has distinguished itself by its diversity and the fact that all the residents of Santa Maria work together to find innovative ways to solve their problems.

One glowing example of this community cohesiveness is Peace Week; Peace Week, which begins today. The goal of Peace Week is to stress nonviolence and conflict mediation. Each day brings a focus on a new topic and allows community members of all ages and cultures to discover ways they can make a difference in their own lives and in the lives of their neighbors.

Examples of innovative Peace Week activities include a candlelight march, nonviolence education, and a lecture by a nationally acclaimed advocate, Father Gregory Boyle. Another highlight of Peace Week is a project entitled, "Let's Piece it Together," which features a peace quilt constructed by schoolchildren and senior citizens.

Mr. Speaker, Peace Week is the product of an entire city and its enlightened leadership. I want to pay special tribute to my friend, Sister Janet Corcoran of Marian Medical Center Mission Services, for her remarkable dedication and tireless work on behalf of her community and the precious cause of peace. She is a role model for me and a role model for us all.

THE SURVIVAL OF THE SMALL FARMER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, why is it that we refuse to help small farmers and ranchers to succeed, yet we refuse to let big business fail? Why is that small farmers and ranchers get little help, while big business gets much help? Small farmers and ranchers are struggling to survive in America, and because they are struggling to survive, quality and affordable food and fiber for all of us is at risk.

They are not struggling to survive for the want of effort. No, Mr. Speaker. Small producers are struggling to survive because of the pressures they are experiencing from a constant barrage of hurricanes, unexpected flooding, unprecedented drought and economic downturns, exacerbated by failing foreign markets.

Much of the problem, too, however, springs from the onerous provisions of the 1996 farm bill that bans family farmers and ranchers from receiving a loan from the United States Department of Agriculture if a previous loan has been written down. These provisions are causing many farmers and ranchers to go out of business.

Last week, as a part of a conference agreement for the fiscal year 1999 agriculture appropriation bill, we provided some limited relief.

□ 2045

While this response to the provision of the 1996 farm bill is appreciated, it is a feeble response, particularly when compared to the response to the near collapse of the Long-Term Capital Management Hedge Fund.

This hedge fund is unregulated and its activities are not disclosed and virtually unknown, yet its creditors, the New York banks, and the Federal Reserve bailed it out. The bailout was $3.5 billion, almost as much as the $4 billion in emergency assistance we provided farmers and ranchers.

Worse, this bailout occurred with little scrutiny, little requirements and conditions imposed against the fund. In fact, the Financial Markets Reassurance Act of 1998 was also included as a part of the conference report. The act prohibits the relevant regulatory agency, the Commodity Futures Trading Commission, from proposing or adopting any new regulations until March of 1999, on certain transactions of the over-the-counter derivative market. The hedge fund bailed out by the banks and the Federal Reserve is heavily invested in that market.

When Congress learned of the problems with this hedge fund, a flurry of activity ensued, including emergency hearings. Yet efforts by the Commodity Futures Trading Commission to regulate this hedge fund was met with intense opposition and resistance.

Notwithstanding the impact that fund can have on America's economy and the stability of financial markets around the world, the response to help the fund was quick and massive.

Mr. Speaker, I must ask, why not the same or even a similar response for the small farmers and ranchers? Persons who have declared bankruptcy are now treated better than our small farmers and ranchers. Those persons can still get a loan, even after they have defaulted on a previous loan.

By law, this Nation routinely forgives debts for foreign countries, and after forgiving those debts, we allow those foreign countries to create more debt. Credit card account defaults are record high, yet new credit cards are issued to those persons who do not want them. We give just about everyone a chance and a second chance, yet we have been slow in doing the same thing for our small farmers and ranchers.

And socially disadvantaged farmers, including minority farmers, are even at a greater risk. Farmers have been most important to this Nation's past and farmers are vital to this Nation's future, especially the small family farmers and ranchers.

In 1862, when USDA was created, 90 percent of the population farmed for a living. Today, American producers represent less than 3 percent of the population.

Mr. Speaker, the least we can do is to treat the problem of small farmers and ranchers with the same kind of urgency we gave to the hedge fund last week.

By 1992, there were only 1.1 million small farms left in the United States, a 45% decline from 1959!

North Carolina had only a little over 39,000 farms left in 1992, a 23% decline.

In 1920, there were over 6 million farms in the United States and close to a sixth—926,000 were operated by African-Americans.

In 1992, the landscape was very, very different.

Only 1% of the farms in the United States are operated by African-Americans. One percent—18,816, is a paltry sum when African-Americans comprise 13% of the total American population.

In my home state of North Carolina, there has been a 65% decline in minority farmers, just over the last 15 years, from 6,996 farms in 1978 to 2,498 farms in 1992.

Again, much of the blame for this decline can be attributed to the credit crunch.

The dwindling number of farmers and ranchers feed and help clothe us, and they do so at prices that are unmatched around the world.

AMERICA SHOULD NOT RUSH TO WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, The New Yorker Magazine has just reported that the White House planned bombing raids on Afghanistan and the Sudan without involving four Members of the Joint Chiefs of Staff. Even worse, since these were supposedly terrorist targets, FBI Director Louis Freeh was also left out.

Worse than that, The New Yorker said that the White House told Joint Chiefs Chairman Hugh Shelton about the raids, but specifically told him not to brief the other four chiefs of the military and not to consult with the Defense Intelligence Agency.

Perhaps worst of all, Attorney General Janet Reno was ignored when she questioned whether our intelligence was good enough to support these raids, according to this Associated Press report.

I did hear a Paul Harvey newscast a couple of days after these raids saying that our intelligence was bad and that we had bombed, among other things, a medicine factory. I know if another nation bombed a medicine factory here, we would be extremely angry, and rightly so.

I do not understand why our intelligence is continually so weak, when we spend so many billions of dollars more than any other nation each and every year on this.

I am sad to say that I, along with almost every Member of Congress, supported these raids when they first occurred. I, along with almost all of my colleagues, said that we have to take the strongest possible reasonable action against terrorists who are killing innocent people. I did say at the time that I was assuming that our intelligence was good, because I just found it impossible to believe that we would rush to war without being very, very certain that we were targeting the actual terrorists.

I know that there were many people who felt that these bombing raids were done to try to draw attention from the President's troubles. However, I did not believe then that anyone would do anything so horrible, and this article is still no proof that that occurred. But the article does indicate a rush to judgment, an eagerness to go to war that should never happen in this country, a Nation that has already prided itself on its efforts to promote peace and freedom around the world.

We should involve ourselves in war and/or take warlike actions only as a very last resort, and only if there is simply no other reasonable choice. We should conduct bombing raids on others only with extreme reluctance and only when forced to do so.

The article in the New Yorker Magazine raises the most serious questions possible about these raids, and if this article is false or inaccurate, then the administration should immediately refute it. We have involved ourselves in recent years in civil wars in Haiti, Rwanda, Somalia, Bosnia, and now I suppose Kosovo, and we have spent many, many millions of taxpayers dollars in the process.

As I have mentioned before, according to The Washington Post, we had our troops in Haiti picking up garbage and settling domestic disputes. I heard another Member say on this floor that we had our troops in Bosnia, among other things, giving rabies shots to dogs.

The great majority of Americans believe that the Haitians should pick up their own garbage and the Bosnians should give their own rabies shots.

President Kennedy said in 1961 that we have to realize that with just 6 percent of the world's population, we cannot right every wrong and there cannot be an American solution to every world problem. Today we are less than 5 percent of the world's population.

We should be very careful about rushing to war in Kosovo. Jonathan Clarke, a former member of the British Diplomatic Service, now with the Cato Institute, wrote in last Friday's Los Angeles Times, "Some of Milosevic's democratic opponents . . . visited Washington last month to warn that bombing would play into Milosevic's hands and undermine their efforts. They made little progress. The 'CNN factor' is too strong, they were told on Capitol Hill.

"This gives the game away. NATO's plans are directed less at resolving the Kosovo crisis than at making the about-to-be expanded alliance look relevant. As Defense Secretary William Cohen said . . . 'NATO's credibility is on the line.' In effect," Mr. Clarke continued, "we are witnessing a NATO job search and the results are entirely counterproductive. NATO's potential involvement has radicalized all sides in Kosovo . . . In Belgrade, bombing will strengthen the hard men around Milosevic and sound the death knell of the brave Serbs who dare to oppose him."

Mr. Speaker, we should never rush into war, nor should we turn our soldiers into international social workers. We need a strong military for national defense and only for national defense.

Mr. Speaker, I submit the Los Angeles Times article for inclusion in the RECORD:

[From the Los Angeles Times, Oct. 2, 1998]

MILITARY INTERVENTION WOULD MAKE IT WORSE

(By Jonathan Clarke)

In July 1913, the chancellor of the Austro-Hungarian Empire received a written warning from his foreign minister not to try to solve the Serbian question by "force of arms." He ignored the advice. A year later, Austria declared war against Serbia. Four

years after that, its empire went out of business.

Today, NATO, another multiethnic, multilanguage organization with an identity crisis, is riding a wave of popular revulsion over new atrocities toward military intervention in Kosovo. "Preparations are in full swing," announced a NATO spokesman, making the proposed hostilities sound like a homecoming dance, blissfully oblivious to history's warnings. This is typical of the modern style of diplomacy. Former Sen. Bob Dole, a tireless advocate of American military involvement in the region, dismisses history because it makes things "complicated."

This approach—willful ignorance of local conditions abetted by a canonical belief in the victory-delivering capability of military might—was favored by the top brass in Vietnam. It produced disaster there. Whether NATO can make it work better in Kosovo remains to be seen.

Kosovo is fearsomely complicated. This is not merely an excuse offered by opponents of military intervention, but a statement of the obvious fact that rational analysis should precede major decisions. Unless Western policy can resolve the Balkans' inherent complications, intervention risks making matters much worse, especially for the Kosovo Albanian refugees.

Some of the contradictions seem almost technical. For example, bombing is likely to fuel the fires of Kosovo's independence, a goal that the U.S. does not support. Further, NATO intervention in Kosovo directly contradicts the premise of multiethnic principles of the Dayton accords, which veto special treatment on ethnic grounds.

A much more serious objection, however, is that bombing directly serves Slobodan Milosevic, whom Congress earlier this year called "Europe's longest serving communist dictator." What country, when under attack from outside, does not rally to its leader? Look at Saddam Hussein. For Milosevic, the bombs cannot fall too soon. Likewise, he hopes Western sanctions will continue indefinitely. By turning daily life into a struggle for survival, they sap the energies of decent-minded people who might oppose him.

Some of Milosevic's democratic opponents, Bishop Artemije Radosavijevic of Kosovo and former Belgrade Mayor Nebojsa Covic, visited Washington last month to warn that bombing would mine their efforts. They made little progress. The "CNN factor" is too strong, they were told on Capitol Hill.

This gives the game away. NATO's plans are directed less at resolving the Kosovo crisis than at making the about-to-be-expanded alliance look relevant. As Defense Secretary William Cohen said at the Sept. 25 NATO conclave, "NATO's credibility is on the line." In effect, we are witnessing a NATO job search. And the results are entirely counterproductive. NATO's potential involvement has radicalized all sides in Kosovo, as was vividly illustrated by last week's attempted assassination of Sabri Hamiti, a pro-negotiation moderate close to the Kosovo Albanian leadership. In Belgrade, bombing will strengthen the hard men around Milosevic and sound the death knell of the brave Serbs who dare to oppose him.

Earlier this month, NATO leaders counseled Iran against armed intervention in Afghanistan. NATO is administering similarly cautious advice in other conflicts such as Nagorno-Karabakh and Congo. What is so different about the Balkans? Is it to do with the relative value placed on European as opposed to Asian and African lives?

This is not a prescription for inaction. Following the NATO meeting, Cohen went onto the inaugural session of the Southeast European Defense Ministerial. Taking place in the less glamorous but arguably more purposeful surroundings of Skopje, this grouping includes key countries with a real stake in the Balkans, including Italy, Greece, Albania and Turkey. They should be given the lead in delivering immediate humanitarian aid and undertaking the painstaking, low-profile mediation that might achieve a lasting settlement. This would also free NATO to concentrate on its prime mission of strategic defense. This is where NATO's credibility resides, not in TV-driven adventurism.

PORKY CHEDWICK: "DADDIO OF THE RADDIO"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. KLINK) is recognized for 5 minutes.

Mr. KLINK. Mr. Speaker, we deal in particular in these days on the floor of the House with such weighty matters and such serious issues as warfare and impeachment, health care reform, Social Security, budgets. I rise tonight for a little lighter of an item. I think sometimes we have to talk about these lighter things to give ourselves a perspective on the serious matters that we occasionally talk about.

Mr. Speaker, I stand tonight to really pay tribute to a friend of mine who has been in radio in the Pittsburgh area for the last 50 years. Fifty years in a career that sometimes only lasts a few weeks or months, those who may have been in the radio business.

If one goes to Pittsburgh, PA and talks about "The Boss Man," "Your Platter-Pushing Papa," "Your Daddio of the Raddio," everybody knows who they are talking about. It is Porky Chedwick, or as he called himself, "Pork the Tork," the "Boss Hoss with the Hot Sauce."

Mr. Speaker, he developed all of these lines of patter back starting in 1948 when really no one in the country was doing anything really strong entertainment wise in radio.

Porky is a white disk jockey. And I mention that because he played what then was known as "race music," the old R&B music, the sweet doo-wop sounds. And for those young people, Mr. Speaker, who may be in the House or watching at home and say what is doo-wop, it is that street corner harmony where you snap your fingers and it sounds so wonderful.

He would play that music that oftentimes was covered by white performers like Pat Boone, but he played it back before people had heard of people like Little Richard and Fats Domino and Bo Diddley. And a lot of those performers pay tribute to Porky Chedwick for giving them their first air play, because back then it was very difficult for black performers to get a wide audience anywhere in the country. There were certainly not many mainline radio stations that would play music by black performers.

Lou Christie, who also comes from the Pittsburgh area said being cool growing up, and Lou Christie had a lot of big records, he said being cool as he grew up meant listening to Porky Chedwick. He says he is still in awe of him, and he still reverts to being a 15-year-old child when he is around him. He will never know how important Porky was to his career. He was the first disk jockey in the country to play "The Gypsy Cried."

Jimmy Beaumont, who has been with the Skyliners around for 40 years playing in the Pittsburgh area and all around the world, Jimmy said he has known Porky for 40 of the 50 years, and he says that growing up hearing that stuff, that is when Jimmy Beaumont of the Skyliners decided he wanted to become a singer and sing that same doo-wop and that same sound that he heard Porky playing on the radio all the time.

There actually is a group in the Pittsburgh area known as P.O.R.C. It is an acronym for Pittsburgh Old Records Club, and one of the members of the club, Jim Sanders, said, "When I was a kid, when you would listen to Porky, you knew you were cool." It goes back to Porky being the very first white disk jockey to program the music. It was a revelation to white teenagers to hear some of this great music.

Porky started out in 1948 on a little radio station, doing a 5-minute sports program, called WHOD in Homestead, Pennsylvania. And he would go back and he says he played the "dusty disks." They were really dusty, 78 RPM records. And because nobody was playing them, the record store owners would give them to him. He knew they were talented musicians and he put them on the air and teenagers all over the Pittsburgh area wanted to hear more and more of them.

In fact the story is told of when Porky did a live show at the Stanley Theater. An hour before he went on the air, 500 people crowded around the Stanley Theater. Before the show was over, 10,000 people were crowded around the Stanley Theater. Downtown Pittsburgh came to a screeching halt. Kids were stuck on buses in the logjam created by Porky Chedwick. They got off the buses, crossed the bridges on foot to get to the Stanley Theater to see Porky Chedwick.

As a disk jockey, he saw the highest recognition of his career before the Beatles. In 1963, the Beatles came to America. A lot of performing artists saw their careers go downhill and a lot of disk jockeys that had that signature type of music similarly saw music change a great deal. But still, many of the great disk jockeys in America today credit Porky Chedwick with beginning it all.

As Porky said, "I had more lines than Bell Telephone. I was the original rapper." And he probably was.

Mr. Speaker, I say to Porky, "We are honored for you and your 50 great years in radio. We are honored that you are in the disk jockey portion of the Rock and Roll Hall of Fame, and we hope you are still playing that music for 50 more years. God bless you."

□ 2100

THE DEATH OF FORMER CONGRESSMAN D. FRENCH SLAUGHTER, JR.

The SPEAKER pro tempore (Mr. SHIMKUS). Under a previous order of the House, the gentleman from Virginia (Mr. BATEMAN) is recognized for 5 minutes.

Mr. BATEMAN. Mr. Speaker, it was with great sadness that I learned of the death of a former House colleague, D. French Slaughter, Jr., who represented Virginia's Seventh Congressional District from 1985 until his retirement due to illness in 1991. He died on Friday, October 2.

French Slaughter was a very able public servant whose friendship I highly valued. During much of the time I served in the Senate of Virginia, French Slaughter served in the Virginia House of Delegates. Among his proudest accomplishments was introducing the legislation in 1966 that established Virginia's strong system of community colleges.

As a Member of the House of Representatives, French and I often worked together on projects and I am proud to say that today I represent several localities that were formerly a part of the old Seventh District served by French Slaughter.

French Slaughter attended public schools in Culpeper, VA, and attended Virginia Military Institute from 1942–43, until he left to serve with the 84th Infantry Division in World War II. He was seriously wounded during the Battle of the Bulge and earned the Bronze Star and Purple Heart.

In post-war years, French Slaughter received a bachelor's degree and law degree from the University of Virginia. He later served on the university's Board of Visitors and as its Rector.

French Slaughter was elected to the Virginia House of Delegates in 1958 and remained a member for the next 20 years. When Kenneth Robinson of Winchester retired from the House of Representatives, French Slaughter succeeded him. His legislative achievements include expanding the boundaries of the four major Civil War battlefield sites in the Fredericksburg, VA region.

French Slaughter was a quiet, reserved man of high intelligence. He had a dry wit and low-key charm that made him a favorite with his colleagues on both sides of the aisle in the state legislature and in Congress. It was my great pleasure to have worked with him in both Richmond and Washington, and to have had him as a friend. During his 73 years, French Slaughter served his State and Nation with distinction and courage. He will long be remembered.

French Slaughter is survived by a son, a daughter, nine grandchildren and a brother. He will be laid to rest alongside his late wife, Kathleen Rowe Slaughter, on Tuesday, October 6 at the Mitchells Presbyterian Church in Mitchells, VA.

BUDGET POLICY IN THE CONGRESS AND AMERICA'S FARM ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

Mr. MINGE. Mr. Speaker, this evening, I rise to address two subjects which I think are of great importance to our Nation and deserve emphasis here on the floor of the House.

The first is the question of our budget policy in Congress and in the United States. The new Federal fiscal year started October 1, 1998. We are 5 days into the new fiscal year. Unfortunately, Mr. Speaker, we do not have a budget resolution in place for this fiscal year to provide guidance to Congress. Unfortunately, the deadline for adopting a concurrent budget resolution was April 15, 1998, almost 6 months ago.

Unfortunately, we have had a failure of leadership in Congress when it comes to budget policy. We essentially have punted. We are talking about the budget being balanced. I submit that is because we do not understand the budget laws that we have adopted in this body. The budget is not balanced. We are still depending on at least $30 billion in the Social Security Trust Fund to offset other Federal spending. We are depending on the Social Security Trust Fund to establish a fiction that we have balanced the budget. We are talking about tax cuts, but we do not have a budget resolution.

This is the first time in the 24 years that we have had budget legislation on the books that establishes a budgeting procedure and calls for a budget resolution to provide guidance to us as a Congress that we have failed in this respect. Mr. Speaker, I submit that this is a grievous mistake in this body, to simply ignore the budget process that we have developed and assume that the American people will overlook it. We have a responsibility to ourselves, to the people of this Nation and to the Federal agencies to establish budget policy as we move ahead into this fiscal year.

The second subject I would like to briefly address is the state of the American farm economy. Last week I had the opportunity to travel back to my district, rural Minnesota. I went to the Cargill Elevator at Litchfield, Minnesota, and visited with farmers as they hauled in soybeans and corn. I asked them about their yields, what the current prices mean with respect to their ability to operate next year; what they think we ought to do.

There were two comments that I heard that were repeated. One was: Where is the marketing loan program that we have talked about and we have pleaded for? Uncap the loan rates. The second was: What has happened to the crop insurance program? We have had a disastrous loss on our farms, but we are finding there are no benefits.

Mr. Speaker, I submit that one of the tragedies of the 1996 farm bill is that we did not use these tools that farmers can access to manage their risk as a cornerstone for Federal farm policy. Instead, they were placed in the second rank of importance. Instead, we had automatic cash payments that we provided that would go out to farmers year by year, whether it was a good year or a bad year, whether they had good crops or poor crops. Now, we are paying the price.

I would like to emphasize that the President is currently working with the Senate in hopes that we can restore these programs to the important function that they could play. I call upon my colleagues to join with me in emphasizing that these tools that farmers in this great Nation can use to manage their risk and to stabilize prices ought to be available to them.

We ought to be investing our budget resources for agriculture in tools such as this. We ought to revisit the 1996 farm bill and be willing to ask where can improvements be made, make those improvements, and enable agriculture to move ahead proudly in 1999 with the prospect that agriculture can again be successful in America.

HMO REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I just want to mention at the outset that I intend to yield a significant portion of my time later to the gentleman from Missouri (Mr. SKELTON).

Mr. Speaker, tonight I want to talk about the Republicans and their successful effort to block managed care reform in this Congress. And I stress block managed care reform. Congress is now just a few days away from adjourning for the year, and managed care reform, or HMO reform, is essentially dead. And the reason is because the Senate, at this point, has simply refused to take up any HMO or managed care reform bill.

To date, the House Republicans have dutifully carried the water, in my opinion, for the insurance industry. They did pass in the House of Representatives a bill which they labeled managed care reform, but it is a counterfeit bill, a reform bill that is worse than the current law. Of course, not to be out

done, the Senate Republicans have rewarded the industry's loyalty to the Republican Party by doing nothing at all. Absolutely nothing. They simply refuse to take up the issue of managed care reform, and they are hopeful that the issue will simply die and everyone will forget about it.

Well, I do not think people are going to forget about it. The Republicans are, in effect, touting their indifference to HMO reform in the public's face. I have to say when I go around in my district at town meetings or forums, or I just talk to people on the street, as we tend to do quite a bit; and now, of course, we are going to be running for election, all of us in the next few weeks, and so we see a lot of people, a lot more people maybe than we even would normally, and I say to my colleagues that the public, not only in my district but throughout the country, is clamoring for HMO reform.

I do not really have to go too far. Today's New York Times. On the front page there was a story that said, "Reality of the HMO System Doesn't Live Up to the Dream." It talks about places around the country where people had high expectations of HMOs and have been basically disappointed because of not only the quality of care that they have lost but also the fact that, in many cases, they have not even been able to get care that their physicians or their health care professional considered necessary.

I am not going to read this whole article, but I just thought it was very interesting because it starts out by talking about Kansas City, Missouri, and how at the start of the 1990s, when employers' health insurance costs were going up, that the giant Sprint Corporation shifted its employees to HMOs in order to try to save money. And they saved a lot of money.

And there is no reason why a corporation that is providing health care benefits for employees should not try to save money. I am not taking away from the fact that HMOs and managed care organizations often save a lot of money. But it is often at the cost of quality and even access to care.

Just as an example, it says in here that Sprint's costs stabilized, and today the comprehensive health program stands as a model of what Congress and industry envisioned 4 years ago when they rejected President Clinton's health plan and left the health care system to the tides of the marketplace.

So Sprint is happy with the fact that they have stabilized their costs. However, it says, and I am reading now from the New York Times story today, along the hallways at Sprint in Kansas City, the great expectations for managed care have dimmed. In a score of interviews with workers and managers, no one recounted the kind of HMO horror stories that make headlines, an example, the wrong leg amputated or a child denied a transplant, but, instead, they said they had found managed care to be exasperating, callous and sometimes just senseless.

I have been on the floor of the House many times talking about some of the horror stories. But what the article is pointing out tonight is that regardless of some of the horror stories, the day-to-day activity of having to deal with HMOs, without the kind of patient protections that I think this Congress needs to put into place, are very difficult.

It mentions in the article Kevin Leroy, a Sprint sales compensation manager, who says his HMO, Cigna, saved his 10-year-old daughter's life with months of hospitalization to help her conquer a mysterious immune system disorder, but it also required him to interrupt 3 days of work to get a third doctor's opinion before authorizing hernia surgery for him.

What we are finding here is that even though in this case the HMO actually eventually authorized the particular procedure here that this individual needed, or that this individual needed for his 10-year-old daughter, he had to go through all kinds of hoops in order to get the procedure approved.

This is another example. The toddler son of Elsa Wong, a project manager, suffered an ear infection for a year before her HMO primary care physician sent him to a specialist. When Phyllis Van Kamp, a secretary, had the fever and deep cough of bronchitis, a clinician told her over the phone to try aspirin for a few days.

So what we are finding is that it is very difficult for people, on a regular basis, who have HMOs or managed care, to oftentimes get the care they need. They have to go through a lot of hoops. Sometimes the care is denied; sometimes it is postponed. In any case, they worry, because the system is not working the way it should be.

And what the Democrats have been saying in the House of Representatives is that if we just put into law a few common sense protections for patients, nothing major, nothing dramatic, just a few common sense protections for patients, then we could make all the difference in the world in terms of HMOs and managed care organizations. Because right now they operate under so few rules and so few requirements and so few protections for individuals; whether they want to have access to a specialist, whether they want to be able to go to an emergency room and not have to fear that it will not be covered, whether or not they want to appeal the denial of a decision and have a very difficult time having a hearing or an opportunity even to be heard, whether or not they want to know what their policy contains and what is covered, and they do not have proper disclosure.

These are the kind of common sense things that need to be corrected, and that is what the Democrats have been saying for the last year or 2 when we put together our Patient's Bill of Rights and demanded that it be considered here in the House of Representatives. Unfortunately, what the House did was to stall and to stall.

The Republicans essentially were not in favor of any kind of HMO reform. And, finally, when their backs were to the wall this summer, and they figured they had to do something, what they did was a bill that is basically a sham and actually takes us backward. And even that bill, the Senate, the other body, does not want to take it up and wants to let die before this session ends within the next few days.

Well, I just wanted to mention again, with regard to The New York Times, in a New York Times poll that was conducted in July, 85 percent of respondents said that the health care system needs fundamental change, barely below the 90 percent who said the same thing in a Times-CBS news poll in 1994, before President Clinton's health care plan died.

This is all in this article that I was quoting from in The New York Times. The article says also, today's article on the front page, says that when asked about health maintenance organizations, 58 percent of respondents said the HMOs had impeded doctors' ability to control treatment, compared with 17 percent who said that they had improved it. And, basically, the article also makes reference to a 1995 Harris poll that found more people saying managed care would improve quality of care rather than harm it. If we compare that 3 years ago to the Times poll now, there was a sharp reversal; 50 percent saying care would be harmed and only 32 percent saying it would be improved. Again, from today's New York Times.

I think the lesson we are seeing is that there was a great expectation that managed care was not only going to save money but even improve the quality of care, or at least not make the quality of care worse, or access to care worse. And now, not only has the public found that, from their own example, that that is not true, but the polling that has been done and mentioned in this New York Times article today shows rather dramatically most people overwhelmingly feel there are problems with HMOs that need to be corrected.

Almost 6 out of every 10 Americans are saying HMOs are impeding doctors' ability to treat patients, and the Republicans are simply going to let the clock run out on this issue. Basically, what the Republicans are saying to the American people is that they will have to wait until next year for the issue to be looked at again when the new Congress convenes in January. Sorry, they

are telling parents of sick children who are trying to get their child to the appropriate specialist, they will have to wait until next year before Congress takes up the issue. Everyone, in fact, who was hoping Congress would pass legislation to improve managed care is out of luck for the indefinite future.

□ 2115

Now, I believe, Mr. Speaker, very strongly, and I know this sounds partisan, but I cannot help it because the Republicans are in control, they are in the majority, the adjournment of Congress without a managed care reform bill is without question, I think, the target that the gentleman from Georgia (Mr. GINGRICH) and the Republican leadership have been aiming for all year. What little they have done on managed care has all been part of a smokescreen that the GOP has set up to create the illusion of serious interest in managed care reform.

Consider now if we could, if I could just take a little time, Mr. Speaker, I would like to consider the GOP health task force original proposal to the gentleman from Georgia (Mr. GINGRICH). I am actually the cochair, along with some of my Democratic colleagues, of our Democratic Health Care Task Force and we came up with the Patients' Bill of Rights as our Democratic proposal.

Well, on the Republican side, there were some Republican Members who were very interested in managed care reform and wanted to come up with a decent bill that they figured would address some of the concerns that the public had to try to correct HMOs. But, if we remember, when that Republican Health Care Task Force came up with their original proposal just a few months ago, the gentleman from Georgia (Mr. GINGRICH) scoffed at what his own colleagues had come up with, and he basically berated them for bringing him a patient protection bill that had too many protections on it, and he sent them back to the drawing board because he and the insurance industry did not like what they saw. They saw a proposal that was very much like our Patient Bills of Rights.

So those Republicans, those colleagues on the other side of the aisle who wanted to do real patient protection, were basically told by the House Republican leadership, no, we do not want that. Go back to the drawing board and come back with something else.

Well, they went back to the drawing board this summer. They came back with something else. But what they came back with, which this time was acceptable to the gentleman from Georgia (Mr. GINGRICH) and the Republican leadership, was a bill loaded with provisions that were purposefully included to draw the President's veto. These are the so-called poison pill measures.

The House Republican leadership did not want a bill that could actually pass. They wanted a bill that was so loaded down with these extraneous provisions unrelated to HMO and managed care reform that they could be sure that the President would veto it. It turns out he did not even have the opportunity because they never sent it to him. But that was the idea. And these poison pills included expansion of the medical savings account, medical malpractice reform, and the subversion of State consumer protection laws through the expansion of health pools.

Now, some of these things some people might even like, but the problem is that they did not belong in this managed care reform. In order to ensure that this bill would not be exposed for the sham that it is, the Republican leadership bypassed the committee process and brought it straight to the House floor only a week after it was introduced by the task force. And aside from the poison pills which I just mentioned, the Republican leadership's bill included a host of so-called protections that are totally worthless.

I just want to give some examples. Then I will yield to my colleague the gentleman from Texas (Mr. GREEN), who is very much involved in putting together this Patient Bill of Rights as part of our Democratic task force. But let me just give my colleagues some examples of why the Republican proposal that passed here was a sham.

For example, the issue of medical necessity, which is really the chief catalyst of the managed care debate reform, in other words, who is going to decide what is medically necessary and needs to be covered by insurance company, is basically the key to what kind of care they are going to have.

Well, again, in today's New York Times article it notes that nearly 6 in 10 Americans believe managed care interferes with doctors' abilities to treat patients. The Republican solution for this problem was to lock the status quo in place. In the bill that House Republicans have already approved, your HMO is allowed to define what "medical necessity" means. And this means that if the Republican bill were signed into law, which they are not going to allow it to be, they are not even going to move on it, but if it were signed into law and they had a dispute with their HMO, if their HMO says the treatment they need is not medically necessary, they do not get it.

That is exactly what the problem is. In other words, the solution the Republicans are proposing is to codify the source of the problem into law. What the Democrats do in our Patients Bill of Rights is to define "medical necessity" based on generally accepted principles of professional medical practice. So, essentially, doctors are deciding what is medically necessary.

The Republicans use the same kinds of tricks really for everything in their bill. Emergency room care is another example. While they could go to any emergency room under the Republican bill, there is no guarantee that their insurance company would pay for it. So it does not really help to have health insurance if they are not going to pay for it.

Severe pain, for example, under the GOP bill is a standard a reasonable person could use to determine whether or not he or she could get him or herself to the emergency room. In other words, if they feel like they are having pain, the normal person would say, okay, that is a reasonable basis for them to go to the emergency room. But under the Republican bill, that is not a basis for saying that they are entitled to go to the emergency room. If the HMO decides that they do not want to define "severe pain" and say that is not a reason to go to the emergency room, then they do not cover it. They go to the emergency room, but they do not get the proper care.

Under the Democratic bill, patients would have the guarantee that if they had severe pain, that would be a reason to go to the emergency room and have it covered.

I do not want to keep going on because I see that my colleague is here, and he has been extremely helpful to us in the Democratic Caucus and to the Committee on Commerce in this effort. And if I could mention to my colleague that one of the things I mentioned here tonight is how this Republican proposal did not even go to committee. So we never even had the opportunity in the Committee on Commerce, which has jurisdiction over health care issues, to even consider this matter before it came to the floor.

Mr. Speaker, I yield to the gentleman from Texas (Mr. GREEN).

Mr. GREEN. Mr. Speaker, I would like to thank my colleague for yielding.

Taking up that, we both serve on the Committee on Commerce, and I serve on the Subcommittee on Health and Environment, and I would look forward to being able to work on a bill bipartisanly for a real Patients' Bills of Rights. But my colleague is right, the bill did not come to our committee. It was drafted in a task force. And we drafted ours in a task force, too. But we do not have the ability to bring bills out to the floor as the minority party here, and so that is the problem.

I want to make a few points about the Republican bill would do to State-passed patient protections and share with my colleagues concerns that have been raised by officials in my own home State. And, again, we discussed this before, that States all over the country have passed patient protection bills to deal with insurance policies that are licensed in that individual State.

We have to pass a national bill because so many of our companies come

under ERISA, the Federal law, and so they do not fall under State regulation. So we have really two regulations of health insurance depending on how the policy is drafted. It could be under the State of New Jersey or the State of Texas, or it could fall under ERISA on the Federal level.

Very simply, the bill that we passed here on the floor, and I say "we" because we are collectively here, but my colleague and I voted against it and spoke against it, the Republican so-called Patient Protection Act should really be called the Patient Protection Elimination Act.

Texas State Comptroller John Sharp recently urged not only myself, but also Members of Congress from Texas to urge Congress to support the States and respect the work that they have done and not undermine them. Like so many States across the country, Texas has responded to the needs of its citizens and passed real managed care reform and true patient protections.

Unfortunately, the bill that the Republicans recently rushed through the House without committee hearings would preempt these laws and re-expose the very citizens to these laws that were passed to protect them. In other words, it not only does not help us, it actually goes against the reforms that were passed in individual States because it would re-expose us to problems in unregulated hazard health care that the States have been taken care of.

This simply is not right, and each State has a need specific to that State. And while it is sometimes necessary to pass a uniform national law like we have to, we should not overrule what a local State is doing, particularly when they are dealing with their constituents.

So often we hear from our colleagues on the Republican side that government closest to the people works most effectively and listens better. Well, I generally agree with that. Having served 20 years in the legislature, it was actually driven home to me every day. And in this case, I think it is true. The States ought to be able to deal with the insurance policies that are licensed in their State, and we should not, by the bill that we pass, overrule what the State legislatures have done. Doing so strips critical patient protections from the few people who actually have them now by the States passing them.

And let us be clear about the Republican Patient Protection Act. It eliminates patients' protections. I know it does in my home State. And while they may try to tell my colleagues that they have included similar provisions in the bill, I have read the fine print when we had that day-long debate and it became mixed up in all those well-intentioned protections or loopholes that we could literally drive a truck through.

Another letter that my office recently received from State representative John Smithy and Mr. David Sibley, two Republican committee chairmen in the Texas Legislature, who were the sponsors of our Patient Protection Act that passed in the State legislature. As chairman of the committees of jurisdiction over insurance and managed care in Texas that recently passed legitimate patient protections, they have an understanding of these issues.

While many Republicans here in Washington keep saying real reform is too expensive and would be too big a burden on insurance companies, it is important to note that the similar protections and provisions that were passed in Texas raised premiums only 34 cents per month, 34 cents per member per month. That is right. All those extravagant claims about increased costs are simply not true.

We do not have to rely on partisan estimates or even the nonpartisan Congressional Budget Office. Just look at the demonstration project already underway in Texas where recent laws passed that allow patients to sue their HMO. If that HMO makes a decision on the health care, that puts the responsibility with the person who makes it. They have access to binding and independent review. They can communicate freely with their provider without fear of retaliation against their doctor. In other words, they eliminated the gag rule. And they can utilize emergency room services if they experience symptoms that a prudent lay person would consider an emergency, including extreme pain.

And I have used this example before, and all of us particularly at our age smile about it, but how do I know at 10 or 11 o'clock at night when I am having chest pains that it may not be the pizza that I had at 6 o'clock, it may actually be a heart attack. And if we are having extreme pain and discomfort, then that should be part of it, because, again, we are lay people. We are not practitioners of medicine.

And what does that cost in Texas? Thirty-four cents. In fact, it is ironic that that is less than a cup of coffee here in the Capitol. I do not drink coffee, but that is what my staff tells me.

What worries me is it may be too late this year, and I hope not. But this body should make a commitment to real managed care reform in the next Congress and make it one of the top priorities and not put it at the end of the session, but put it at the beginning of the session. And, hopefully, when our constituents go vote on November 3, they will remember who had the actual real Patient Protection Act, and it was Members of Congress who worked and tried to learn from what is going on in our local States and said, okay, let us provide that on a national basis so everybody, no matter if you have a State-licensed insurance plan or policy or one who comes under Federal law, they will still have the basic protections that they should have to protect them through their managed care, their HMO provider.

I want to thank my colleague for, one, requesting this time tonight, because outside of education, there is no other issue that my constituents call about than health care. Managed care, Medicare, which also we have had some problems with some of the proposals under managed care that would be another special order some night that we may want to talk about under Medicare. But this is so important.

I guess the frustration is that senior citizens under Medicare will have these protections because the President signed an Executive Order that covers both Medicare, retired military, and also government managed care plans that cover Federal employees, but the average citizen out there will not have it. And we need to provide for those citizens the same protections and the same insurance that my colleague and I have.

I have heard that from my colleagues on the other side of the aisle, and what is good for the goose is good for the gander, and I think that is what important about it.

Again, I thank my colleague for allowing us to have this special order and taking his time tonight.

Mr. PALLONE. Mr. Speaker, reclaiming my time, I want to thank the gentleman from Texas (Mr. GREEN) not only because he has been so far out really bringing up this issue on a regular basis and making sure that it is addressed and then spending the time on our health care task force, but also because he brought out tonight that the cost of implementing these protections in his home State of Texas was so minimal.

I remember New Jersey has patient protections that are basically similar to Texas from what I have seen, and I remember at the time when they were trying to pass it in New Jersey. And we are getting the same thing here in Washington. The whole drumbeat against it is it is going to cost so much money, and it is going to increase the price of insurance, and the managed care organizations say that our whole purpose was to bring down costs, now we are going to bring them up again. And I think the gentleman said it was 34 cents, which is basically a few pennies for these protections.

Really, again, what we want to emphasize, and that is why I think it is important that my colleague brought up the minimal cost factor, is that these are just common-sense proposals and what they really amount to in most cases is just prevention.

My colleague mentioned the gag rule, how under current law if the HMO decides that they do not want the physicians that are part of their network to

tell patients about procedures that are not covered by the HMO, they essentially put in place a gag rule so that their own doctor, in this great democracy that we have, cannot tell them about the type of services that are available because the insurance company will not cover them.

□ 2130

That is a terrible thing to me, because I think most people when they go to a doctor, they think the doctor is going to educate them and tell them what kind of care they need. That is common sense. Yet they cannot. The doctors in many cases cannot. They are under this so-called gag rule. I think most people are shocked to find out that that is the case and that their doctor actually cannot tell them the truth essentially. That is really what we are all about. We are just trying to put in place what as you mentioned and I mentioned are just commonsense proposals.

Before we conclude tonight, I just wanted to reiterate again so that everyone understands that you and I realize that this is not going to happen because the Republican leadership in the Senate will not even bring it up. But the fact of the matter is that we have a week left. You and I know that when the Republicans decided to bring up their bad bill in August, it only took them a day to do it. They did it in one day. They basically noticed it, they had the debate and they passed what was a very bad bill. So there is no question that if the Senate wanted to take it up, even with a week left, they could do it.

Mr. GREEN. And the Senate could take up the bill number that we passed over there and put real reforms in that bill. What we did is wrong because it is a step backwards. But the Senate could change it and pass real patient protections and send it back to us and hopefully we would just concur in the Senate amendments to the bill and it would make it stronger, include an antigag rule, emergency room care and an outside appeals process.

Mr. PALLONE. The bottom line is that we know that the Republican leadership is not going to do that. They not only do not want to bring up the bad bill, they do not want to bring up anything at all because they do not want to address it. So effectively the issue is dead for now.

But I am worried about the individuals who are negatively impacted in the time before we get a chance to bring this up again. I know that it will come up again because the public as you said is just totally in favor of the kind of patient protections that we have put in our Democratic proposal. I may be unfair also in saying that it is just a Democratic proposal because the patients' bill of rights has Republican support as well but the Republican leadership refuses to bring it up.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). Members are reminded to refrain from characterizing Senate action or inaction.

INTERNATIONAL ENGAGEMENT—WHY WE NEED TO STAY THE COURSE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Missouri (Mr. SKELTON) is recognized for the balance of the minority leader's time, approximately 30 minutes.

Mr. SKELTON. Mr. Speaker, it has been almost 10 years since the fall of 1988 when the Communist government of Poland agreed, under great popular pressure, to permit free elections, elections which ultimately led to the "velvet revolution" throughout eastern Europe. It has been 9 years since the historic fall of 1989, when the border between Hungary and western Europe opened and thousands of east Europeans first swept aside the Iron Curtain and then brought it crashing down. It has been 8 years since the two Germanys agreed to reunification and 7 years since the Soviet Union disintegrated.

For the United States, the events of a decade ago were the beginning of the end of a long struggle, a struggle that was characterized by terrible sacrifices in Korea and Vietnam; by periods of great national confidence and occasional episodes of uncertainty; by debates in the halls of Congress that were sometimes historic and solemn and sometimes partisan and shrill; and above all by a widely shared sense of national purpose that endured despite occasionally bitter internal divisions.

The constancy with which the United States carried out its global responsibilities over the long course of the Cold War is great testimony to the character of the American people and to the quality of the leaders who guided the Nation through those often trying times. In spite of the costs, in the face of great uncertainties and despite grave distractions, our Nation showed the ability to persevere. In doing so, we answered the great question about America that Winston Churchill once famously posed. "Will you stay the course?" he asked? "Will you stay the course?" The answer is, we did.

Today we need to raise a similar question once again, but this time for ourselves and in a somewhat different form. Churchill's question "Will you stay the course?" implied that there might some day be an end to the struggle, as there was to the Cold War, though no one foresaw when and how it would come. Today the key question is perhaps more challenging because it is more open-ended. It is, "Will we stay engaged?"

The term "engagement" has not yet captured as broad a range of support among political leaders and the public as those who coined it, early in the Clinton administration, evidently hoped it would. But neither did the notion of containment capture broad support until several years after it was articulated during the Truman administration. Some political leaders who later championed containment as the linchpin of our security initially criticized the notion as too passive and even timid.

Engagement, while not yet widely embraced as a characterization of our basic global posture, seems to me to express quite well what we need to be about in the post-Cold War era, that we need to be engaged in the world, and that we need to be engaged with other nations in building and maintaining a stable international security system.

Engagement will not be easy to sustain. It has become clear in recent years it will be as challenging to the United States to fully remain engaged in the post-Cold War era as it was to stay the course during the Cold War. We now know much more about the shape of the post-Cold War era than we did 8 or 4 or even 2 years ago. We know that we have not reached the end of history. We know that we face challenges to our security that in some ways are more daunting than those we faced during the Cold War. We know that it will often be difficult to reach domestic agreement on foreign affairs because legitimate, deeply held values will often be hard to reconcile. We know that we will have to risk grave dangers and pay a price to carry out our responsibilities, and because of the costs, it will sometimes be tempting to think that we would be more secure if we were more insulated from turmoil abroad. We know that we will have to struggle mightily not to allow domestic travails to divert us from the tasks that we must consistently pursue. We also know that our political system, which encourages open debate and which constantly challenges leaders to rise to the demands of the times, gives us the opportunity, if we are thoughtful and serious about our responsibilities, to see where our interests lie and to pursue our values effectively.

Mr. Speaker, today I want to say a few things about engagement in the world, why it may sometimes be difficult to sustain, why it is nonetheless necessary, and, finally, how it has succeeded in bolstering our security.

First, why engagement may be difficult to sustain. Just in the past few months, we have had a series of object lessons in the difficulties of international engagement. Last month our embassies in Nairobi and Dar es Salaam were attacked by terrorists who have vowed to wage war against the United States as long as we are engaged in the Middle East. As President

Clinton aptly put it, "America is and will remain a target of terrorists precisely because we are leaders; because we act to advance peace, democracy and basic human values, because we're the most open society on earth; and because, as we have shown yet again, we take an uncompromising stand against terrorism."

Mr. Speaker, both the President and the Secretary of State warned that the terrorist attacks in Africa and the U.S. retaliation will not be the end of our struggle. In an age of chemical, biological and nuclear weapons of mass destruction, the United States faces particularly grave dangers in its conflict with these forces. So engagement is difficult, first of all, because it entails costs and carries risks. To quail in the face of these risks would be far more damaging to our security than to confront them. But we should not underestimate the dangers we face.

Engagement is also difficult because it requires us to make policy choices in which values we hold dear are troubling to reconcile. The recent debates in this Chamber over policy toward China illustrate this point forcefully. Many of my colleagues were critical of President Clinton's decision to go to China in the first place, and especially critical of the fact that the President would set foot in Tiananmen Square. All of us find China's human rights abuses, forced abortions, forced sterilization, religious and political repression and exploitation of prison labor to be abhorrent. For my part, I believe that U.S. security interests are well-served when we stand up for human rights. Tyranny has crumbled all over the globe in large part because of our active commitment to human rights and because we hold out an example of freedom that millions all over the world hope to emulate. Those who have criticized U.S. policy toward China do so out of deeply held convictions that are entirely legitimate.

It is also true that we cannot sustain a policy of isolating China, and that such a policy would be self-defeating. As former Senator Sam Nunn pointed out in a speech last November, the United States and China have far more interests in common than not. The U.S. presence in Asia bolsters stability that is in China's interest. The U.S. defense of Middle East oil protects China's largest source of energy. We need China to play a constructive role in preventing war in Korea. We need China to be more cooperative in halting weapons proliferation. Both we and China will benefit if we can cooperate in building a framework for stability in former Soviet central Asia. As China develops, the entire world has an interest in encouraging China to pursue energy systems that are environmentally sound and to prevent the spread of communicable diseases.

Constructive engagement with China, therefore, is essential, but it also challenges us to remain true to our fundamental beliefs in human rights. We need to emphasize our common interests with China, but because of our commitment to human freedom, we should not sell short the leverage we may have in encouraging greater liberty inside China. So engagement is difficult because we cannot easily reconcile our deeply held convictions about what is right and necessary in relations with other nations.

Other recent events show that engagement with long-standing allies may also be turbulent at times. Many if not most of our allies have not, for example, wholeheartedly supported our efforts to enforce sanctions on nations that we believe guilty of sponsoring international terrorism or that we see as threats to the peace. The Clinton administration's decision to pursue a new tack in policy toward Iraq reflects in part the fact that some of our allies apparently do not place as high a priority as we do on halting weapons proliferation. In effect, we could not count on them to back us up in carrying out the U.N. enforcement regime as vigorously as we had been doing and as forcefully as many Members of Congress, including myself, would like.

This is especially frustrating, because our allies rely much more on oil from the Persian Gulf than we do. For that matter, they have suffered from terrorism over the years more than we have. So here is a case in which we are doing the heavy lifting, and in the process deepening the enmity of anti-Western elements throughout the region, without being able to rely on the wholehearted support of allies who ultimately benefit most from our stabilizing efforts in the region.

Engagement is difficult, therefore, because leadership itself is difficult, because allies do not always meet our expectations, because burdens are not fairly shared, because other nations seek to enjoy the fruits of our labor while shirking the cost, because foreign leaders do not always see things through the same lens as we do and sometimes may not have as much backbone as we would like. It is tempting in such cases to conclude that we should do less and let the consequences unfold as they will. But that would ultimately, Mr. Speaker, be self-defeating.

The related difficulty of engagement is what might be called the paradox of burdensharing. In some cases our leadership role may require that we commit our resources, including our military forces, even in cases where our allies have more at stake than we do, because others cannot act decisively without us.

The obvious example is Bosnia, in which our allies had forces on the ground for some years, but without being able to forge a peace agreement until we committed our own ground troops.

A forceful, coordinated, diplomatic effort, backed up by military power, required our involvement. Here is the paradox: We generally think that burden sharing, that is getting the allies to do more, will reduce the weight we must bear. In fact, getting the allies to do more often requires that we do more as well. Engagement is difficult, therefore, because it means that we will sometimes become embroiled in undertakings overseas that, on the face of it, cost us more than our immediate interests appear to justify.

The reason we must be engaged is that our overarching interest in building effective security cooperation with our allies requires us to do one thing, and that is exercise leadership.

Engagement is also difficult for domestic political reasons. To be blunt, neither the President nor the Members of Congress get elected by promising to devote a great deal of time and attention to foreign affairs. Moreover, it is easy for those out of power to criticize allies, deplore China and Russia, deprecate the United Nations, condemn actions for being too costly, and denounce inaction for being too timid. Meanwhile those in positions of responsibility must make compromises, choose between alternatives that are often bad and less bad, take risks to get things done, and bear the criticism when initiatives fail.

The world cannot be molded to our liking. It is politically difficult to persist, nonetheless, in the essential task of trying to shape it.

Finally, engagement is difficult because it is financially expensive. In recent years it has been difficult to find the resources to meet obvious needs in defense and foreign affairs because of pressures to reduce the budget deficit. Now that the deficit has been brought under control, a part of the discussion of budget priorities ought to be how to restore a reasonable level of investment in meeting our international security requirements.

Mr. Speaker, despite these difficulties, there is no alternative to continued, active U.S. engagement in the world. To me, the fundamental reason for engagement in the world is moral. I say this with a full appreciation of the fact that the very idea of laying out a moral basis for U.S. foreign policy makes some thoughtful people cringe. It will strike some here at home as a call for a degree of international activism that we cannot sustain, and it will strike many abroad as just another example of American arrogance.

In fact, U.S. foreign policy must always have a moral basis to it, or it cannot be sustained. We persevered in the Cold War precisely because we felt it our responsibility as a nation to defend against tyranny. In the name of that moral mission, and it was a moral mission, we may sometimes have asked too much of ourselves, and particularly

of our young sons and daughters in the military, but it was nonetheless a goal worthy of our people.

Now we have a very different moral responsibility before us, which may be somewhat more difficult to express, but which I think is equally important. Our responsibility now is to use our unchallenged position of global leadership in a fashion that will make the universal hope for peace, prosperity and freedom as much as possible into the norm of international behavior.

Let me be clear about one thing, the world will never be completely at peace, but it is possible that the coming century will be at least spared the global horrors that scourged the first half of the 20th century, perhaps the bloodiest period in human history.

Today, the United States is the bulwark of a relatively secure international order in which small conflicts, though endemic and inevitable, will not decisively erode global stability.

As such, our global engagement is also a means of preventing the growth of new powers that could, in time, constitute a threat to peace and evolve into the enemy that we do not now foresee.

If the United States were not to try, at least, to use our current position of strength to help construct an era of relative peace and stability, it would be a moral failure of historic magnitude. More than that, to fail to exercise our strength in a fashion that builds global cooperation would also, in the long run, leave us weaker and more vulnerable to dangers from abroad.

Indeed, perhaps the most striking feature of the U.S. position in the world right now is that it is an extraordinarily complex mixture both of strength and vulnerability.

We are strong, obviously, because no single nation remotely matches our military power and economic vitality.

We are strong, more importantly, because in almost all parts of the globe, other nations recognize that our leadership is essential to build and maintain a stable, peaceful and regional security environment.

We are vulnerable, similarly, in some profoundly important ways. We live in a truly global society in which our prosperity and our security are affected by events in every part of the world, however seemingly remote. Our security depends on cooperation from other nations, including long-standing allies, long-time neutrals, and especially former enemies, in coping with global challenges ranging from weapons proliferation, to terrorism, to narcotics and international crime, to rogue states that threaten international order, to environmental degradation.

We are vulnerable, paradoxically, because our leadership, which is our greatest strength, makes us a target for those who want to destroy regional order.

The need for engagement follows both from our strength and from our vulnerability.

We need to be engaged because only the United States can provide the leadership necessary to respond to global and regional challenges to stability and only the United States can foster the growth of regional security structures that will prevent future challenges from arising.

We need to be engaged because our continued presence gives other nations confidence in our power and in our reliability and makes us the ally of choice if and when conflicts arise.

We need to be engaged because only by actively shaping effective regional security systems can we create an environment in which nations that might otherwise challenge stability will instead perceive the community of interests with the United States and with our regional allies.

We need to be engaged because only by recognizing and responding to the security concerns of other nations can we expect them to support our security interests and concerns.

We need to be engaged because cooperation of other nations is essential to deter and defeat enemies who want to undermine global order.

Mr. Speaker, since the end of the Cold War, we have learned many things. We have learned that the end of the Cold War did not mark the end of history. The fundamentally ideological struggle between Soviet-style communism and Western-style capitalism may have been resolved but the battle for human freedom continues against a host of other challenges.

We have learned that we face quite different and much more varied threats than those we first imagined. In the wake of the Persian Gulf War, Iraq and Korea were regarded as the major, archetypal threats to regional and world security. Though they remain threats, the gravest danger they pose now appears to be through development of weapons of mass destruction, and a host of other, equally serious threats that have become apparent.

Sophisticated terrorists with global capabilities directly threaten the U.S. homeland. Bitter ethnic conflicts have led to horrible bloodshed and may yet threaten regional stability in strategically important parts of the world. India and Pakistan have stepped onto the threshold of a nuclear arms race. Just over two years ago, China was trying to intimidate Taiwan with a show of military strength. Ballistic missile proliferation has accelerated. Stable economies in the East have crashed. The Russian economy has collapsed.

In view of these largely unpredictable international developments, it is striking to me that debates we have had in the Congress about security issues in recent months do not seem to have evolved very much from the debates we had 4 or 5 years ago. We still seem to be mired in disputes over issues that we should have resolved long ago. Some traditional champions of a strong national defense still complain that the demands of engagement appear to divert attention away from our real national security interests. Engagement seems too multilateralist. It embroils us in regional conflicts that seem remote. It appears to put too much emphasis on peacekeeping or humanitarian missions that are costly and that are not obviously directly related to our vital security interests.

It appears to emphasize arms control measures that impose constraints on our own defenses, while being difficult to enforce on others. Engagement requires building constructive relationships with former enemies, when no one can quite be sure that we are thereby strengthening a future regional or even global competitor.

For others, who believe the world ought to be more peaceful and less militarized in the post-Cold War era, engagement has seemed to require too much U.S. military involvement in distant parts of the globe. It appears to justify military and other ties with regimes that are distasteful or worse. It seems to emphasize security matters at the expense of other interests, such as human rights, fair trade practices or environmental protection. It appears to some even to be a questionable rationale for continued high military spending in a world with no direct, obvious threats.

Some of these concerns are entirely legitimate, I believe; some less so. Certainly they reflect some aspects of engagement that are difficult for many to embrace. But those who see themselves as proponents of a strong national defense and as advocates of assertive American power, should, I think, reconsider their position in view of the compelling evidence that engagement is essential to our military security.

Similarly, those who see themselves as advocates of "soft power," of preventing conflicts from arising by promoting multilateral cooperation, should understand that military engagement abroad is essential to build and enforce a more peaceful, cooperative world in which our other interests and values can flourish.

Mr. Speaker, now that we are almost a decade into the post-Cold War era, we should try to draw some lessons from our experience. We should all try to review the events of recent years and reconsider our expectations about the nature of the world order, or disorder, it appears, that would arise. We should also then try to think through what we believe is needed to carry out our responsibilities as a nation.

The fact that we have been engaged in many smaller scale military operations in recent years should lead us to rethink our attitudes toward such missions. As I just noted, some proponents

of a strong defense have tended to regard certain missions at least as a diversion of resources away from our real national security needs. There has been, in some quarters, a tendency to denigrate peacekeeping or humanitarian missions, in particular, as somehow unworthy of our efforts. As one writer generally opposed to such operations put it a couple of years ago, superpowers do not do windows.

In this quite widely shared view, the overriding responsibility of U.S. military forces is to prepare for major conflicts, other, lesser demands to divert our efforts away from this task and should be avoided. One conclusion is that the United States should seek to establish a division of responsibility with the allies, in which they engage in smaller-scale stability operations, while the United States remains the bulwark of global defense against larger threats.

A variation on this theme is that the United States needs to focus much more on defense of the homeland in the face of new challenges to security.

Though there is something of value to these views, and there is, I also think that they have become increasingly untenable over the past few years. The valuable points are two. First, it is in fact the case that smaller-scale operations demand more resources than military planners had assumed. The answer is not to forswear such operations, which I don't believe we can do, but rather to acknowledge the resource demands and meet those requirements.

Second, it is important to be selective in making commitments and in using the military. Above all, we need to ensure a balance between the interests we have at stake and the commitments we are making.

The problem with this criticism of smaller-scale operations is that our security increasingly depends on maintaining stability in key regions of the globe. The United States cannot, for good or ill, leave to others the responsibility to enforce stability. For one thing, as Bosnia shows, even our major allies cannot act effectively without our leadership. Moreover, we have a direct interest in maintaining stability even in distant parts of the globe because major regional threats to our security are likely to grow out of smaller regional conflicts if we do not prevent them from getting out of control.

For that matter, if we expect to gain access to distant regions in the event of a major regional threat, then we have to be engaged with allies in the region in responding to lesser threats to their security.

□ 2200

We could not have expected Saudi Arabia and other Persian Gulf states to rely on the United States to respond to Iraq's aggression in 1990 if we had not maintained close security ties with those nations for many, many years.

Finally, in this era of global trade and communications, direct threats to the U.S. homeland will arise out of local conflicts that we might, in an earlier age, have dismissed as remote battles between exotic and unfamiliar peoples. Today, neither distance nor indifference can insulate us from such conflicts. Only our engagement in ream natural stability abroad can limit the threats we face.

For those who still believe that the United States should further reduce its military capabilities, who think that military threats in the post-Cold War era are less demanding than the two major theater wars that we originally prepared for, and who believe that nonmilitary instruments of influence should be emphasized. I agree with that part of it. We should devote more resources to the nonmilitary aspects of engagement abroad. For the rest, all I can say is where have you been for the last 5 years?

What we have discovered is that effective international engagement requires much more active and extensive U.S. military involvement abroad than many expected. In the wake of the Cold War, we decided to maintain a permanent military presence of about 100,000 troops both in Europe and in Asia.

These deployments, in retrospect, hardly appear excessive. On the contrary, our forces in Europe, if anything, have been badly overworked. They have been involved in countless joint exercises with old and new allies and with former enemies that have been critically important in building a new, cooperative security order in Europe.

They have been deployed repeatedly to hot spots throughout Europe and Africa. They have provided the bulk of U.S. forces in Bosnia, which has strained our resources in the region to the limit.

In Asia, our continued strong presence has proven critically important. We have continued to deter conflict in Korea. In the spring of 1996, U.S. naval forces responded forcefully to Chinese threats against Taiwan. China's response was not to escalate the confrontation, but soberly and realistically, to seek a more cooperative relationship with United States, entirely, because of our demonstrated strength and resolve.

Last year, the United States and Japan announced a new cooperative security agreement that reflects Japan's confidence that the U.S. commitment, and that will be a pillar of regional security in the future.

While we anticipated keeping these forces in Europe in Asia, engagement has required much more. It has also entailed a constant, rotational presence in the Persian Gulf, a commitment which we now should recognize is on par with the commitments we have maintained in Europe and the Far East. It has involved military intervention in Haiti, an ongoing peacekeeping operation in Bosnia, and literally dozens of smaller-scale military operations, ranging from the humanitarian mission in Rwanda, to several noncombatant situation missions, to our recent strikes against terrorists in Afghanistan and Sudan.

In Congress, we have debated these various commitments of military operations extensively. Some, perhaps most of us, have favored some activities and opposed others. But whatever position we take on particular instances of military involvement abroad, we should by now all be clear about one thing: as long as we are actively engaged abroad, the pace of military operations is likely to be much more demanding than any of us had imagined a few years ago.

This, in turn, should lead us to reconsider the military posture that we adopted in the wake of the Cold War. To its credit, the Defense Department began to do that last year in the Quadrennial Defense Review or QDR.

The QDR articulated a much broader statement of strategy than the earlier Bottom-Up Review of 1993 had been expressed, a vision that aptly reflected our subsequent experience in the post-Cold War era. The QDR had one failing, however. It did not adequately reassess projected resource requirements in view of the more demanding strategy that laid it out.

Now, it appears, the leadership of the Defense Department has reconsidered budget needs, and I am confident that the President and the Congress will give full consideration to the requirements that have been identified.

Mr. Speaker, the final point I want to make—and perhaps the most important thing we need to keep in mind—is that the U.S. policy of engagement, as practiced by Administrations of both parties since the end of the Cold War, has been a success. Yes, we have suffered some failures. No, we have not accomplished everything we might have hoped. Yes, we have made some mistakes. But failures, shortcomings, and mistakes are inevitable in international affairs—there has never been a government in history that has not run into such difficulties. The key tests are, first, whether we, as a country, have learned from our mistakes and, second, whether we remain resolved to persist despite the difficulties.

The successes of engagement are many, though we don't often focus on them. Cooperation with Russia and constructive engagement with China may or may not succeed in the long run in avoiding a return to global competition in the future. For the present, Russia is struggling through an economic and political crisis that, unfortunately, we can do little to mitigate and that might, in the fairly near future, lead to some dangerous developments. Even so, in the years since the collapse of the Soviet Union, our policy has helped to prevent the widespread proliferation of Soviet nuclear weapons and other arms to rogue nations and terrorists. Russia has also cooperated with us,

with some ups and downs, on regional security issues in Bosnia and the Persian Gulf. It is, in any case, far better to have Russia as a cooperative partner than the Soviet Union as a bitter enemy.

Engagement with China has had its ups and downs, the nadir coming with the confrontation over Taiwan in 1996. Since then, however, China has endeavored, as we have, to improve relations. Time will tell how cooperative china will be in the future in preventing weapons proliferation and in continuing to keep North Korea in check. Engagement with China on security matters clearly holds out the best hope of building a long-term relationship that emphasizes shared interests, even as we still assert our concerns about human rights, more open trade, and peaceful resolution of disputes.

We have not succeeded in halting the spread of weapons of mass destruction and other military technology—but it would be unrealistic to expect a halt to proliferation. We have slowed down proliferation, and we may be able to constrain it further in the future. Iraq is still in a position to pursue dangerous weapons technologies rapidly in the future unless allies join with us in enforcing U.N. resolutions vigorously. This is a battle we will likely have to fight for a long time. Iran is also making advances. Our sanctions on Iran have not, however, been wholly fruitless—the current government of Iran appears to be aware of the economic and other sacrifices the country has suffered because of the effectiveness of U.S.-sponsored sanctions. India and Pakistan have tested nuclear weapons—but both have felt under enough international pressure as a result of their policies that they are now talking, at least, about joining international non-proliferation agreements, including the Comprehensive Test Ban. So even though we may focus on breakdowns of multilateral constraints on technology transfers, the policy has still forced proliferators to pay a price.

Our efforts to build effective structures of regional security have made real progress, though much remains to be done. In Europe, NATO has enlarged to include new members, and across much of the continent, military forces are engaged in extensive military-to-military contacts that bolster mutual confidence and security. Instability in the Balkans remains threatening, but allies are working together to address it. In Asia, the U.S.-Japan security relationship has grown stronger, China appears increasingly interested in security cooperation rather than confrontation, and most of the smaller nations in the region, while shaken by economic crises, see the United States as the ally of choice. In Latin America, though several nations are under assault from narco-terrorism, democracy remains ascendant, and U.S. military-to-military contacts have played an overwhelmingly positive role. In Africa, the United States has supported the first small steps toward development of regional security structures, though tragic conflicts continue. The Middle East and the Persian Gulf remain dangerously unstable, and only our presence can deter conflict.

Engagement, in sum, is as centrally important to our security—and to the prospects for peace in the world—as containment was during the Cold War. Perhaps above all, the key issue is whether we will persist despite the fact that the struggle to maintain relative international peace will never be concluded. This is not a struggle we can see through to the end—it is, nonetheless, an effort that we as a nation must continue to make.

ISSUES FACING THE WEST

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes as the designee of the majority leader.

Mr. MCINNIS. Mr. Speaker, last week, I spoke about character and so on. Tonight's speech I think will be a little less exciting. I do not intend to address the issues that are going down at the White House. I do not intend to address some of the comments I heard earlier on HMOs, although I think certainly that would be fertile ground for debate.

What I am going to address is the West. For some of my colleagues today, it may be a little boring; but for those of my colleagues who look at the heritage of this country and understand the geography of this country and the people of this country, I think they will find some of the comments I am about to make of some interest.

I was inspired to do this speech in the last couple of weeks. About 2 or 3 weeks ago, I went to the club called the Knife and Fork in Grand Junction, Colorado, run by a fellow named Reeford Theibold. My wife Lori is on that board. What they do is there is a group of people in Grand Junction, Colorado; and once a month or once every 6 weeks, they have a speaker that comes in and speaks to the audience.

The speaker this time was a fellow named Dennis Weaver, a name that all of my colleagues know. Dennis Weaver, of course, is a movie star. We have all seen him on our TV. He has dedicated this portion of his life to different aspects of the environment. He lives in Ridgway, Colorado. I am going to tell my colleagues a little bit about the district that I represent, but Ridgway, Colorado is contained within that district.

The other person that I talked to was a fellow by the name of Phil Burgess. Most of my colleagues do not know who Mr. Burgess is, but I can tell them that he is kind of a think-tank kind of fellow. He is out in the West. He also has a place out here near the Chesapeake Bay.

I had an opportunity the other day to spend several hours with him, and we talked about the West and the country and how the West was settled and how it has evolved throughout this time and the evolvement that we now face in the future.

Mr. Burgess has a think-tank operation, I think it is the largest think-tank probably out of Washington, D.C. It is called the center, appropriately named, the Center for the New West. I thought I would go through a few of his ideas as we evolve or go through this speech.

The other thing that inspired me is I got up Saturday morning to run, got up about 6:30 or so, I guess, got ready to run at 7:00, and I turned on the TV, and there was James Arness. Remember James Arness, Gunsmoke, great guy. It is on every Saturday morning about 7 o'clock in the morning. Unfortunately, the show had started, and I did not get the name of the show, but I think it was How The West Was Won or something, but I turned it on Saturday morning. You watch that and you get a real feeling, a good feeling about what the West was like, the beautiful ranges and the mountains.

So with a combination of those three things, I thought it would be important to come down today, talk about a few issues that face the West.

We have things like transportation problems out there, obviously. I want to talk a little about the water issue we have out there. The West is very unique in its water issues. I will talk a little bit about multiple use of Federal lands.

But I thought I would begin first of all by describing the Third Congressional District. That is the district that I am privileged to represent back here in the United States Congress.

The Third Congressional District is one of the largest congressional districts in the United States. Most of my colleagues here today have been in the Third Congressional District of the State of Colorado. It is well known. Why? Here is the State of Colorado over here to my left. The Third District, roughly the eastern border goes north to south and like this. This is Denver, Colorado right here. So it goes about this size, goes all along the border with New Mexico, comes back up along the Utah border and the Wyoming border.

This district contains more ski areas than any other district in the country. This district is the highest in altitude of any other district in the country. So many of my colleagues have probably skied or certainly have heard of areas like Aspen, Colorado, Durango, Colorado, Steamboat, Glenwood Springs, Breckenridge, any number of these areas.

Many of my colleagues have hunted out in this country. We have the largest herds of elk in North America. Our ranges, we have 54 mountain peaks, 54 mountain peaks over 14,000 feet. Pikes Peak, just outside of the District, Pikes Peak out in this area, Pikes Peak goes just around this area.

This district has lots of Federal ownership. In fact, there are 22 million acres, 22 million acres contained just in that area that is owned by the Federal Government.

The Third Congressional District geographically is larger than the State of Florida. It has got a lot of other unique aspects about it. We have lots of wealth contained within that district. For example, Beaver Creek, Vale, Telluride, Aspen, Steamboat, Durango, lots of wealth, a lot of second homes.

But also in this district out in the southern end of the district where I have got the pointer down in this area, we have the poorest area of the State of Colorado down in San Luis and Costilla and Canal and some areas like that.

We also have huge agricultural interests, some of the largest, I think the largest potato warehouse in the world is in this part of the district. Up here, we have large orchards, and of course we have lots of cattle ranching in this area. Up in this area, we have sheep ranching.

As I mentioned earlier, recreation, hunting areas like that all are in that economy out there for the Third Congressional District.

Let me talk a little about one of the things that is unique to the western part of the country. Here in the eastern part of the country, when you deal with water, primarily your problem with water is how to get rid of it. You have too much water. You get floods and things like that.

Out in the West, it is an arid region. I saw with interest the other day the hurricane that came in on the Louisiana and Florida coast and the amount of rain it dropped there. It dropped more rain in those poor areas, poor meaning I feel sorry for the amount of rain that they got, but it dropped more rain in those areas than our State in Colorado and a lot of the Rocky Mountains get in an entire year.

We have very unique parts, geographical areas, in parts of this district. We have Wolf Creek Pass down in the southwestern part of the State that gets 540 or 580 inches of snow a year, and, yet, 20 miles away gets about 18 inches of snow. Dramatic comparisons.

By the way, the winter snows have moved in. Our first snow of the year, it actually snows year-round on the mountain tops, but the first fall snow that came into the valleys occurred over the weekend.

One of the crucial areas, as I mentioned to my colleagues, is water. There is kind of a saying out in the west. In fact, it was quoted this week in the Denver Post. The Denver Post is a newspaper out of Denver, Colorado, also the Rocky Mountain News out of there, both of them cover water on a regular basis. But some of the best readings I have seen out of newspaper coverage, frankly, the Daily Sentinel in Grand Junction, Colorado, a reporter named Heather McGregor did some extensive coverage of water.

But this last week, going back to the Denver Post article, there was a quote in there, and of course it is by the poet Tom Ferrell. And it says "Here is a land where life is written in water. It is said that, out here in the West, water runs thicker than blood."

Why? Well, because we are an arid region. In fact, when the explorers first went out to the West in the early days, they discovered a desert. In fact, we can look at the history books back then and some of the quotations in the reports by the explorers and what they wrote in their notes and their daily notes, they talked about the plains, about the lack of vegetation.

When we go into Colorado, we can see what we have been able to do with water, what we have been able to do with irrigation, what we have been able to do over the years, over the decades, over the century by being able to divert that water.

Let me give my colleagues a few statistics on water. This applies wherever you are in the country. I think these are kind of fun things to look at because most people do not realize just how critical water is to sustain the kind of life that we have.

A cow, for example, 12 gallons of water a day just for the milk producing Jersey cow. Up to 23 gallons of day for a holstein producing a large quantity of milk. An acre of corn gives off 4,000, 1 acre of corn, 4,000 gallons a day in evaporation. About 4,000 gallons of water are needed to grow every bushel of corn. Every bushel of corn requires 4,000 gallons. And 11,000 gallons to grow 1 bushel of wheat, and 135,000 gallons of water to grow 1 ton of alfalfa.

It takes about 1,000 gallons of water to grow the wheat to make a 2-pound loaf of bread and about 120 gallons of water to produce one egg. Can you imagine tomorrow morning when you have breakfast, one egg, throughout the whole system, to come to that one egg, it took about 120 gallons of water.

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About 1,400 gallons of water used to produce a meal of a quarter pound hamburger, an order of fries and a soft drink. So the quarter pounder, your fries and a soft drink, 1,400 gallons of water from the inception to your dinner plate of that food. Mr. Speaker, 48,000 gallons of water are needed to produce the typical American Thanksgiving dinner; 48,000 gallons of water. About 1,800 gallons of water to produce cotton in a pair of jeans and 400 gallons of water to produce the cotton that we use in a shirt.

Where do we get all of this water? Where does it come from? Water has a very unique characteristic. It is one of the natural resources we have that can be used and used and used again. It recycles and it recycles.

For example, where I live in Colorado, I live at the base of the mountains, the water at the top of the mountains where we have the water from the snowfall and the spring runoff, up in this area of the State of Colorado, a gallon of water there really means about 6 gallons of water by the time it comes down here to the border, because that water is reused and reused and reused. It is a very valuable resource.

Well, in Colorado, we do not have, as I mentioned earlier, mentioned several times, in fact, we do not have heavy rainfall. We are very dependent upon the snows that we get in the winter. As I mentioned, we just had our first snow in the valleys this weekend. As that snow accumulates during the winter, we have to have the capability to store that water once the snowmelt comes down the hillsides. That period of time, called the spring runoff, lasts for about 60 to 90 days. We do not have much rain in the summer, so we need to be able to store during that 60 to 90-day period of time in order for us to get through the rest of the year. That is why storage is so critical in the west. Because again, we are in the arid area.

Now, Colorado is called the Mother of States for rivers. If we take a look at the Colorado River, which services about 18 States and the country of Mexico and we compare it to the Mississippi; I remember the first time I ever saw the Mississippi, I thought I was standing on the edge of an ocean when I was a small person. We have big, big rivers back here in the east. But the Colorado River, while probably in most parts of the Colorado River, one could not put a barge in that river, the kind of barge that one runs in the Mississippi River. So it is small by these standards, but it is huge, it is huge for the needs that it serves out there, I think probably 25 to 50 million people, maybe more, out there in the west out of the Colorado River.

Well, there are a number of rivers, because of the height, remember that I said that the district was the highest district in the country, because of the snowmelt we have, the heavy snows and then subsequently the snowmelt, and the runoff from that, Colorado is the mother of a number major rivers, major by standards of who they serve and the areas where they go into where it is the only source of water. It is also, as we have all heard, we have heard of Lake Powell and Lake Mead. In fact, in this last year, the National Sierra Club named us their number one priority to drain Powell. It is ludicrous. That kind of statement, by the way, shows a lack of knowledge of geographical, scientific, and historical needs of the west.

But going back to the water issue, Colorado is also the only State in the Union where we have no water that comes into our State for our use. We have no free running water that comes in through our borders that we can utilize within the State. In fact, the green barely comes in right here and goes

right back out. Other than that, we have no other water on any of those borders. Our water flows out of the State of Colorado.

That is why the water law in Colorado and the water law in general in the west is different than the water law in the east. That is why the Congress and the American Federal Government early on realized that water should not be controlled at the Federal level, that water should be controlled at the State level. Out in Colorado, for example, my colleagues will remember I mentioned that we serve several States and the country of Mexico, that is all agreed to, or the agreements are through what we call compacts.

For example, the Colorado River compact that involves the Upper Basin States and the Lower Basin States, and it divides the quantity of water. For example, under the Colorado River Compact, Colorado puts about 70 percent of the water into the Colorado River, and we take out about 25 percent of the 70 percent, so as my colleagues can see, we put a lot more water into that river than we take out of it. That came about through the evolution of river water compacts, and that is more or less how we resolve our waters differences, our water needs between the States.

Now, another interesting thing about water, as my colleagues know, water is not always necessarily where the population is. We see it in the west. Colorado has large quantities of water, but be have very, very dry States like the State of Nevada, the State of Arizona. The State of California is not necessarily dry, but it has huge populations. So there is an effort always to move water to population.

In the early days we did that without any concern to the environment. Around the turn of the century, we just assumed; first of all, we did not have the scientific knowledge, our forefathers did not have the scientific knowledge to really know with the movement of water what kind of impacts it would create and what kind of mitigation was necessary for these impacts. We did not have that kind of knowledge. So water moved freely, much more freely than it does today.

But even within our own bounds of Colorado, again using my pointer here, 80 percent of the water in Colorado is located in this area of the State. Mr. Speaker, 80 percent of the population is located in this part of the State. So even within the borders of the State of Colorado, we have very significant differences in where the water should be utilized. Down here in the valley we have large aquifers. Up here it is the spring runoff and the water storage. The purist water is up here in this district. We know the water is obviously the purist at the top of the mountain. By the time the water comes down the mountain and goes through the farm fields and municipal use and so forth, it picks up salinity and solution, and it is not as pure. That is why we are concerned when people say they want to divert water from this area of the map into the large cities. They are diverting one gallon of pure water in this direction, and remember that that gallon interprets it, by the time it gets down here to the border, it converts to 6 gallons of water because we use it and use it and use it. However, it is not as pure down here as it was up at the top of the mountain. So water over a period of time was a critical part of the evolution of the west.

Another key issue in the west that is very important are the Federal lands. Obviously, here we have a map of the United States. The map is titled, Government Lands. One can see that in the eastern part of the country, say from the Midwest, really, here is Kansas and go up into the Dakotas, Texas and over here, we do not really have a lot of government owned land. Most of the land here in the east is privately owned, and as we know, private landownership is a basic and fundamental foundation for our country.

Here in the west we have huge amounts of land, and take a look at Alaska. I think Alaska, I am not exactly sure of this number, but I think Alaska is 99 percent or 98 percent owned by the government. Out here in my district, for example, as I mentioned earlier, that is my district in Colorado, the district that I serve, there is 22 million acres of Federal land.

Well, what happened is in the early days of the settlement of this country, they said, as Horace Greeley says, and I have some great thoughts from Horace Greeley. He said, "Go west, young man, and grow up with the country." The best business Horace Greeley said you can go into, you will find on your father's farm or in his workshop. "If you have no family or friends to aid you and no prospect open to you there, turn your face to the great west and there build up a home and a fortune."

Well, in the early days when they were trying to settle the country and actually occupy all of the different areas that we had, they did what they call homesteading or land grants. They would go out there, and one would go into Missouri or Kansas, terrific States, very rich in their soil, and with 160 acres or 320 acres or 640 acres, that is enough to sustain a family off a farming operation. But what Washington, D.C. determined and the Congress determined way back when was that when one got into the mountains, it was a little different.

First of all, one had adjustments for the altitude. Then one had to deal with adjustments of the winter; very, very tough winters, very short growing seasons. Very difficult in Missouri or Kansas where I am sure that one can have several cows per acre. In the mountains, it is just the reverse. You have to have a lot of acres for one cow. And our forefathers were wise enough to say that we need agriculture, we need ranching. It is fundamentally important to put that into those mountains, to sustain the people that we want to go throughout this country, the citizens of this country.

But it appeared impractical at the time, and I think it was probably a wise decision, but it appeared impractical at the time to go to a family and say, if you go out and homestead in the Rocky Mountains, we will give you 160 acres, because one cannot live off 160 acres from an agricultural point of view back in those times. So they could not just give it away through a land grant. Instead, what they decided to do was to adopt the concept of what is called multiple use.

Now, multiple use does not mean a lot to us here in the east, but in the west it is a way of life. What does multiple use mean? Just what it says. On the Federal lands, these lands, as designated and as determined by the Congress and by the people of this country, these lands owned by the Federal Government, one would not go into private ownership, but while not in private ownership, would be intended for many, many uses. In fact, when I grew up, the sign on all of the Federal lands as one entered the Federal lands, for example, the White River National Forest in Glenwood Springs, Colorado, when one enters into that area, it says, "welcome to the land of many uses."

Now, as of late, many of us feel under an assault in the mountains and out in the west as if people want to come out to the government lands and take the "land of many uses" sign off and put up a sign that says, "no trespassing." But multiple use out there, and I will give several examples of multiple use. When we stop some people and we ask them what is multiple use, many uses of the Federal lands mean, and we will hear, frankly because of the propaganda put out by some of the national, more radical environmental groups, we will hear, well, it just means ranching and those ranchers are abusing the country, and I dare have anyone put one of those people in front of me, because I would love to have a debate with them, because the love of that country is by the people who have worked it with their bear hands.

My family, for example, my inlaws have the same ranch in the family since 1892, 1892 for that multiple use. But ranching is not the only aspect. The ski areas which many of us have enjoyed throughout our years, the ski areas are not the only use, it is another use. Mining and farming, those are uses, yes, although as we will see from Mr. Burgess's remarks, our economy has changed, it has become much less dependent on mining and so on, but

there are many other uses that we have to have off these Federal lands to sustain our lifestyle, to sustain life. Maybe I went too broad to say lifestyle.

For example, all of our highways, all of our highways that cross or traverse the third congressional district in Colorado are on government lands or go across government lands at some point. All of our water is either stored upon, runs across, or originates on Federal lands. Our radio towers, our power lines. I mean we can take a look at many aspects of our life and it is very, very dependent on that concept of multiple use.

By the way, I am speaking more specifically this evening about Colorado, but we can hear with some eloquence from the chairman of the Committee on Natural Resources, the gentleman from Alaska (Mr. YOUNG), he can tell us about the multiple use and the importance of it for all of their interests up here in Alaska, or we can hear from the gentleman from Nevada, or the gentleman from Utah (Mr. HANSEN) with the parks and so on and so forth.

Other multiple uses that we think are just very, very important for these mountains are the uses that we enjoy in our national monuments and in our national parks. If I could think of one thing that our generation enjoys as a whole generation besides food and besides some of the other vital elements, it is the relaxation of the Federal parks and the monuments and the things that the west offers to all of us.

Well, that is kind of the west as we know it. Now, in the west we have seen a fairly dramatic change. First of all, mining. Mining in this country for a multiple of reasons has gone downhill. We do not see near the mines that we used to see. Let me tell my colleagues, mining is a very easy item of the economy to attack.

□ 2230

Frankly, in the late 1800s and the 1900s, and the 19th and 20th century when mining was done, they did not pay a lot of attention or have the scientific knowledge to protect the environment, to mitigate the impact that the mining was creating on the environment, so it got a very black eye. But everything in this room, this desk, the wood, that came through logging. The metal on these chairs came through mining of one purpose or another. It is very important. It is a basic industry for this country's economy.

But in the West we have seen a depletion of the mining. Some of it has to do with the economy and some with land use regulations. But it has brought about, regardless of what has caused that, we have seen a diversification in our economy out there in the West. And that diversification is being driven primarily I think by recreation.

But because we have recreation coming in, one does not have to spend very long in my district, the district that I represent there in Colorado, one does not have to spend a lot of time there to say this would be a great place for a family vacation. It is absolutely beautiful. We have four distinct seasons and I could go on and on. Some would think I work for the Chamber of Commerce out there promoting this area. But it is a unique area and it does have a lot to offer.

But there are other things that are important to consider. One of them is that this area will only be an area that people want to explore and come out to, or an area of the kind of values that it should represent, if we protect the heritage that it came from. What some people refer to as the Old West.

Many have been down to Durango, Colorado, and ridden on the narrow-gauge train. The Durango-Silverton narrow-gauge steam train. I suggest folks try it. It brings back a lot of good feelings about the West. These kind of things should be allowed to be preserved into our future, so that we have a clear understanding of our past.

Phil Burgess talks about the New West, and I thought I would go through a couple of things, four forces that he says shape America and create a new West. He says first of all, migration. The West is the Nation's most rapidly growing region. Which is also greatly increasing its political power in America's democracy.

Urbanization. This is hard to believe, but contrary to popular belief, the West is the Nation's most urbanized region as a higher percentage of westerners live in urban areas. How does that happen? Out here we have vast amounts of land, but most of the people live in the cities. In Colorado, we have four or five major cities. By our definition in Colorado, Denver would be considered a major city. But we have many other cities that we call cities.

Take a look at Alaska. Huge, millions and millions and millions, they probably have 600 million acres of land. 600 million acres of land would be my guess up here in Alaska. They have Anchorage, we could go through and see all the different, probably name on both hands the communities of 20- or 30- or 40,000 population. We could see where the urbanization statement comes in.

The other area, the other force, the third thing as far as shaping America and creating a New West, that is called diversification. The economics based on commodities are increasingly diversified as manufacturing, business service, high-tech, and other sectors grow.

Globalization. The West is a major beneficiary and provides the strongest political support to the Nation's growing trade with overseas markets. And that is going to be put to a test with the worldwide economy that we are facing today. Keep an eye on that economy. If we do not, we are being ignorant of what could be a real challenge to us within the very short future, and that is the worldwide economy; what is happening with trade throughout the world and with the American dollar, not just as it affects the American West but as it affects all of America.

Finally, we have what we call corporate refugees. A word that Phil creates: Gentrification. Corporate refugees and urban refugees and others seeking a new life in the Nation's mild and wild. And he quotes that from Rand-McNally, who called it "mild and wild" areas, and are moving in droves to smaller cities and towns in the rural areas that dot the West's urban areas.

We have seen a lot of migration in the West because we have been able to bring in fax lines. We have enhanced our ability to communicate. Now one can live in the Rocky Mountains and communicate with an office in New York City and be in instant contact with the stock market or other areas of business while enjoying the life of the West. That has brought a lot of that migration.

He says in his notes, and I think Phil's points are well taken, that take a look at what is happening in the West. Utah, for example, the 2002 Olympics. And if you have not made your reservations, you ought to make your reservations and go see that beautiful State.

Nevada, America's fastest growing State. The fastest growing county in the United States is Douglas County, a portion of which is in the 3rd Congressional District in Colorado. Colorado has become the home, and it was interesting to see how many people are from Colorado in the Forbes 400 list which I read just last week. Corporations like Qwest; TCI; John Malone, people like that; the Magnus family; Jones Intercable; Daniels Communications, Bill Daniels; these are all pioneers for industry. Echostar, Microsoft, there are a number of others that have come to Colorado. The West is changing.

It is not all cowboys. It is not all ranches or mining anymore. But as this West changes, as we begin to evolve into that, we have to preserve what made our State great and what made Colorado great were our cattle and our mining and the boom and bust. The Unsinkable Molly Brown. Leadville, Colorado. The Ice Castle built down there. We could go on and on and on.

Mr. Speaker, if we lose sight of our very basics which made the State of Colorado and the West what the West is and the West that we dreamed about, if we lose sight of that, then we will in the future dilute a very important part of our history for future generations. It is not right.

We need to make a very focused effort as we move into the New West, as we move into what Mr. Burgess talks about here, we have got to make a very

conscientious effort to educate our young people about the needs. Why water? Why we have to store water. If we listen to some of the national radical, in my opinion, environmental groups, we should never store water. Tear down the dams. They have only the most remote understanding of water in Colorado and water in the West.

We will hear people say, well, we should lock off all of these areas and put them in wilderness. What does that mean? It is a very nice buzz word. Let us talk about wilderness. It is important enough as we evolve into the New West that we talk about what wilderness really means.

On our Federal lands that is owned by all of us and, frankly, every one of us has a fiduciary duty to manage those Federal lands and that fiduciary duty especially falls on us elected to represent the people to manage these lands owned by the Federal Government, whether up here in the East or over here in the West or in Alaska.

Congress through the years and through the century has provided a number of different management tools to manage lands owned by the government. Owned by us. Those management tools, for example, we have a particular tool on how we manage Yellowstone Park. We have a particular tool on how we manage Colorado National Monument in Grand Junction, Colorado. We have a particular management tool on how we manage the Sand Dunes down in Alamosa, Colorado. We have a particular management tool on how we manage the Mall outside the fine Capitol here. A management process for how we manage this building itself.

It is all property, and we have a huge amount of management tools available to us. But because of changing times and changing uses, because of changing needs and geographical changes, and because of disasters like forest fires and floods and things like that, we have to have flexibility in the management tools that we use for the Federal lands or for the Federal property or the government property.

We have one tool out there that has almost zero flexibility and it is the only tool out there that for all practical and political purposes, once an area receives this designation, it will never again leave that designation. That designation is called wilderness.

Now, I am a proponent of the right area in the right time being put into wilderness areas. In fact, I am sponsoring with a Democrat, the gentleman from Colorado (Mr. SKAGGS) who ably represents the community of Boulder, Colorado, a wilderness bill. But the area which we are putting into wilderness called the Spanish Peaks is an area that fits that description.

We have to be very cautious about using that designation of wilderness, because it locks us in forever under that particular use. And in essence what wilderness means is that man can only be a visitor. Man cannot stay in that area. Man can come in, but he must go. And it restricts how he can come in.

In a lot of wilderness areas, we may not enter by motorized vehicle, which means that a lot of our senior citizens will never be able to enter those areas. It has severe restrictions on walking. When I grew up, we cut across the neighbor's lawn and hiked up the mountain. A lot of that freedom is taken away. In certain areas, we need to restrict that kind of freedom because the resource is so fragile. The resource is so precious that this is the only management tool that really makes sense.

Now, we have a lot of other resources out there, Federal resources, Federal properties where it is also very important, very valuable Federal property. Very fragile in its own way, but it can be managed as a national monument or maybe as a national park or maybe in an area run by the BLM for grazing or maybe in an area for flood control or maybe in an area for water storage. Water storage, by the way, is not just for water usage. Water storage also helps us on flood control, much as we have here in the East.

So, when we talk about the different multiple uses and the wilderness tool, it is a concept that we have to keep in mind as we talk about the Old West.

As we talk about when we come into the New West, one of the things that Mr. Burgess talked to me about that I thought was fascinating was the politics that is now coming out of the West. Let me go through a couple of things here that he says.

Growth, he says, will lead to expanded political influence. The West is become the next political power. The same way the South rose in political prominence from a political point of view. The President, the Vice President, the Majority Leader in the Senate and the Speaker of the House are all southern, an indication of the rise of the South politically in the last several years.

The trend, however, is shifting to the West as witnessed by the chairman of the Republican National Committee, Jim Nicholson and the chairman of the Democratic National Committee, Roy Romer, both from the State of Colorado.

The next census in the year 2000 should result in several House seats being shifted from other places in the country to the West.

In the 1900 presidential election, the West accounted for 8 percent of all electoral votes. In 1900, during the presidential election, we had 8 percent of the electoral votes come out of the West. In 1952, 52 years later, it about doubled to 15 percent. Fifteen percent of those electoral votes. In 1996, in a much shorter period of time, the West rose to 22 percent of all electoral votes. Take a look at the California primary. An example of just how important the West has become.

There are other areas that we have to consider when we talk about the New West and moving into these areas. Again, it is a special area to live. And if you have not been out to the West, and I did not know how beautiful the East was until I had an opportunity to come out here and go up north and see the mighty rivers that they have up here and go to Gettysburg and see the rolling hillsides and down to Lynchburg, Virginia, or Smith Mountain Lake. There is a lot of beauty.

But for those out here who have not been to the West, come out and see how special it is. Come out and begin to understand our concern for multiple use. You will understand why we are so guarded about our water. As I said, water runs thicker than blood out in the West. You will begin to understand why things like transportation have become a real challenge for us.

One do not have to have skied very long in Colorado to know that I-70 is a major transportation problem for us. That is east to west. North to south on the I-25 corridor, another big problem for us. Or Aspen, Colorado, from Glenwood Springs, Colorado, on Highway 82, a big problem. Or Grand Junction to Delta on Highway 50. Big problem. Or go from Ouray, Colorado, to Durango on Highway 50 where the side of the road continually falls off four football fields straight down because of the challenge of maintaining at that altitude those kinds of roads.

These are all kinds of things that we need to educate our friends and family in the East about the challenges that we have in the New West. But the most fundamental thing we can do, the most fundamental thing that all of us can do is that as it has the evolution in politics, as it has evolution in urbanization, as it has evolution from migration, is not to forget the days reflected by James Arness in those movies of "How the West Was Won." Not to forget the commitments that we have made to the people in the West, like the Native Americans.

□ 2245

Down here, in this part of the district, I am very proud to tell my colleagues that we have the Mountain Utes and the Southern Utes. That is exactly the area where this Congress, and many Congresses before us, and many presidents before this President, after we took the water from the Native Americans, we promised to give it back to them. We promised to build them water storage. And we have told them, trust us, we will deliver.

And we have continued, year after year after year, as the new west begins to come in, as some of the more radical

environmental groups begin to have more and more influence in this area of the country, we, on a consistent basis, break our commitments to the Native Americans in building their water projects down there.

This is hard to conceptualize. None of us in this room have to do this. I would venture to say not one of us, not one of my colleagues in the United States Congress, in fact, I doubt very many people we would run into still have to carry their water to their house.

Do my colleagues know of the lands and the waters we took away from the Native Americans? Then we gave them the land and water back. Then we discovered there was gold, so we took some of the land back. Then we discovered how valuable the water was, so we took the water. Even though we did not take the water by treaty, we use the water.

There are Native Americans down there on those reservations that still have to haul water to their houses because we have not carried through on our commitment on projects. The Animas-LaPlata specifically. This speech tonight is not about the Animas-LaPlata, but it is a reflection of some of the conflicts the new west brings when we begin to evolve the old west. The west that Horace Greeley spoke about: "Go west, young man. Go west."

In conclusion this evening, I want to say to my colleagues that I realize this speech does not excite, like talking about some of the problems down the street; or we could talk about the budget or the appropriations process; or we could talk about the attack on Sudan. I would love to debate with my colleague on the HMO and some of those other issues that are pretty important. But when all of those issues, when all of those clouds clear out and the sun comes up, we can still see the fundamental issue of how the west, that key special part of this country, why it needs attention; and why speeches like this, even though they may be somewhat boring, it cannot get much more boring than to talk about water, unless of course it does not come out of the faucet when we need it, but why comments and attention needs to be paid to the west.

The west needs special attention because it is a very unique part of our country. It is a part of our country that will become even more unique in its political power, in its urbanization, in its migration and, in its special way, when my colleagues and their families have an opportunity to go out and enjoy the west.

CONFERENCE REPORT ON H.R. 3694

Mr. GOSS submitted the following conference report and statement on the bill (H.R. 3694), to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–780)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3694), to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 1999".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follow:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified schedule of authorizations.
Sec. 103. Personnel ceiling adjustments.
Sec. 104. Community Management Account.
Sec. 105. Authorization of emergency supplemental appropriations for fiscal year 1998.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.
Sec. 303. One-year extension of application of sanctions laws to intelligence activities.
Sec. 304. Sense of Congress on intelligence community contracting.
Sec. 305. Modification of national security education program.
Sec. 306. Requirement to direct competitive analysis of analytical products having National importance.
Sec. 307. Annual reports to Congress.
Sec. 308. Quadrennial intelligence review.
Sec. 309. Designation of headquarters compound of Central Intelligence Agency as the George Bush Center for Intelligence.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Enhanced protective authority for CIA personnel and family members.
Sec. 402. Authority for retroactive payment of specified special pay allowance.
Sec. 403. Technical amendments.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Sec. 501. Extension of authority to engage in commercial activities as security for intelligence collection activities.

TITLE VI—FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

Sec. 601. Pen registers and trap and trace devices in foreign intelligence and international terrorism investigations.
Sec. 602. Access to certain business records for foreign intelligence and international terrorism investigations.
Sec. 603. Conforming and clerical amendments.
Sec. 604. Wire and electronic communications interception requirements.
Sec. 605. Authority of Attorney General to accept voluntary services.

TITLE VII—WHISTLEBLOWER PROTECTION FOR INTELLIGENCE COMMUNITY EMPLOYEES REPORTING URGENT CONCERNS TO CONGRESS

Sec. 701. Short title; findings.
Sec. 702. Protection of intelligence community employees who report urgent concerns to congress.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1999 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.
(9) The Federal Bureau of Investigation.
(10) The National Reconnaissance Office.
(11) The National Imagery and Mapping Agency.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1999, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill H.R. 3694 of the 105th Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the Executive Branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 1999 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee

on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate upon an exercise of the authority granted by this section.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Community Management Account of the Director of Central Intelligence for fiscal year 1999 the sum of $129,123,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee and the Advanced Technology Group shall remain available until September 30, 2000.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Community Management Account of the Director of Central Intelligence are authorized 283 full-time personnel as of September 30, 1999. Personnel serving in such elements may be permanent employees of the Community Management Staff or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there is also authorized to be appropriated for the Community Management Account for fiscal year 1999 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts shall remain available until September 30, 2000.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 1999, there is authorized such additional personnel for such elements as of that date as is specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 1999, any officer or employee of the United States or member of the Armed Forces who is detailed to the staff of an element within the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount appropriated pursuant to the authorization in subsection (a), the amount of $27,000,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and evaluation purposes shall remain available until September 30, 2000, and funds provided for procurement purposes shall remain available until September 30, 2001.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General of the United States funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403-3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

(f) TRANSFER AUTHORITY FOR FUNDS FOR SECURITY REQUIREMENTS AT OVERSEAS LOCATIONS.—

(1) IN GENERAL.—Of the amount appropriated pursuant to the authorization in subsection (a), the Director of Central Intelligence may transfer funds to departments or other agencies for the sole purpose of supporting certain intelligence community security requirements at overseas locations, as specified by the Director.

(2) LIMITATION.—Amounts made available for departments or agencies under paragraph (1) shall be—

(A) transferred to the specific appropriation;

(B) allocated to the specific account in the specific amount, as determined by the Director;

(C) merged with funds in such account that are available for architectural and engineering support expenses at overseas locations; and

(D) available only for the same purposes, and subject to the same terms and conditions, as the funds described in subparagraph (C).

SEC. 105. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1998.

(a) AUTHORIZATION.—Amounts authorized to be appropriated for fiscal year 1998 under section 101 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105-107) for the conduct of the intelligence activities of elements of the United States Government listed in such section are hereby increased, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased by the following:

(1) An emergency supplemental appropriation in title I of the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105-174).

(2) An emergency supplemental appropriation in a supplemental appropriations Act for fiscal year 1998 that is enacted after September 28, 1998, for such amounts as are designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

(b) RATIFICATION.—For purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414), any obligation or expenditure of those amounts deemed to have been specifically authorized by Congress in the Act referred to in subsection (a)(1) and in the supplemental appropriations Act referred to in subsection (a)(2) is hereby ratified and confirmed.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1999 the sum of $201,500,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. ONE-YEAR EXTENSION OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is amended by striking out "January 6, 1999" and inserting in lieu thereof "January 6, 2000".

SEC. 304. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible with the national security interests of the United States and consistent with operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should competitively award contracts in a manner that maximizes the procurement of products properly designated as having been made in the United States.

SEC. 305. MODIFICATION OF NATIONAL SECURITY EDUCATION PROGRAM.

(a) ASSISTANCE FOR COUNTERPROLIFERATION STUDIES.—The David L. Boren National Security Education Act of 1991 (50 U.S.C. 1901 et seq.) is amended as follows:

(1) Section 801 (50 U.S.C. 1901) is amended by inserting "counterproliferation studies," after "area studies," in subsections (b)(7) and (c)(2).

(2) Section 802 (50 U.S.C. 1902) is amended—

(A) in subsection (a), by inserting "counterproliferation studies," after "area studies," in paragraphs (1)(B)(i), (1)(C), and (4); and

(B) in subsection (b)(2), by inserting "counterproliferation study," after "area study," in subparagraphs (A)(ii) and (B)(ii).

(3) Section 803 (50 U.S.C. 1903) is amended by striking out "and area" in subsections (b)(8) and (d)(4) and inserting in lieu thereof "area, and counterproliferation".

(4) Section 806(b)(1) (50 U.S.C. 1906(b)(1)) is amended by striking out "and area" and inserting in lieu thereof "area, and counterproliferation".

(b) REVISION OF MEMBERSHIP OF NATIONAL SECURITY EDUCATION BOARD.—Section 803(b)(6) of such Act (50 U.S.C. 1903(b)(6)) is amended to read as follows:

"(6) The Secretary of Energy.".

SEC. 306. REQUIREMENT TO DIRECT COMPETITIVE ANALYSIS OF ANALYTICAL PRODUCTS HAVING NATIONAL IMPORTANCE.

Section 102(g)(2) of the National Security Act of 1947 (50 U.S.C. 403(g)(2)) is amended—

(1) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(2) by inserting after subparagraph (C) the following new subparagraph (D):

"(D) direct competitive analysis of analytical products having National importance;".

SEC. 307. ANNUAL REPORTS TO CONGRESS.

(a) ADDITIONAL ANNUAL REPORTS FROM THE DIRECTOR OF CENTRAL INTELLIGENCE.—Title I of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

"ADDITIONAL ANNUAL REPORTS FROM THE DIRECTOR OF CENTRAL INTELLIGENCE

"SEC. 114. (a) REPORT ON INTELLIGENCE COMMUNITY COOPERATION WITH FEDERAL LAW ENFORCEMENT AGENCIES.—(1) Not later than December 31 of each year, the Director of Central Intelligence shall submit to the congressional intelligence committees and the congressional leadership a report describing the nature and extent of cooperation and assistance provided by the intelligence community to Federal law enforcement agencies with respect to efforts to stop the illegal importation into the United States of controlled substances (as that term is defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)) that are included in schedule I or II under part B of such Act.

"(2) Each such report shall include a discussion of the following:

"(A) Illegal importation of such controlled substances through transit zones such as the

Caribbean Sea and across the southwest and northern borders of the United States.

"(B) Methodologies used for such illegal importation.

"(C) Additional routes used for such illegal importation.

"(D) Quantities of such controlled substances transported through each route.

"(3) Each such report may be prepared in classified form, unclassified form, or unclassified form with a classified annex.

"(b) ANNUAL REPORT ON THE SAFETY AND SECURITY OF RUSSIAN NUCLEAR FACILITIES AND NUCLEAR MILITARY FORCES.—(1) The Director of Central Intelligence shall, on an annual basis, submit to the congressional intelligence committees and the congressional leadership an intelligence report assessing the safety and security of the nuclear facilities and nuclear military forces in Russia.

"(2) Each such report shall include a discussion of the following:

"(A) The ability of the Government of Russia to maintain its nuclear military forces.

"(B) The security arrangements at civilian and military nuclear facilities in Russia.

"(C) The reliability of controls and safety systems at civilian nuclear facilities in Russia.

"(D) The reliability of command and control systems and procedures of the nuclear military forces in Russia.

"(3) Each such report shall be submitted in unclassified form, but may contain a classified annex.

"(c) DEFINITIONS.—In this section:

"(1) The term 'congressional intelligence committees' means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

"(2) The term 'congressional leadership' means the Speaker and the minority leader of the House of Representatives and the majority leader and the minority leader of the Senate.".

(b) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 113 the following new item:

"Sec. 114. Additional annual reports from the Director of Central Intelligence.".

(c) DATE FOR FIRST REPORT ON COOPERATION WITH CIVILIAN LAW ENFORCEMENT AGENCIES.—The first report under section 114(a) of the National Security Act of 1947, as added by subsection (a), shall be submitted not later than December 31, 1999.

SEC. 308. QUADRENNIAL INTELLIGENCE REVIEW.

(a) SENSE OF CONGRESS.—It is the sense of Congress—

(1) that the Director of Central Intelligence and the Secretary of Defense should jointly complete, in 1999 and every four years thereafter, a comprehensive review of United States intelligence programs and activities, with each such review—

(A) to include assessments of intelligence policy, resources, manpower, organization, and related matters; and

(B) to encompass the programs and activities funded under the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP), and the Tactical Intelligence and Related Activities (TIARA) accounts;

(2) that the results of each review should be shared with the appropriate committees of Congress and the congressional leadership; and

(3) that the Director, in conjunction with the Secretary, should establish a nonpartisan, independent panel (with members chosen in consultation with the appropriate committees of Congress and the congressional leadership from individuals in the private sector) in order to—

(A) assess each review under paragraph (1);

(B) conduct an assessment of alternative intelligence structures to meet the anticipated intelligence requirements for the national security and foreign policy of the United States through the year 2010; and

(C) make recommendations to the Director and the Secretary regarding the optimal intelligence structure for the United States in light of the assessment under subparagraph (B).

(b) REPORT.—(1) Not later than December 1, 1998, the Director of Central Intelligence and the Secretary of Defense shall jointly submit to the committees specified in paragraph (2) the views of the Director and the Secretary regarding—

(A) the potential value of conducting quadrennial intelligence reviews as described in subsection (a)(1); and

(B) the potential value of assessments of such reviews as described in subsection (a)(3)(A).

(2) The committees referred to in paragraph (1) are the following:

(A) The Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the Senate.

(B) The Permanent Select Committee on Intelligence, the Committee on National Security, and the Committee on Appropriations of the House of Representatives.

SEC. 309. DESIGNATION OF HEADQUARTERS COMPOUND OF CENTRAL INTELLIGENCE AGENCY AS THE GEORGE BUSH CENTER FOR INTELLIGENCE.

(a) DESIGNATION.—The headquarters compound of the Central Intelligence Agency located in Langley, Virginia, shall be known and designated as the "George Bush Center for Intelligence".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the headquarters compound referred to in subsection (a) shall be deemed to be a reference to the "George Bush Center for Intelligence".

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. ENHANCED PROTECTIVE AUTHORITY FOR CIA PERSONNEL AND FAMILY MEMBERS.

Section 5(a)(4) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f(a)(4)) is amended by striking out "and the protection of Agency personnel and of defectors, their families," and inserting in lieu thereof "and the protection of current and former Agency personnel and their immediate families, defectors and their immediate families,".

SEC. 402. AUTHORITY FOR RETROACTIVE PAYMENT OF SPECIFIED SPECIAL PAY ALLOWANCE.

(a) AUTHORIZATION.—The Director of Central Intelligence may make payments with respect to the period beginning on January 30, 1998, and ending on April 7, 1998, of the special pay allowance described in the Central Intelligence Agency notice dated April 7, 1998 (notwithstanding the otherwise applicable effective date for such payments of April 7, 1998).

(b) FUNDS AVAILABLE.—Payments authorized by subsection (a) may be made from amounts appropriated for the Central Intelligence Agency for fiscal year 1998 or for fiscal year 1999.

SEC. 403. TECHNICAL AMENDMENTS.

(a) CENTRAL INTELLIGENCE AGENCY ACT OF 1949.—The Central Intelligence Agency Act of 1949 is amended as follows:

(1) Section 5(a)(1) (50 U.S.C. 403f(a)(1)) is amended—

(A) by striking out "subparagraphs (B) and (C) of section 102(a)(2)" and inserting in lieu thereof "paragraphs (2) and (3) of section 102(a)";

(B) by striking out "(c)(5)" and inserting in lieu thereof "(c)(6)";

(C) by inserting "(3)," after "403(a)(2),";

(D) by inserting "(c)(6), (d)" after "403–3"; and

(E) by inserting "(a), (g)" after "403–4".

(2) Section 6 (50 U.S.C. 403g) is amended by striking out "(c)(5)" each place it appears and inserting in lieu thereof "(c)(6)".

(b) CENTRAL INTELLIGENCE AGENCY RETIREMENT ACT.—Section 201(c) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2011(c)) is amended by striking out "section 103(c)(5) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(5))" and inserting in lieu thereof "paragraph (6) of section 103(c) of the National Security Act of 1947 (50 U.S.C. 403–3(c))".

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. EXTENSION OF AUTHORITY TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended by striking out "December 31, 1998" and inserting in lieu thereof "December 31, 2000".

TITLE VI—FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

SEC. 601. PEN REGISTERS AND TRAP AND TRACE DEVICES IN FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS.

The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) is amended—

(1) by redesignating title IV as title VI and section 401 as section 601, respectively; and

(2) by inserting after title III the following new title:

"TITLE IV—PEN REGISTERS AND TRAP AND TRACE DEVICES FOR FOREIGN INTELLIGENCE PURPOSES

"DEFINITIONS

"SEC. 401. As used in this title:

"(1) The terms 'foreign power', 'agent of a foreign power', 'international terrorism', 'foreign intelligence information', 'Attorney General', 'United States person', 'United States', 'person', and 'State' shall have the same meanings as in section 101 of this Act.

"(2) The terms 'pen register' and 'trap and trace device' have the meanings given such terms in section 3127 of title 18, United States Code.

"(3) The term 'aggrieved person' means any person—

"(A) whose telephone line was subject to the installation or use of a pen register or trap and trace device authorized by this title; or

"(B) whose communication instrument or device was subject to the use of a pen register or trap and trace device authorized by this title to capture incoming electronic or other communications impulses.

"PEN REGISTERS AND TRAP AND TRACE DEVICES FOR FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

"SEC. 402. (a)(1) Notwithstanding any other provision of law, the Attorney General or a designated attorney for the Government may make an application for an order or an extension of an order authorizing or approving the installation and use of a pen register or trap and trace device for any investigation to gather foreign intelligence information or information concerning international terrorism which is being conducted by the Federal Bureau of Investigation under such guidelines as the Attorney General approves pursuant to Executive Order No. 12333, or a successor order.

"(2) The authority under paragraph (1) is in addition to the authority under title I of this Act to conduct the electronic surveillance referred to in that paragraph.

"(b) Each application under this section shall be in writing under oath or affirmation to—

"(1) a judge of the court established by section 103(a) of this Act; or

"(2) a United States Magistrate Judge under chapter 43 of title 28, United States Code, who is publicly designated by the Chief Justice of the United States to have the power to hear applications for and grant orders approving the installation and use of a pen register or trap or trace device on behalf of a judge of that court.

"(c) Each application under this section shall require the approval of the Attorney General, or a designated attorney for the Government, and shall include—

"(1) the identity of the Federal officer seeking to use the pen register or trap and trace device covered by the application;

"(2) a certification by the applicant that the information likely to be obtained is relevant to an ongoing foreign intelligence or international terrorism investigation being conducted by the Federal Bureau of Investigation under guidelines approved by the Attorney General; and

"(3) information which demonstrates that there is reason to believe that the telephone line to which the pen register or trap and trace device is to be attached, or the communication instrument or device to be covered by the pen register or trap and trace device, has been or is about to be used in communication with—

"(A) an individual who is engaging or has engaged in international terrorism or clandestine intelligence activities that involve or may involve a violation of the criminal laws of the United States; or

"(B) a foreign power or agent of a foreign power under circumstances giving reason to believe that the communication concerns or concerned international terrorism or clandestine intelligence activities that involve or may involve a violation of the criminal laws of the United States.

"(d)(1) Upon an application made pursuant to this section, the judge shall enter an ex parte order as requested, or as modified, approving the installation and use of a pen register or trap and trace device if the judge finds that the application satisfies the requirements of this section.

"(2) An order issued under this section—

"(A) shall specify—

"(i) the identity, if known, of the person who is the subject of the foreign intelligence or international terrorism investigation;

"(ii) in the case of an application for the installation and use of a pen register or trap and trace device with respect to a telephone line—

"(I) the identity, if known, of the person to whom is leased or in whose name the telephone line is listed; and

"(II) the number and, if known, physical location of the telephone line; and

"(iii) in the case of an application for the use of a pen register or trap and trace device with respect to a communication instrument or device not covered by clause (ii)—

"(I) the identity, if known, of the person who owns or leases the instrument or device or in whose name the instrument or device is listed; and

"(II) the number of the instrument or device; and

"(B) shall direct that—

"(i) upon request of the applicant, the provider of a wire or electronic communication service, landlord, custodian, or other person shall furnish any information, facilities, or technical assistance necessary to accomplish the installation and operation of the pen register or trap and trace device in such a manner as will protect its secrecy and produce a minimum amount of interference with the services that such provider, landlord, custodian, or other person is providing the person concerned;

"(ii) such provider, landlord, custodian, or other person—

"(I) shall not disclose the existence of the investigation or of the pen register or trap and trace device to any person unless or until ordered by the court; and

"(II) shall maintain, under security procedures approved by the Attorney General and the Director of Central Intelligence pursuant to section 105(b)(2)(C) of this Act, any records concerning the pen register or trap and trace device or the aid furnished; and

"(iii) the applicant shall compensate such provider, landlord, custodian, or other person for reasonable expenses incurred by such provider, landlord, custodian, or other person in providing such information, facilities, or technical assistance.

"(e) An order issued under this section shall authorize the installation and use of a pen register or trap and trace device for a period not to exceed 90 days. Extensions of such an order may be granted, but only upon an application for an order under this section and upon the judicial finding required by subsection (d). The period of extension shall be for a period not to exceed 90 days.

"(f) No cause of action shall lie in any court against any provider of a wire or electronic communication service, landlord, custodian, or other person (including any officer, employee, agent, or other specified person thereof) that furnishes any information, facilities, or technical assistance under subsection (d) in accordance with the terms of a court under this section.

"(g) Unless otherwise ordered by the judge, the results of a pen register or trap and trace device shall be furnished at reasonable intervals during regular business hours for the duration of the order to the authorized Government official or officials.

"AUTHORIZATION DURING EMERGENCIES

"SEC. 403. (a) Notwithstanding any other provision of this title, when the Attorney General makes a determination described in subsection (b), the Attorney General may authorize the installation and use of a pen register or trap and trace device on an emergency basis to gather foreign intelligence information or information concerning international terrorism if—

"(1) a judge referred to in section 402(b) of this Act is informed by the Attorney General or his designee at the time of such authorization that the decision has been made to install and use the pen register or trap and trace device, as the case may be, on an emergency basis; and

"(2) an application in accordance with section 402 of this Act is made to such judge as soon as practicable, but not more than 48 hours, after the Attorney General authorizes the installation and use of the pen register or trap and trace device, as the case may be, under this section.

"(b) A determination under this subsection is a reasonable determination by the Attorney General that—

"(1) an emergency requires the installation and use of a pen register or trap and trace device to obtain foreign intelligence information or information concerning international terrorism before an order authorizing the installation and use of the pen register or trap and trace device, as the case may be, can with due diligence be obtained under section 402 of this Act; and

"(2) the factual basis for issuance of an order under such section 402 to approve the installation and use of the pen register or trap and trace device, as the case may be, exists.

"(c)(1) In the absence of an order applied for under subsection (a)(2) approving the installation and use of a pen register or trap and trace device authorized under this section, the installation and use of the pen register or trap and trace device, as the case may be, shall terminate at the earlier of—

"(A) when the information sought is obtained;

"(B) when the application for the order is denied under section 402 of this Act; or

"(C) 48 hours after the time of the authorization by the Attorney General.

"(2) In the event that an application for an order applied for under subsection (a)(2) is denied, or in any other case where the installation and use of a pen register or trap and trace device under this section is terminated and no order under section 402 of this Act is issued approving the installation and use of the pen register or trap and trace device, as the case may be, no information obtained or evidence derived from the use of the pen register or trap and trace device, as the case may be, shall be received in evidence or otherwise disclosed in any trial, hearing, or other proceeding in or before any court, grand jury, department, office, agency, regulatory body, legislative committee, or other authority of the United States, a State, or political subdivision thereof, and no information concerning any United States person acquired from the use of the pen register or trap and trace device, as the case may be, shall subsequently be used or disclosed in any other manner by Federal officers or employees without the consent of such person, except with the approval of the Attorney General if the information indicates a threat of death or serious bodily harm to any person.

"AUTHORIZATION DURING TIME OF WAR

"SEC. 404. Notwithstanding any other provision of law, the President, through the Attorney General, may authorize the use of a pen register or trap and trace device without a court order under this title to acquire foreign intelligence information for a period not to exceed 15 calendar days following a declaration of war by Congress.

"USE OF INFORMATION

"SEC. 405. (a)(1) Information acquired from the use of a pen register or trap and trace device installed pursuant to this title concerning any United States person may be used and disclosed by Federal officers and employees without the consent of the United States person only in accordance with the provisions of this section.

"(2) No information acquired from a pen register or trap and trace device installed and used pursuant to this title may be used or disclosed by Federal officers or employees except for lawful purposes.

"(b) No information acquired pursuant to this title shall be disclosed for law enforcement purposes unless such disclosure is accompanied by a statement that such information, or any information derived therefrom, may only be used in a criminal proceeding with the advance authorization of the Attorney General.

"(c) Whenever the United States intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States against an aggrieved person any information obtained or derived from the use of a pen register or trap and trace device pursuant to this title, the United States shall, before the trial, hearing, or the other proceeding or at a reasonable time before an effort to so disclose or so use that information or submit it in evidence, notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the United States intends to so disclose or so use such information.

"(d) Whenever any State or political subdivision thereof intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the State or political subdivision thereof against an aggrieved person any information obtained or derived from the use of a pen register or trap and trace device pursuant to this title, the State or political subdivision thereof shall notify the aggrieved person, the court or

other authority in which the information is to be disclosed or used, and the Attorney General that the State or political subdivision thereof intends to so disclose or so use such information.

"(e)(1) Any aggrieved person against whom evidence obtained or derived from the use of a pen register or trap and trace device is to be, or has been, introduced or otherwise used or disclosed in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, or a State or political subdivision thereof, may move to suppress the evidence obtained or derived from the use of the pen register or trap and trace device, as the case may be, on the grounds that—

"(A) the information was unlawfully acquired; or

"(B) the use of the pen register or trap and trace device, as the case may be, was not made in conformity with an order of authorization or approval under this title.

"(2) A motion under paragraph (1) shall be made before the trial, hearing, or other proceeding unless there was no opportunity to make such a motion or the aggrieved person concerned was not aware of the grounds of the motion.

"(f)(1) Whenever a court or other authority is notified pursuant to subsection (c) or (d), whenever a motion is made pursuant to subsection (e), or whenever any motion or request is made by an aggrieved person pursuant to any other statute or rule of the United States or any State before any court or other authority of the United States or any State to discover or obtain applications or orders or other materials relating to the use of a pen register or trap and trace device authorized by this title or to discover, obtain, or suppress evidence or information obtained or derived from the use of a pen register or trap and trace device authorized by this title, the United States district court or, where the motion is made before another authority, the United States district court in the same district as the authority shall, notwithstanding any other provision of law and if the Attorney General files an affidavit under oath that disclosure or any adversary hearing would harm the national security of the United States, review in camera and ex parte the application, order, and such other materials relating to the use of the pen register or trap and trace device, as the case may be, as may be necessary to determine whether the use of the pen register or trap and trace device, as the case may be, was lawfully authorized and conducted.

"(2) In making a determination under paragraph (1), the court may disclose to the aggrieved person, under appropriate security procedures and protective orders, portions of the application, order, or other materials relating to the use of the pen register or trap and trace device, as the case may be, or may require the Attorney General to provide to the aggrieved person a summary of such materials, only where such disclosure is necessary to make an accurate determination of the legality of the use of the pen register or trap and trace device, as the case may be.

"(g)(1) If the United States district court determines pursuant to subsection (f) that the use of a pen register or trap and trace device was not lawfully authorized or conducted, the court may, in accordance with the requirements of law, suppress the evidence which was unlawfully obtained or derived from the use of the pen register or trap and trace device, as the case may be, or otherwise grant the motion of the aggrieved person.

"(2) If the court determines that the use of the pen register or trap and trace device, as the case may be, was lawfully authorized or conducted, it may deny the motion of the aggrieved person except to the extent that due process requires discovery or disclosure.

"(h) Orders granting motions or requests under subsection (g), decisions under this section that the use of a pen register or trap and trace device was not lawfully authorized or conducted, and orders of the United States district court requiring review or granting disclosure of applications, orders, or other materials relating to the installation and use of a pen register or trap and trace device shall be final orders and binding upon all courts of the United States and the several States except a United States Court of Appeals or the Supreme Court.

"CONGRESSIONAL OVERSIGHT

"SEC. 406. (a) On a semiannual basis, the Attorney General shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all uses of pen registers and trap and trace devices pursuant to this title.

"(b) On a semiannual basis, the Attorney General shall also provide to the committees referred to in subsection (a) and to the Committees on the Judiciary of the House of Representatives and the Senate a report setting forth with respect to the preceding six-month period—

"(1) the total number of applications made for orders approving the use of pen registers or trap and trace devices under this title; and

"(2) the total number of such orders either granted, modified, or denied.".

SEC. 602. ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS.

The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), as amended by section 601 of this Act, is further amended by inserting after title IV, as added by such section 601, the following new title:

"TITLE V—ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE PURPOSES

"DEFINITIONS

"SEC. 501. As used in this title:

"(1) The terms 'foreign power', 'agent of a foreign power', 'foreign intelligence information', 'international terrorism', and 'Attorney General' shall have the same meanings as in section 101 of this Act.

"(2) The term 'common carrier' means any person or entity transporting people or property by land, rail, water, or air for compensation.

"(3) The term 'physical storage facility' means any business or entity that provides space for the storage of goods or materials, or services related to the storage of goods or materials, to the public or any segment thereof.

"(4) The term 'public accommodation facility' means any inn, hotel, motel, or other establishment that provides lodging to transient guests.

"(5) The term 'vehicle rental facility' means any person or entity that provides vehicles for rent, lease, loan, or other similar use to the public or any segment thereof.

"ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

"SEC. 502. (a) The Director of the Federal Bureau of Investigation or a designee of the Director (whose rank shall be no lower than Assistant Special Agent in Charge) may make an application for an order authorizing a common carrier, public accommodation facility, physical storage facility, or vehicle rental facility to release records in its possession for an investigation to gather foreign intelligence information or an investigation concerning international terrorism which investigation is being conducted by the Federal Bureau of Investigation under such guidelines as the Attorney General approves pursuant to Executive Order No. 12333, or a successor order.

"(b) Each application under this section—

"(1) shall be made to—

"(A) a judge of the court established by section 103(a) of this Act; or

"(B) a United States Magistrate Judge under chapter 43 of title 28, United States Code, who is publicly designated by the Chief Justice of the United States to have the power to hear applications and grant orders for the release of records under this section on behalf of a judge of that court; and

"(2) shall specify that—

"(A) the records concerned are sought for an investigation described in subsection (a); and

"(B) there are specific and articulable facts giving reason to believe that the person to whom the records pertain is a foreign power or an agent of a foreign power.

"(c)(1) Upon application made pursuant to this section, the judge shall enter an ex parte order as requested, or as modified, approving the release of records if the judge finds that the application satisfies the requirements of this section.

"(2) An order under this subsection shall not disclose that it is issued for purposes of an investigation described in subsection (a).

"(d)(1) Any common carrier, public accommodation facility, physical storage facility, or vehicle rental facility shall comply with an order under subsection (c).

"(2) No common carrier, public accommodation facility, physical storage facility, or vehicle rental facility, or officer, employee, or agent thereof, shall disclose to any person (other than those officers, agents, or employees of such common carrier, public accommodation facility, physical storage facility, or vehicle rental facility necessary to fulfill the requirement to disclose information to the Federal Bureau of Investigation under this section) that the Federal Bureau of Investigation has sought or obtained records pursuant to an order under this section.

"CONGRESSIONAL OVERSIGHT

"SEC. 503. (a) On a semiannual basis, the Attorney General shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all requests for records under this title.

"(b) On a semiannual basis, the Attorney General shall provide to the Committees on the Judiciary of the House of Representatives and the Senate a report setting forth with respect to the preceding six-month period—

"(1) the total number of applications made for orders approving requests for records under this title; and

"(2) the total number of such orders either granted, modified, or denied.".

SEC. 603. CONFORMING AND CLERICAL AMENDMENTS.

(a) CONFORMING AMENDMENT.—Section 601 of the Foreign Intelligence Surveillance Act of 1978, as redesignated by section 601(1) of this Act, is amended by striking out "other than title III" and inserting in lieu thereof "other than titles III, IV, and V".

(b) CLERICAL AMENDMENT.—The table of contents at the beginning of the Foreign Intelligence Surveillance Act of 1978 is amended by striking out the items relating to title IV and section 401 and inserting in lieu thereof the following:

"TITLE IV—PEN REGISTERS AND TRAP AND TRACE DEVICES FOR FOREIGN INTELLIGENCE PURPOSES

"401. Definitions.

"402. Pen registers and trap and trace devices for foreign intelligence and international terrorism investigations.

"403. Authorization during emergencies.

"404. Authorization during time of war.
"405. Use of information.
"406. Congressional oversight.
"TITLE V—ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE PURPOSES
"501. Definitions.
"502. Access to certain business records for foreign intelligence and international terrorism investigations.
"503. Congressional oversight.
"TITLE VI—EFFECTIVE DATE
"601. Effective date.".

SEC. 604. WIRE AND ELECTRONIC COMMUNICATIONS INTERCEPTION REQUIREMENTS.

(a) IN GENERAL.—Section 2518(11)(b) of title 18, United States Code, is amended—

(1) in clause (ii), by striking "of a purpose" and all that follows through the end of such clause and inserting "that there is probable cause to believe that the person's actions could have the effect of thwarting interception from a specified facility;";

(2) in clause (iii), by striking "such purpose" and all that follows through the end of such clause and inserting "such showing has been adequately made; and"; and

(3) by adding at the end the following clause:

"(iv) the order authorizing or approving the interception is limited to interception only for such time as it is reasonable to presume that the person identified in the application is or was reasonably proximate to the instrument through which such communication will be or was transmitted.".

(b) CONFORMING AMENDMENTS.—Section 2518(12) of title 18, United States Code, is amended—

(1) by inserting "(a)" after "by reason of subsection (11)";

(2) by striking "the facilities from which, or"; and

(3) by striking the comma following "where".

SEC. 605. AUTHORITY OF ATTORNEY GENERAL TO ACCEPT VOLUNTARY SERVICES.

Section 524(d)(1) of title 28, United States Code, is amended by inserting "or services" after "property".

TITLE VII—WHISTLEBLOWER PROTECTION FOR INTELLIGENCE COMMUNITY EMPLOYEES REPORTING URGENT CONCERNS TO CONGRESS

SEC. 701. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This title may be cited as the "Intelligence Community Whistleblower Protection Act of 1998".

(b) FINDINGS.—The Congress finds that—

(1) national security is a shared responsibility, requiring joint efforts and mutual respect by Congress and the President;

(2) the principles of comity between the Branches of Government apply to the handling of national security information;

(3) Congress, as a co-equal Branch of Government, is empowered by the Constitution to serve as a check on the Executive Branch; in that capacity, it has a "need to know" of allegations of wrongdoing within the Executive Branch, including allegations of wrongdoing in the Intelligence Community;

(4) no basis in law exists for requiring prior authorization of disclosures to the intelligence committees of Congress by employees of the Executive Branch of classified information about wrongdoing within the Intelligence Community;

(5) the risk of reprisal perceived by employees and contractors of the Intelligence Community for reporting serious or flagrant problems to Congress may have impaired the flow of information needed by the intelligence committees to carry out oversight responsibilities; and

(6) to encourage such reporting, an additional procedure should be established that provides a means for such employees and contractors to report to Congress while safeguarding the classified information involved in such reporting.

SEC. 702. PROTECTION OF INTELLIGENCE COMMUNITY EMPLOYEES WHO REPORT URGENT CONCERNS TO CONGRESS.

(a) INSPECTOR GENERAL OF THE CENTRAL INTELLIGENCE AGENCY.—

(1) IN GENERAL.—Subsection (d) of section 17 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403q) is amended by adding at the end the following new paragraph:

"(5)(A) An employee of the Agency, or of a contractor to the Agency, who intends to report to Congress a complaint or information with respect to an urgent concern may report such complaint or information to the Inspector General.

"(B) Not later than the end of the 14-calendar day period beginning on the date of receipt from an employee of a complaint or information under subparagraph (A), the Inspector General shall determine whether the complaint or information appears credible. If the Inspector General determines that the complaint or information appears credible, the Inspector General shall, before the end of such period, transmit the complaint or information to the Director.

"(C) Upon receipt of a transmittal from the Inspector General under subparagraph (B), the Director shall, within 7 calendar days of such receipt, forward such transmittal to the intelligence committees, together with any comments the Director considers appropriate.

"(D)(i) If the Inspector General does not transmit, or does not transmit in an accurate form, the complaint or information described in subparagraph (B), the employee (subject to clause (ii)) may submit the complaint or information to Congress by contacting either or both of the intelligence committees directly.

"(ii) The employee may contact the intelligence committees directly as described in clause (i) only if the employee—

"(I) before making such a contact, furnishes to the Director, through the Inspector General, a statement of the employee's complaint or information and notice of the employee's intent to contact the intelligence committees directly; and

"(II) obtains and follows from the Director, through the Inspector General, direction on how to contact the intelligence committees in accordance with appropriate security practices.

"(iii) A member or employee of one of the intelligence committees who receives a complaint or information under clause (i) does so in that member or employee's official capacity as a member or employee of that committee.

"(E) The Inspector General shall notify an employee who reports a complaint or information to the Inspector General under this paragraph of each action taken under this paragraph with respect to the complaint or information. Such notice shall be provided not later than 3 days after any such action is taken.

"(F) An action taken by the Director or the Inspector General under this paragraph shall not be subject to judicial review.

"(G) In this paragraph:

"(i) The term 'urgent concern' means any of the following:

"(I) A serious or flagrant problem, abuse, violation of law or executive order, or deficiency relating to the funding, administration, or operations of an intelligence activity involving classified information, but does not include differences of opinions concerning public policy matters.

"(II) A false statement to Congress, or a willful withholding from Congress, on an issue of material fact relating to the funding, administration, or operation of an intelligence activity.

"(III) An action, including a personnel action described in section 2302(a)(2)(A) of title 5, United States Code, constituting reprisal or threat of reprisal prohibited under subsection (e)(3)(B) in response to an employee's reporting an urgent concern in accordance with this paragraph.

"(ii) The term 'intelligence committees' means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.".

(2) CLERICAL AMENDMENT.—The heading to subsection (d) of such section is amended by inserting "; REPORTS TO CONGRESS ON URGENT CONCERNS" before the period.

(b) ADDITIONAL PROVISIONS WITH RESPECT TO INSPECTORS GENERAL OF THE INTELLIGENCE COMMUNITY.—

(1) IN GENERAL.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended by redesignating section 8H as section 8I and by inserting after section 8G the following new section:

"SEC. 8H. (a)(1)(A) An employee of the Defense Intelligence Agency, the National Imagery and Mapping Agency, the National Reconnaissance Office, or the National Security Agency, or of a contractor of any of those Agencies, who intends to report to Congress a complaint or information with respect to an urgent concern may report the complaint or information to the Inspector General of the Department of Defense (or designee).

"(B) An employee of the Federal Bureau of Investigation, or of a contractor of the Bureau, who intends to report to Congress a complaint or information with respect to an urgent concern may report the complaint or information to the Inspector General of the Department of Justice (or designee).

"(C) Any other employee of, or contractor to, an executive agency, or element or unit thereof, determined by the President under section 2302(a)(2)(C)(ii) of title 5, United States Code, to have as its principal function the conduct of foreign intelligence or counterintelligence activities, who intends to report to Congress a complaint or information with respect to an urgent concern may report the complaint or information to the appropriate Inspector General (or designee) under this Act or section 17 of the Central Intelligence Agency Act of 1949.

"(2) If a designee of an Inspector General under this section receives a complaint or information of an employee with respect to an urgent concern, that designee shall report the complaint or information to the Inspector General within 7 calendar days of receipt.

"(b) Not later than the end of the 14-calendar day period beginning on the date of receipt of an employee complaint or information under subsection (a), the Inspector General shall determine whether the complaint or information appears credible. If the Inspector General determines that the complaint or information appears credible, the Inspector General shall, before the end of such period, transmit the complaint or information to the head of the establishment.

"(c) Upon receipt of a transmittal from the Inspector General under subsection (b), the head of the establishment shall, within 7 calendar days of such receipt, forward such transmittal to the intelligence committees, together with any comments the head of the establishment considers appropriate.

"(d)(1) If the Inspector General does not transmit, or does not transmit in an accurate form, the complaint or information described in subsection (b), the employee (subject to paragraph (2)) may submit the complaint or information to Congress by contacting either or both of the intelligence committees directly.

"(2) The employee may contact the intelligence committees directly as described in paragraph (1) only if the employee—

"(A) before making such a contact, furnishes to the head of the establishment, through the

Inspector General, a statement of the employee's complaint or information and notice of the employee's intent to contact the intelligence committees directly; and

"(B) obtains and follows from the head of the establishment, through the Inspector General, direction on how to contact the intelligence committees in accordance with appropriate security practices.

"(3) A member or employee of one of the intelligence committees who receives a complaint or information under paragraph (1) does so in that member or employee's official capacity as a member or employee of that committee.

"(e) The Inspector General shall notify an employee who reports a complaint or information under this section of each action taken under this section with respect to the complaint or information. Such notice shall be provided not later than 3 days after any such action is taken.

"(f) An action taken by the head of an establishment or an Inspector General under this section shall not be subject to judicial review.

"(g) In this section:

"(1) The term 'urgent concern' means any of the following:

"(A) A serious or flagrant problem, abuse, violation of law or Executive order, or deficiency relating to the funding, administration, or operations of an intelligence activity involving classified information, but does not include differences of opinions concerning public policy matters.

"(B) A false statement to Congress, or a willful withholding from Congress, on an issue of material fact relating to the funding, administration, or operation of an intelligence activity.

"(C) An action, including a personnel action described in section 2302(a)(2)(A) of title 5, United States Code, constituting reprisal or threat of reprisal prohibited under section 7(c) in response to an employee's reporting an urgent concern in accordance with this section.

"(2) The term 'intelligence committees' means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.".

(2) CONFORMING AMENDMENT.—Section 8I of such Act (as redesignated by paragraph (1)) is amended by striking out "or 8E" and inserting in lieu thereof "8E, or 8H".

And the Senate agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

PORTER GOSS,
BILL YOUNG,
JERRY LEWIS,
BUD SHUSTER,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD BOEHLERT,
CHARLES F. BASS,
JIM GIBBONS,
NORMAN D. DICKS,
JULIAN C. DIXON,
DAVID E. SKAGGS,
NANCY PELOSI,
JANE HARMAN,
IKE SKELTON,
SANFORD D. BISHOP, Jr.,

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

FLOYD SPENCE,
BOB STUMP,
LORETTA SÁNCHEZ,

Managers on the Part of the House.

RICHARD SHELBY,
JOHN H. CHAFEE,
DICK LUGAR,
MIKE DEWINE,
JON KYL,
JIM INHOFE,
ORRIN G. HATCH,
PAT ROBERTS,
WAYNE ALLARD,
DAN COATS,
BOB KERREY,
JOHN GLENN,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK R. LAUTENBERG,
CARL LEVIN,

From the Committee on Armed Services,

STROM THURMOND,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3694) to authorize appropriations for fiscal year 1999 for intelligence and the intelligence-related activities of the United States government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

The managers agree that the congressionally directed actions described in the House bill, the Senate amendment, the respective committee reports, or classified annexes should be undertaken to the extent that such congressionally directed actions are not amended, altered, or otherwise specifically addressed in either this Joint Explanatory Statement or in the classified annex to the conference report on the bill H.R. 3694.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION FOR APPROPRIATIONS

Section 101 of the conference report lists the departments, agencies, and other elements of the United States government for whose intelligence and intelligence-related activities the Act authorizes appropriations for fiscal year 1999. Section 101 is identical to section 101 of the House bill and section 101 of the Senate amendment.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS

Section 102 of the conference report makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and applicable personnel ceilings covered under this title for fiscal year 1999 are contained in a classified Schedule of Authorizations. The classified Schedule of Authorizations is incorporated into the Act by this section. The classified annex provides the details of the Schedule, including a cost cap to the five year and ten year costs of the Future Imagery Architecture. Section 102 is identical to section 102 of the House bill and section 102 of the Senate amendment.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS

Section 103 of the conference report authorizes the Director of Central Intelligence, with the approval of the Director of the Office of Management and Budget, in fiscal year 1999 to authorize employment of civilian personnel in excess of the personnel ceilings applicable to the components of the Intelligence Community under section 102 by an amount not to exceed two percent of the total of the ceilings applicable under section 102. The Director of Central Intelligence may exercise this authority only if necessary to the performance of important intelligence functions. Any exercise of this authority must be reported to the intelligence committees of the Congress.

The managers emphasize that the authority conferred by section 103 is not intended to permit the wholesale raising of personnel strength in any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees. The managers do not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed levels set in the Schedule of Authorizations except for the satisfaction of clearly identified hiring needs which are consistent with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this bill. Section 103 is identical to section 103 of the House bill and section 103 of the Senate amendment.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT

Section 104 of the conference report authorizes appropriations for the Community Management Account (CMA) of the Director of Central Intelligence (DCI) and sets the personnel end-strength for the Intelligence Community management staff for fiscal year 1999.

Subsection (a) authorizes appropriations of $129,123,000 for fiscal year 1999 for the activities of the CMA of the DCI. This amount includes funds identified for the Advanced Research and Development Committee and the Advanced Technology Group, which shall remain available until September 30, 2000. Beginning in fiscal year 1999, the Environmental Intelligence and Applications Program will be funded through the DCI's Environmental Center, rather than through this account.

Subsection (b) authorizes 283 full-time personnel for the Community Management Staff for fiscal year 1999 and provides that such personnel may be permanent employees of the Staff or detailed from various elements of the United States government.

Subsection (c) authorizes additional appropriations and personnel for the CMA as specified in the classified Schedule of Authorizations and permits these additional amounts to remain available through September 30, 2000.

Subsection (d) requires, except as provided in Section 113 of the National Security Act of 1947, or for temporary situations of less than one year, that personnel from another element of the United States government be detailed to an element of the CMA on a reimbursable basis.

Subsection (e) authorizes $27,000,000 of the amount authorized in subsection (a) to be

made available for the National Drug Intelligence Center (NDIC). Subsection (e) is identical to subsection (e) of the House bill and subsection (e) of the Senate amendment. The Senate, in its report on this provision, would have fenced the entire $27,000,000 until the Office of National Drug Control Policy (ONDCP) issued its overdue report on the National Counter-Narcotics Architecture Review, which was directed by Congress to be completed by April 1, 1998. The House had no such fence. While the managers continue to require the prompt production of this report, they do not wish to impede any part of the government's counter-narcotics efforts. Consequently, the Senate recedes.

The failure of the Director of the ONDCP to comply with a congressional requirement for this report is of concern.

The managers strongly believe that the NDIC should be the facility that brings together all law enforcement and intelligence information for integrated, all-source, cross-case analysis. The continued isolation of domestic and foreign aspects of the drug trafficking organizations for separate analysis by different intelligence centers ignores the transnational character of the drug trafficking threat to national security. The Architecture Review should analyze the ability and capacity of NDIC to serve as the focal point for integrated analysis of foreign and domestic law enforcement information combined with foreign intelligence information.

Subsection (f) authorizes the DCI to transfer funds to be appropriated to the CMA for fiscal year 1999 to the Department of State for specific purposes to be identified by the Director. The House bill contained a similar provision. The Senate amendment contained no such provision. The Senate agrees with the House position.

The managers identified a shortfall in certain Intelligence Community security arrangements at certain overseas locations. The State Department has been aware of these shortcomings for some time, but claims it lacks resources to fund improvements. Thus, in order to alleviate the Intelligence Community security concerns at those locations, the transfer authority is provided.

This section allows the DCI to transfer funds from the CMA only for the specific purposes, and in the specific amounts, listed in the Classified Annex to this Joint Explanatory Statement. Clearly, however, the managers do not intend this section to create any new budget authority. Rather, it is intended that the funds to be transferred will derive from those funds to be appropriated to the CMA for fiscal year 1999.

The managers only agreed to this grant of authority with the firm expectation that this will be a one-time action only. This authority will expire at the end of fiscal year 1999. This transfer authority is only being authorized to insure that the State Department will immediately, in fiscal year 1999, begin architectural and engineering security support at various overseas locations. Without this immediate transfer authority, the Intelligence Community would be required to rely on practices that are flawed, as well as being extremely costly.

The managers acknowledge that the Intelligence Community has worked hard over the past two years with the State Department, the Defense Department, and the Office of Management and Budget to provide a permanent solution to the situation at issue. The Intelligence Community, in response to the seriousness of the hostile intelligence threat directed at United States interests, agreed to a one-time special cost-sharing arrangement in fiscal year 1999 to alleviate any continued concern.

SEC. 105. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES

Section 105 specifically authorizes, for purposes of section 504 of the National Security Act of 1947, those intelligence and intelligence-related activities that were deemed to have been authorized, pursuant to that section, through the 1998 Supplemental Appropriations and Rescisions Act (P.L. 105–174) and any supplemental appropriations that are expected to contain emergency appropriations for fiscal year 1998. Neither the House bill, nor the Senate amendment, contained these provisions. The managers agreed to include this provision based on the requirements of section 504 of the National Security Act of 1947.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

Section 201 is identical to section 201 of the Senate amendment and section 201 of the House bill.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW

Section 301 is identical to section 301 of the Senate amendment and section 301 of the House bill.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES

Section 302 is identical to section 302 of the Senate amendment and section 302 of the House bill.

SEC. 303. ONE-YEAR EXTENSION OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

Section 303 of the conference report extends until January 6, 2000 the authority granted by section 303 of the Intelligence Authorization Act for Fiscal Year 1996 for the President to stay the imposition of an economic, cultural, diplomatic, or other sanction or related action when the President determines and reports to Congress that to proceed without delay would seriously risk the compromise of an intelligence source or method, or an ongoing criminal investigation. Section 303 is identical to section 303 of the House bill and section 303 of the Senate amendment.

SEC. 304. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING

Section 304 expresses the sense of the Congress that the Director of Central Intelligence should continue to direct elements of the Intelligence Community to award contracts in a manner that would maximize the procurement of products produced in the United States, when such action is compatible with the national security interests of the United States, consistent with operational and security concerns, and fiscally sound. A provision similar to section 304 has been included in previous intelligence authorization acts. The Senate bill had no similar provision. The Senate agrees with the House position.

SEC. 305. MODIFICATION OF NATIONAL SECURITY EDUCATION PROGRAM

A provision similar to section 305 was included in the Senate amendment. The House bill contained no such provision. The House agrees to the Senate provision.

SEC. 306. REQUIREMENT TO DIRECT COMPETITIVE ANALYSIS OF ANALYTICAL PRODUCTS HAVING NATIONAL IMPORTANCE

Section 306 amends section 102(g)(2) of the National Security Act of 1947 (50 U.S.C. §403(g)(2)) to add an additional duty for the Assistant Director of Central Intelligence for Analysis and Production (ADCI/AP), namely to direct competitive analysis of analytical products having national importance. The Senate amendment contained a provision identical to section 306. The House bill had no similar provision. The House recedes to the Senate provision.

Since the end of the Cold War and in response to budget pressures, the Intelligence Community has experienced a significant decrease in personnel. While this has had the positive effect of increasing efficiency in some areas, in other areas shortfalls are beginning to appear. Such a shortfall is in the use of competitive analysis.

During the Cold War competitive analysis played a crucial role in assuring that intelligence analysts did not become accustomed to accepting the same assumptions. Instead, analysts from different agencies and outside experts would routinely challenge each other's analysis. This decreased the opportunity for some elements within the community to become victims of their own prejudices and biases. Analysts were forced to defend their assumptions, logic, and analytical judgments against competing analysis from other agencies. Personnel reductions, however, made this routine competitive analysis a luxury that no longer was affordable in the downsizing of the early to mid-1990's.

Independent reports by retired Admiral David Jeremiah and the former Secretary of Defense Donald Rumsfeld led to the conclusion that the absence of competitive analysis contributed to an incomplete explanation of the activities of several foreign powers. This resulted in conclusions not helpful in the policy-making process. In an era of declining resources, it is more important than ever that issues of great significance be subjected to independent analysis both from within and without the Intelligence Community.

The managers believe it is important for the Director of Central Intelligence to institutionalize formally the practice of competitive analysis and direct that the responsibility be assigned to the ADCI/AP.

The managers further direct the ADCI/AP to report to the intelligence committees by March 15, 1999, his plan for fulfilling the responsibility now assigned to him under section 403 of the National Security Act of 1947 as part of this legislation.

SEC. 307. ANNUAL REPORTS TO CONGRESS

Section 307 requires the Director of Central Intelligence to report to the Congress of the United States on an annual basis on two significant issues faced by this country. The first report should address the nature and extent of cooperation between the Intelligence Community and federal law enforcement agencies in combating drug trafficking.

The second report should address the safety and security of Russian nuclear facilities and nuclear military forces.

The House bill contained a provision similar to section 307(a). The Senate amendment had no such provision. The Senate agrees to the House position, with respect to the drug trafficking report. The Senate amendment contained a provision similar to section 307(b), which the House bill did not contain. The House agrees to the Senate position regarding the report on Russian nuclear facilities and nuclear military forces.

SEC. 308. QUADRENNIAL INTELLIGENCE REVIEW

Section 308 is similar to a "Sense of Congress" provision contained within the Senate amendment. The House bill contained no such provision. The House recedes to the Senate provision, as modified.

SEC. 309. DESIGNATION OF HEADQUARTERS COMPOUND OF CENTRAL INTELLIGENCE AGENCY AS THE GEORGE BUSH CENTER FOR INTELLIGENCE

The Senate amendment contained a provision to designate the headquarters building of the Central Intelligence Agency (CIA) in Langley, Virginia, as the "George Herbert Walker Bush Center for Central Intelligence." The House bill contained no similar provision. The House did, however, pass by voice vote on August 3, 1998, a bill (H.R. 3821) to designate the CIA headquarters compound as the "George H.W. Bush Center for Central Intelligence." The managers agreed to the Senate provision with modifications.

Section 309 will designate the CIA headquarters compound at Langley, Virginia as the "George Bush Center for Intelligence."

Former President George Bush has dedicated much of his life to public service. During World War II, he flew for the Navy in the Pacific Theater. In 1967, George Bush was elected to the House of Representatives. He later served as Ambassador to the United Nations. Following that assignment, George Bush was appointed Chief of the U.S. Liaison Office to the People's Republic of China.

In January 1976, George Bush was appointed Director of Central Intelligence (DCI) by then-President Gerald Ford. He held this position through the end of the Ford Administration. Although his tenure as DCI was relatively short, it came at a time when the U.S. Intelligence Community was undergoing increasing public scrutiny and some criticism.

As DCI, George Bush brought innovation to the CIA, and dramatically improved the morale within the Agency. George Bush demonstrated leadership and integrity at a time when both were desperately needed to help restore confidence in the CIA and the other intelligence elements that make up the Intelligence Community.

Currently, the headquarters compound does not have a formal designation. The managers agreed that this designation would be a fitting tribute to the only DCI to become President of the United States. It is appropriate to memorialize George Bush's integrity, work ethic, and dedication to public service in this manner.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. ENHANCED PROTECTIVE AUTHORITY FOR CIA PERSONNEL AND FAMILY MEMBERS

Section 401 is identical to a provision contained in the House bill. The Senate amendment did not include such a provision. The Senate agrees to the House position.

SEC. 402. AUTHORITY FOR RETROACTIVE PAYMENT OF SPECIFIED SPECIAL PAY ALLOWANCE

Neither the House bill, nor the Senate amendment contained a provision similar to section 402. The managers agree, however, to include this provision to enable the Director of Central Intelligence to provide retroactively a special pay allowance to certain Intelligence Community officers, who, because of a bureaucratic error, did not receive a special pay allowance at the time they were otherwise eligible to receive it. It was through no fault of their own that this special pay allowance was not administered at the time it was due and owing, but rather simply caused by a bureaucratic miscue.

SEC. 403. TECHNICAL AMENDMENTS

Both the House bill and the Senate amendment contained a similar provision. The Senate recedes to the House position, with technical modifications.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. EXTENSION OF AUTHORITY TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES

Both the House bill and the Senate amendment contained similar provisions. The House recedes to the Senate provision.

TITLE VI—FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

SEC. 601. PEN REGISTERS AND TRAP AND TRACE DEVICES IN FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 602. ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 603. CONFORMING AND CLERICAL AMENDMENTS

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 604. WIRE AND ELECTRONIC COMMUNICATIONS INTERCEPTION REQUIREMENTS

This provision amends section 2518 of title 18, United States Code, to allow federal judges to issue an order on the conversations of a specific person, rather than on the conversations that occur on a specific telephone. This provision is identical to H.R. 3753, with a technical correction, which was introduced in the House by Mr. McCollum, Mr. Hyde, Mr. Conyers, and Mr. Schumer.

Under current law, judges issue wiretap orders authorizing law enforcement officials to place a wiretap on a specific telephone number. Criminals, including terrorists and spies, know this and often try to avoid wiretaps by using pay telephones on the street at random, or by using stolen or cloned cell telephones. As law enforcement officials cannot know the numbers of these telephones in advance, they are unable to obtain a wiretap order on these numbers from a judge in time to intercept the conversation, and the criminal is able to evade interception of his communication.

This provision addresses this problem by authorizing judges to issue an order authorizing the interception of all communications made by a particular person, regardless of what telephone he may use. The provision does not change the existing law that requires law enforcement officials to show that there is probable cause to believe that the suspect has committed, or may commit, a crime. With this amendment, law enforcement officials will be required to show that there is probable cause to believe that the actions of the suspect could have the effect of thwarting a wiretap on a specific telephone were the court to order the more typical method of wiretap, which targets a specific telephone number.

With this provision, law enforcement officials will be able to follow a criminal suspect and ask the telephone company to activate a wiretap on those telephones that the suspect is shown to be using, or to have used. To do this, law enforcement and telephone company officials would have to make prior arrangements so that the location of the particular telephone used by the suspect could be relayed to the telephone company where employees would stand ready to ascertain the telephone number being used (by cross-reference from the telephone company's own records) and activate a wiretap on it. In the case of cell telephones, law enforcement officials would use existing scanner technology to intercept the telephone number of the phone a suspect is about to use (before or during a call) and then relay that number to telephone company employees, who would then immediately activate a wiretap on that number.

In order to ensure that only the conversation of the suspect (and with whomever he speaks) is intercepted, the bill does not allow law enforcement officials to activate ongoing wiretaps on all telephones they believe the suspect might use. Significantly, law enforcement officials may only activate a wiretap on a particular telephone and then only when it is reasonable to presume that the suspect is "reasonably proximate" to that phone. Thus, law enforcement officials will have to use undercover agents or informants who can actually see the suspect move toward a particular telephone, or enter a room where there is only one or a limited number of telephones, before they can activate a wiretap.

Neither the House bill, nor the Senate amendment contained this provision. The managers agreed, however, to include this language as part of the conference report.

SEC. 605. AUTHORITY OF ATTORNEY GENERAL TO ACCEPT VOLUNTARY SERVICES

Section 605 will allow the Attorney General to accept voluntary services in furtherance of her law enforcement and national security missions. This provision will assist the Attorney General to find technological solutions to the ever-increasing threat of encryption to those missions. The mangers agreed to include this language to support the Department of Justice's and Federal Bureau of Investigation's future efforts to address the technological advances that law enforcement will face in future criminal and counter-intelligence investigations and prosecutions. Neither the House bill, nor the Senate amendment contained this or any other similar provision.

TITLE VII—WHISTLEBLOWER PROTECTION FOR INTELLIGENCE COMMUNITY EMPLOYEES REPORTING URGENT CONCERNS TO CONGRESS

The Senate amendment, S. 2052, contained a provision at title V that would have directed the President to inform all employees of the executive branch, and employees of contractors carrying out duties under classified contracts, that the disclosure of classified information reasonably believed by the person to be evidence of a violation of law, regulation, or rule; false statement to Congress; gross mismanagement, waste of funds, abuse of authority; or a substantial and specific danger to public safety, is not prohibited by law, executive order, regulation, or otherwise contrary to public policy. The Senate provision would have allowed disclosure of such information to any Member or staff member of a committee of Congress having primary oversight responsibility for the department, agency, or element of the Federal Government to which such information relates. The House bill contained no similar title or provision. The House Permanent Select Committee on Intelligence, however, did report the "Intelligence Community Whistleblower Protection Act of 1998" to the House on July 23, 1998. (H.R. Rep. No. 105–747, part 1).

The managers agree to adopt a modified version of H.R. 3829. This title establishes an additional process to accommodate the disclosure of classified information of interest to Congress. The managers further agree that H.R. 3829 is not the exclusive process by which an Intelligence Community employee may make a report to Congress. The managers agree that the modified language furthers the goal of, and builds on, the Senate language contained in S. 1668 and S. 2052, which was adopted by the Senate on three occasions. The managers would also highlight the fact that Senate action on this issue was central to the development of this provision. The managers incorporate by reference the Senate reports on S. 1668 and S. 2052 (S. Rep. Nos. 105–165 and 105–185, respectively) to provide additional legislative history and the need for congressional action on this issue. The two Senate reports on this issue examine the significant constitutional implications of this legislation. *See* S. Rep. Nos. 105–165 and 105–185. In addition, the managers incorporate by reference the House report on H.R. 3829 (H.R. Rep. No. 105–747, part 1) and adopt that report as the legislative history for title VII of the conference report.[1]

As an additional matter, and separate from the terms and process established by H.R. 3829, the managers agree that an Intelligence Community employee should not be subject to reprisals or threat of reprisals for making a report to appropriate Members or staff of the intelligence committees about wrongdoing within the Intelligence Community.

One important modification to H.R. 3829 that exists in the provision adopted by the managers pertains to the responsibilities of intelligence committee Members and staff receiving complaints or information through the process outlined in this title. The provision makes it plain that an intelligence committee Member or staff employee receiving such complaints or information must abide by the rules of the intelligence committees.

PROVISIONS NOT INCLUDED IN THE CONFERENCE REPORT

AUTHORITY FOR CENTRAL INTELLIGENCE AGENCY INSPECTOR GENERAL TO REVIEW LEGISLATION

The Senate amendment contained a provision that would have authorized the Inspector General (IG) of the Central Intelligence Agency (CIA) to review existing and proposed legislation affecting CIA and to make recommendations to Congress in its semi-annual reports or otherwise. The House bill contained no such provision. The managers, upon further consideration of the issue, believed that this responsibility is already set forth in similar form in the reporting requirements of the CIA's IG in paragraph (1)(F) of section 17(d) of the CIA Act of 1949 (50 U.S.C. §403q(D)).

The managers have agreed to defer on this legislative proposal to allow the newly installed CIA IG to determine whether the current statutory authorities are sufficient to permit his independent review of proposed and current legislation.

Thus, the Senate recedes to the House position.

EXTENTION OF THE CIA VOLUNTARY SEPARATION PAY ACT

The Senate amendment contained a provision extending, until September 30, 2001, the authority of the Director of Central Intelligence (DCI) to offer early out incentives to its employees. The House bill contained no such provision. The Senate recedes to the House position.

The fact that the current authority does not expire until the end of fiscal year 1999 combined with the considerable concerns by another committee of the House with shared jurisdiction over civil service pay and pension issues, led the managers to omit this provision from the conference report. It is anticipated that the issue of extending this authority of the DCI could be addressed in separate legislation in the 106th Congress.

From the Permanent Select Committee on Intelligence, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

PORTER GOSS,
BILL YOUNG,
JERRY LEWIS,
BUD SHUSTER,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD BOEHLERT,
CHARLES F. BASS,
JIM GIBBONS,
NORMAN D. DICKS,
JULIAN C. DIXON,
DAVID E. SKAGGS,
NANCY PELOSI,
JANE HARMAN,
IKE SKELTON,
SANFORD D. BISHOP, Jr.,

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference;

FLOYD SPENCE,
BOB STUMP,
LORETTA SÁNCHEZ,
Managers on the Part of the House.

RICHARD SHELBY,
JOHN H. CHAFEE,
DICK LUGAR,
MIKE DEWINE,
JON KYL,
JIM INHOFE,
ORRIN G. HATCH,
PAT ROBERTS,
WAYNE ALLARD,
DAN COATS,
BOB KERREY,
JOHN GLENN,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK R. LAUTENBERG,
CARL LEVIN,

From the Committee on Armed Services:

STROM THURMOND,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BECERRA (at the request of Mr. GEPHARDT), for today, on account of official business.

Ms. HARMAN (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. MCGOVERN (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. YATES (at the request of Mr. GEPHARDT), after 6:30 p.m. Tonight, on account of family illness.

Ms. MILLENDER-MCDONALD (at the request of Mr. GEPHARDT, for today, on account of official business.

Mr. Riggs (at the request of Mr. ARMEY), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mrs. CLAYTON) to revise and extend their hsi and include extraneous material:

Mr. SKAGGS, for 5 minutes, today.
Ms. CAPPS, for 5 minutes, today.
Ms. CLAYTON, for 5 minutes, today.
Mr. KLINK, for 5 minutes, today.

The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:

Mr. RIGGS, for 5 minutes, October 7.
Mr. CASTLE, for 5 minutes, today.
Mr. WELLER, for 5 minutes, today.
Mr. BATEMAN, for 5 minutes, today.
Mr. DUNCAN, for 5 minutes, today.
Mr. DIAZ-BALART, for 5 minutes, October 6.
Mr. HUNTER, for 5 minutes today.

The following Member (at his own request) to revise and extend his remarks and include extraneous material:

Mr. MINGE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

The following Members (at the request of Mrs. CLAYTON) and to include extraneous material:

Mr. KIND.
Mr. KENNEDY of Rhode Island.
Mrs. CAPPS.
Ms. NORTON.
Mr. REYES.
Ms. SLAUGHTER.
Mr. LANTOS.
Ms. DEGETTE.
Mr. NEAL of Massachusetts.
Mr. RANGEL.
Mr. KANJORSKI.
Mrs. MEEK of Florida.
Mr. ORTIZ.
Mr. ACKERMAN.
Mr. STARK.

The following Members (at the request of Mr. BEREUTER) and to include extraneous material:

Mr. BILIRAKIS.
Mr. TAYLOR of North Carolina.

[1]Though incorporating House Report Number 105–747, part 1, by reference, the managers make the following two corrections. First, in the second paragraph under the heading, "H.R. 3829 as Amended," at page 14 of the House Report, the managers would modify the sentence that provides: "Administration witnesses described such a provision as a constitutional and administrative imperative."; to read as follows: "Administration witnesses strongly supported such a provision based upon constitutional and policy considerations." Further, in the first sentence of the first paragraph under the heading, "The Need for Comity," on page 16 of the House Report, the managers would modify the term "constitutional prerogative" to "presidential prerogative."

Ms. ROS-LEHTINEN.
Mr. CUNNINGHAM.
Mr. GOSS.
Mr. DAVIS of Virginia.
Mr. BILBRAY.
Mr. LARGENT.
Mr. PICKERING.
Mr. GILMAN.

The following Members (at the request of Mr. MCINNIS) and to include extraneous material:

Mr. HAMILTON.
Mr. LAMPSON.
Mr. SNOWBARGER.
Mr. KLINK.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 890. An act to dispose of certain Federal properties located in Dutch John, Utah, to assist the local government in the interim delivery of basic services to the Dutch John community, and for other purposes; to the Committee on Resources.

S. 1016. An act to authorize appropriations for the Coastal Heritage Trail Route in New Jersey, and for other purposes; to the Committee on Resources.

S. 1333. An act to amend the Land and Water Conservation Fund Act of 1965 to allow national park units that cannot charge an entrance or admission fee to retain other fees and charges; to the Committee on Resources.

S. 1398. An act to extend certain contracts between the Bureau of Reclamation and irrigation water contractors in Wyoming and Nebraska that receive water from Glendo Reservoir; to the Committee on Resources.

S. 1408. An act to establish the Lower East Side Tenement National Historic Site, and for other purposes; to the Committee on Resources.

S. 1665. An act to reauthorize the Delaware and Lehigh Navigation Canal National Heritage Corridor Act, and for other purposes; to the Committee on Resources.

S. 1718. An act to amend the Weir Farm National Historic Site Establishment Act of 1990 to authorize the acquisition of additional acreage for the historic site to permit the development of visitor and administrative facilities and to authorize the appropriation of additional amounts for the acquisition of real and personal property; to the Committee on Resources.

S. 2129. An act to eliminate restrictions on the acquisition of certain land contiguous to Hawaii Volcanoes National Park; to the Committee on Resources.

S. 2232. An act to establish the Little Rock Central High School National Historic Site in the State of Arkansas, and for other purposes; to the Committee on Resources.

S. 2272. An act to amend the boundaries of Grant-Kohrs Ranch National Historic Site in the State of Montana; to the Committee on Resources.

S. 2351. An act to direct the Secretary of the Interior to make corrections to a map relating to the Coastal Barrier Resources System; to the Committee on Resources.

S. 2469. An act to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System; to the Committee on Resources.

S. 2470. An act to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System; to the Committee on Resources.

S. 2474. An act to direct the Secretary of the Interior to make corrections to certain maps relating to the Coastal Barrier Resources System; to the Committee on Resources.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3616. An act to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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 October 2, 1998:

H.R. 6. To extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

ADJOURNMENT

Mr. MCINNIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 48 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, October 6, 1998, at 9 a.m. for morning hour debates.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the second quarter of 1998 by Committees of the House of Representatives, as well as for miscellaneous groups in connection with official foreign travel during the calendar year 1998 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOUSE OVERSIGHT, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
FOR HOUSE COMMITTEES											
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒											

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL THOMAS, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Jerrold Nadler	5/23	5/26	Israel		1,260.00		(3)				1,260.00
Laura Baxter	6/11	6/13	Canada		468.00		263.25				731.25
Stephanie Peters	6/11	6/13	Canada		468.00		263.25				731.25
Martina Hone	6/11	6/13	Canada		468.00		263.25				731.25
Committee total					2,664.00		789.75				3,453.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

HENRY J. HYDE, Chairman, Aug. 6, 1998.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO O.S.C.E. PARLIAMENTARY ASSEMBLY MEETING IN COPENHAGEN, DENMARK, EXPENDED BETWEEN JULY 6 AND JULY 11, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Henry Hyde	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Pat Danner	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Abba Eshoo	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Alcee Hastings	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Maurice Hinchey	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Steny Hoyer	7/6	7/11	Denmark		2,824.14	(3)					2,824.14
Hon. Michael Oxley	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Lucille Roybal-Allard	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Martin Sabo	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Matt Salmon	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Bernard Sanders	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Louise Slaughter	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. David Skaggs	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Mark Gage	7/6	7/10	Denmark		1,020.00	(3)					1,020.00
Robert Jones	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Clifford Kupchan	7/6	7/10	Denmark		1,020.00	(3)					1,020.00
Ronald McNamara	7/6	7/11	Denmark		1,258.88	(3)					1,275.00
Marilyn Owen	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Erika Schlager	7/6	7/12	Denmark		1,530.00	(3)					1,530.00
Fred Turner	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Judy Wolverton	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Total					28,053.02						28,053.02

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

HENRY J. HYDE, Aug. 10, 1998.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

11443. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Alder Bark; Exemption from the Requirement of a Tolerance [OPP-300728; FRL-6032-2] (RIN: 2070-AB78) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11444. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Pyridaben; Pesticide Tolerances for Emergency Exemptions [OPP-300725; FRL-6031-5] (RIN: 2070-AB78) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11445. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Tebuconazole; Extension of Tolerances for Emergency Exemptions [OPP-300729; FRL-6034-7] (RIN: 2070-AB78) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11446. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Maleic Hydrazide; Extension of Tolerances for Emergency Exemptions [OPP-300730; FRL-6034-8] (RIN: 2070-AB78) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11447. A letter from the the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals; (H. Doc. No. 105—319); to the Committee on Appropriations and ordered to be printed.

11448. A communication from the President of the United States, transmitting notification that appropriations of $7,681,000 has been made available for the Department of the Treasury from the Treasury Counter-Terrorism Fund, pursuant to Public Law 104—208; (H. Doc. No. 105—320); to the Committee on Appropriations and ordered to be printed.

11449. A letter from the Assistant Secretary of the Navy for Installations and Environment, Department of the Navy, transmitting notification of the Department's decision to study certain functions performed by military and civilian personnel in the Department of the Navy (DON) for possible performance by private contractors, pursuant to 10 U.S.C. 2304 nt.; to the Committee on National Security.

11450. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Section 8 Rental Voucher and Certificate Programs and Establishment Section 8 Management Assessment Program (SEMAP) [Docket No. FR-3986-F-02] (RIN: 2577-AB60) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11451. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—List of Nonconforming Vehicles Decided to be Eligible for Importation [Docket No. NHTSA-98-4449] (RIN: 2127-AH28) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11452. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Odometer Disclosure Requirements; Exemptions [NHTSA-98-4438] (RIN: 2127-AG83) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11453. 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 Georgia: Approval of Revisions to the Georgia State Implementation Plan [GA-34-3-9819a; FRL-6170-8] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11454. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—New Source Performance Standards (NSPS)—Applicability of Standards of Performance for Coal Preparation Plants to Coal Unloading Operations [FRL-6168-9] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11455. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Protection of Stratospheric Ozone: Reconsideration of Petition Criteria and Incorporation of Montreal Protocol Decisions [FRL-6171-9] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11456. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Maine; Source Surveillance Regulation [ME014-6994c; A-1-FRL-6172-8] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11457. 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 Georgia: Approval of Revisions to the Georgia State Implementation Plan [GA-34-3-9819a; FRL-6170-8] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11458. A letter from the Director, Office of Regulatory Management and Information, Evironmental Protection Agency, transmitting the Agency's final rule—Finding of Significant Contribution and Rulemaking for Cerain States in the Ozone Transport Assessment Group Region for Purposes of Reducing Regional Transport of Ozone [FRL-6171-2] (RIN: 2060-AH10) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11459. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the

Administration's final rule—Amended Economic Impact Analysis of Final Rule Requiring Use of Labeling on Natural Rubber Containing Devices [Docket No. 96N-0119] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11460. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Listing of Color Additives Exempt from Certification; Canthaxanthin; Confirmation of Effective Date; Correction [Docket No. 93C-0248] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11461. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Assessment and Recommendations for Fissile-Material Packaging Exemptions and General Licenses Within 10 CFR Part 71—received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11462. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Australia [Transmittal No. DTC 113-98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11463. A communication from the President of the United States, transmitting a report on the situation in Monrovia, Liberia and the increased security at the U.S. Embassy there; (H. Doc. No. 105—318); to the Committee on International Relations and ordered to be printed.

11464. A letter from the Assistant Secretary, Bureau of Export Administration, Department of Commerce, transmitting the Department's final rule—Encryption Items [Docket No. 980911233-8233-01] (RIN: 0694-AB80) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

11465. A letter from the Interim District of Columbia Auditor, Office of the District of Columbia Auditor, transmitting a copy of a report entitled, ''Certification of the Fiscal Year 1998 General Fund Revenue Estimate in Support of the Issuance of District of Columbia General Obligation Bonds (Series 1998A) and General Obligation Refunding Bonds (Series 1998B) in the Aggregate Principal Amount of $657,770,000.,'' pursuant to D.C. Code section 47-117(d); to the Committee on Government Reform and Oversight.

11466. A letter from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the Department's final rule—Exchanges: General Procedures; State Exchanges; National Park Exchanges; Wildlife Refuge Exchanges; Miscellaneous Exchanges [WO-420-1050-00-24 1A] (RIN: 1004-AC58) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11467. A letter from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Tuna Fisheries; Atlantic Bluefin Tuna General Category [I.D. 091198A] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11468. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 in the Gulf of Alaska [Docket No. 971208297-8054-02; I.D. 092398D] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11469. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29343; Amdt. No. 1891] (RIN: 2120-AA65) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11470. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737-100, -200, -300, -400, and -500 Series Airplanes [Docket No. 98-NM-254-AD; Amendment 39-10751; AD 98-19-09] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11471. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Transportation Equity Act For The 21st Century; Implementation For Participation In The Value Pricing Pilot Program [FHWA Docket FHWA-98-4300] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11472. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Occupant Protection Incentive Grants [Docket No. NHTSA-98-4496] (RIN: 2127-AH40) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11473. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area; Strait of Juan de Fuca and Adjacent Coastal Waters of Washington; Makah Whale Hunting [CGD 13-98-023] (RIN: 2115-AE84) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11474. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Columbus Day Regatta Sailboat Race, Miami, Florida [CGD07 98-059] (RIN: 2115-AE46) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11475. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety zone; Gulf of Alaska; southeast of Narrow Cape, Kodiak Island, Alaska [COTP Western Alaska 98-003] (RIN: 2115-AA97) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11476. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Lifesaving Equipment [CGD 84-069] (RIN: 2115-AB72) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11477. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security for Passenger Vessels and Passenger Terminals [CGD 91-012] (RIN: 2115-AD75) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11478. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Standards; Rain and Hail Ingestion Standards; Correction [Docket No. 28652; Amendment Nos. 23-53, 25-95, and 33-19] (RIN: 2120-AF75) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11479. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Rolls-Royce Limited, Aero Division-Bristol/S.N.E.C.M A. Olympus 593 Series Turbojet Engines [Docket No. 98-ANE-07-AD; Amendment 39-10753; AD 98-19-11] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11480. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Twin Commander Aircraft Corporation Models 500, 500-A, 500-B, 500-S, 500-U, 520, 560, 560-A, 560-E, 560-F, 680, 680-E, 680FL(P), 680T, 680V, 680W, 681, 685, 690, 690A, 690B, 690C, 690D, 695, 695A, 695B, and 720 Airplanes [Docket No. 97-CE-57-AD; Amendment 39-10801; AD 98-20-34] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11481. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Maule Aerospace Technology Corp. M-4, M-5, M-6, M-7, MX-7, and MXT-7 Series Airplanes and Models MT-7-235 and M-8-235 Airplanes; Correction [Docket No. 98-CE-01-AD; Amendment 39-10669; AD 98-15-18] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11482. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Israel Aircraft Industries (IAI), Ltd., Model 1121, 1121A, 1121B, 1123, 1124, and 1124A Series Airplanes [Docket No. 98-NM-108-AD; Amendment 39-10802; AD 98-20-35] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11483. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Raytheon Aircraft Company 200 Series Airplanes [Docket No. 98-CE-17-AD; Amendment 39-10806; AD 98-20-38] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11484. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Trenton, MO [Airspace Docket No. 98-ACE-38] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11485. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Wellington, KS [Airspace Docket No. 98-ACE-42] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11486. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Ulysses, KS [Airspace

Docket No. 98-ACE-41] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11487. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Pittsburg, KS [Airspace Docket No. 98-ACE-40] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11488. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Great Bend, KS [Airspace Docket No. 98-ACE-39] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11489. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; West Plains, MO [Airspace Docket No. 98-ACE-37] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11490. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Wichita Mid-Continent Airport, KS [Airspace Docket No. 98-ACE-36] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11491. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Villa Rica, GA [Airspace Docket No. 98-ASO-9] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11492. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29344; Amdt. No. 1892] (RIN: 2120-AA65) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11493. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Transportation for Individuals with Disabilities [Docket OST-98-3648] (RIN: 2105-AC00) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11494. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Americans with Disabilities Act Accessibility Guidelines for Transportation Vehicles; Over-the-Road Buses (RIN: 2105-AC00) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11495. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Industrie Model A300-600 Series Airplanes [Docket No. 98-NM-82-AD; Amendment 39-10793; AD 98-20-27] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11496. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Schweizer Aircraft Corporation and Hughes Helicopters, Inc. Model 269A, 269A-1, 269B, 269C, 269D, and TH-55A Helicopters [Docket No. 96-SW-10-AD; Amendment 39-10727; AD 98-18-11] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11497. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320-111, -211, and -231 Series Airplanes [Docket No. 97-NM-159-AD; Amendment 39-10749; AD 98-19-07] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11498. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model DHC-8-100 and -300 Series Airplanes [Docket No. 94-NM-89-AD; Amendment 39-10785; AD 98-20-19] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11499. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fairchild Aircraft, Inc. SA226 and SA227 Series Airplanes [Docket No. 98-CE-84-AD; Amendment 39-10794; AD 98-19-15] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11500. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; SAFT America Inc. Part Number (P/N) 021929-000 (McDonnell Douglas P/N 43BO34LB02) and P/N 021904-000 (McDonnell Douglas P/N 43BO34LB03) Nickel Cadmium Batteries [Docket No. 97-CE-116-AD; Amendment 39-10784; AD 98-20-17] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11501. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Industrie Model A320 Series Airplanes [Docket No. 97-NM-42-AD; Amendment 39-10796; AD 98-20-29] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11502. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320 Series Airplanes [Docket No. 98-NM-77-AD; Amendment 39-10798; AD 98-20-31] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11503. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB SF340A and SAAB 340B Series Airplanes [Docket No. 98-NM-100-AD; Amendment 39-10778; AD 98-20-11] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11504. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Carrizo Springs, Glass Ranch Airport, TX [Airspace Docket No. 98-ASW-44] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11505. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Cessna Aircraft Company Model T210R Airplanes [Docket No. 98-CE-19-AD; Amendment 39-10800; AD 98-20-33] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11506. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pilatus Aircraft Ltd. Models PC-12 and PC-12/45 Airplanes [Docket No. 97-CE-53-AD; Amendment 39-10795; AD 98-20-28] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11507. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320 Series Airplanes Equipped with a Bulk Cargo Door [Docket No. 97-NM-192-AD; Amendment 39-10797; AD 98-20-30] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11508. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Short Brothers Model SD3-60 SHERPA Series Airplanes [Docket No. 98-NM-138-AD; Amendment 39-10799; AD 98-20-32] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11509. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establish Class E Airspace; Davenport, IA [Airspace Docket No. 98-ACE-21] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11510. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Medical Savings Accounts [Announcement 98-88] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11511. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Weighted Average Interest Rate Update [Notice 98-48] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11512. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Continuity of Interest [TD 8783] (RIN: 1545-AW45) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11513. A letter from the Chief, Regulations Branch, United States Customs Service, transmitting the Service's final rule—Removal Of Brazil From The List Of Nations Entitled To Reciprocal Exemption From The Payment Of Special Tonnage Taxes (T.D. 98-79) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on 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. LEWIS of California: Committee of Conference. Conference report on H.R. 4194.

A bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–769). Ordered to be printed.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1467. A bill to provide for the continuance of oil and gas operations pursuant to certain existing leases in the Wayne National Forest; with an amendment (Rept. 105–770). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3878. A bill to subject certain reserved mineral interests of the operation of the Mineral Leasing Act, and for other purposes (Rept. 105–771). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. H.R. 3511. A bill to amend title XI of the Social Security Act to authorize the Secretary of Health and Human Services to provide additional exceptions to the imposition of civil money penalties in cases of payments to beneficiaries; with an amendment (Rept. 105–772 Pt. 1). Ordered to be printed.

Mr. ARCHER: Committee on Ways and Means. H.R. 4567. A bill to amend title XVIII of the Social Security Act to make revisions in the per beneficiary and per visit payment limits on payment for health services under the Medicare Program; with an amendment (Rept. 105–773 Pt. 1). Ordered to be printed.

Mr. ARCHER: Committee on Ways and Means. H.R. 4377. A bill to amend title XVIII of the Social Security Act to expand the membership of the Medicare Payment Advisory Commission to 17 (Rept. 105–774 Pt. 1). Ordered to be printed.

Mr. BLILEY: Committee on Commerce. H.R. 3783. A bill to amend section 223 of the Communications Act of 1934 to require persons who are engaged in the business of selling or transferring, by means of the World Wide Web, material that is harmful to minors to restrict access to such material by minors, and for other purposes; with an amendment (Rept. 105–775). Referred to the Committee of the Whole House on the State of the Union.

Mr. McINNIS: Committee on Rules. House Resolution 573. Resolution providing for consideration of the bill (H.R. 4570) to provide for certain boundary adjustments and conveyances involving public lands, to establish and improve the management of certain heritage areas, historic areas, National Parks, wild and scenic rivers, and national trials, to protect communities by reducing hazardous fuels levels on public lands, and for other purposes (Rept. 105–776). Referred to the House Calendar.

Mr. DREIER: Committee on Rules. House Resolution 574. Resolution waiving points of order against the conference report to accompany the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–777). Referred to the House Calendar.

Mrs. MYRICK: Committee on Rules. House Resolution 575. Resolution waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, and for other purposes (Rept. 105–778). Referred to the House Calendar.

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 576. Resolution providing consideration of the bill (H.R. 4259) to allow Haskell Indian Nations University and the Southwestern Indian Polytechnic Institute each to conduct a demonstration project to test the feasibility and desirability of new personnel management policies and procedures, and for other purposes (Rept. 105–779). Referred to the House Calendar.

Mr. GOSS: Committee on Conference. Conference report on H.R. 3694. A bill to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 105–780). Ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 3511. Referral to the Committee on Commerce extended for a period ending not later than October 9, 1998.

H.R. 4377. Referral to the Committee on Commerce extended for a period ending not later than October 9, 1998.

H.R. 4567. Referral to the Committee on Commerce extended for a period ending not later than October 9, 1998.

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. MURTHA:

H.R. 4696. A bill to amend title 10, United States Code, to repeal the so-called "Redux" retired pay computation formula applicable to persons entering military service on or after August 1, 1986; to the Committee on National Security.

By Mr. SMITH of Michigan (for himself, Mr. BARCIA of Michigan, and Mr. NADLER):

H.R. 4697. A bill to temporarily reenact chapter 12 of title 11 of the United States Code; to the Committee on the Judiciary.

By Mr. ANDREWS:

H.R. 4698. A bill to amend the Immigration and Nationality Act to provide for the deportation of aliens who associate with known terrorists; to the Committee on the Judiciary.

By Mrs. BONO:

H.R. 4699. A bill to remove the restriction on the distribution of certain revenues from the Mineral Springs parcel to certain members of the Agua Caliente Band of Cahuilla Indians; to the Committee on Resources.

By Mr. ENGLISH of Pennsylvania:

H.R. 4700. A bill to amend the Internal Revenue Code of 1986 to restructure and replace the income tax system of the United States to meet national priorities, and for other purposes; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii:

H.R. 4701. A bill to amend the Internal Revenue Code of 1986 to provide that an individual who leaves employment because of sexual harassment will, for purposes of determining such individual's eligibility for unemployment compensation, be treated as having left such employment for good cause; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii:

H.R. 4702. A bill to amend the Internal Revenue Code of 1986 to provide that an individual who leaves employment because of loss of child care will, for purposes of determining such individual's eligibility for unemployment compensation, be treated as having left such employment for good cause; to the Committee on Ways and Means.

By Mr. NEAL of Massachusetts (for himself and Mr. DELAHUNT):

H.R. 4703. A bill to amend the Internal Revenue Code of 1986 to modify the tax on commercial aviation to and from airports located on sparsely populated islands; to the Committee on Ways and Means.

By Mr. NETHERCUTT:

H.R. 4704. A bill to require the General Accounting Office to prepare a report assessing the impact and effectiveness of economic sanctions imposed by the United States, to prohibit the imposition of unilateral sanctions on exports of food, other agricultural products, medicines, or medical supplies or equipment, and for other purposes; to the Committee on International Relations, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SENSENBRENNER:

H. Res. 572. A resolution providing for the consideration of the bill H.R. 1702 and the Senate amendment thereto; considered and agreed to.

By Mr. THOMAS:

H. Res. 577. A resolution permitting official photographs of the House of Representatives to be taken while the House is in actual session; to the Committee on House Oversight.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 51: Mr. LEWIS of California.

H.R. 383: Mr. SHAW.

H.R. 538: Mr. LUTHER.

H.R. 836: Mrs. CAPPS, Ms. DELAURO, Mr. GEJDENSON, Mr. KANJORSKI, Mr. POMEROY, Mr. SOUDER, and Mr. ENGLISH of Pennsylvania.

H.R. 1531: Mr. UNDERWOOD.

H.R. 2549: Mr. EVANS.

H.R. 2708: Mr. SALMON.

H.R. 2721: Mr. MICA.

H.R. 3177: Mr. KING of New York.

H.R. 3270: Mr. DREIER.

H.R. 3320: Mr. MALONEY of Connecticut.

H.R. 3794: Mrs. KENNELLY of Connecticut, Mr. MOAKLEY, Mr. MCHUGH, Mr. HILLIARD, Mr. FILNER, and Mr. JEFFERSON.

H.R. 3837: Mrs. MORELLA and Mr. FILNER.

H.R. 3879: Mr. ADERHOLT and Mr. EHRLICH.

H.R. 3918: Mr. MCNULTY.

H.R. 3956: Mr. CUMMINGS, Mr. SISISKY, and Mr. CLYBURN.

H.R. 4070: Mr. BROWN of California.

H.R. 4127: Mr. BARRETT of Nebraska.

H.R. 4228: Mr. BURTON of Indiana.

H.R. 4277: Mr. PALLONE.

H.R. 4281: Mrs. LINDA SMITH of Washington.

H.R. 4299: Mr. KILDEE.

H.R. 4404: Mr. JOHNSON of Wisconsin and Mr. TIAHRT.

H.R. 4407: Mr. RAMSTAD and Mr. CARDIN.

H.R. 4450: Mr. WAXMAN.

H.R. 4467: Mr. KLECZKA, Mr. MCNULTY, Mrs. CAPPS, Ms. CHRISTIAN-GREEN, Mr. KENNEDY of Rhode Island, Mr. LEWIS of Georgia, Mr. WAXMAN, Mr. MEEHAN, Mr. HINCHEY, Ms.

FURSE, Mr. GUTIERREZ, Ms. DEGETTE, Mr. DEFAZIO, Ms. NORTON, Mr. FROST, Mr. OLVER, Mr. PALLONE, Mrs. LOWEY, Mr. ALLEN, and Mr. TIERNEY.

H.R. 4492: Mr. RADANOVICH and Mr. ADAM SMITH of Washington.

H.R. 4531: Mr. RUSH and Ms. FURSE.

H.R. 4552: Mr. LAFALCE, Mr. DEUTSCH, Mr. HILLIARD, Mr. HINCHEY, and Ms. MCCARTHY of Missouri.

H.R. 4563: Mr. BENTSEN, Mr. FOLEY, Mr. BONIOR, Mr. WATTS of Oklahoma, Mr. KOLBE, Mrs. MCCARTHY of New York, and Ms. JACKSON-LEE of Texas.

H.R. 4567: Mr. BISHOP, Mr. WELDON of Florida, Mr. BOEHLERT, and Mr. KING of New York.

H.R. 4597: Mr. WEYGAND.

H.R. 4627: Mr. FILNER, Mr. KENNEDY of Rhode Island, and Mr. FORD.

H.R. 4666: Mr. ALLEN.

H.R. 4669: Mr. KENNEDY of Rhode Island and Mr. UNDERWOOD.

H.R. 4683: Ms. DEGETTE, Mr. FORBES, and Mr. DEAL of Georgia.

H.R. 4692: Ms. BROWN of Florida, Mr. FILNER, and Mr. HILLIARD.

H. Con. Res. 283: Mr. SALMON and Ms. SLAUGHTER.

H. Con. Res. 290: Mr. LAFALCE, Mr. QUINN, and Mr. PARKER.

H. Con. Res. 328: Mr. NORWOOD AND MR. MINGE.

H. Res. 479: Mr. BLUMENAUER.

H. Res. 519: Mr. WELLER and Mr. MCNULTY.

H. Res. 557: Mr. HOYER, Mr. HYDE, Mr. GEJDENSON, and Ms. SLAUGHTER.

H. Res. 565: Ms. HARMAN, Mr. JEFFERSON, Ms. DANNER, Ms. SÁNCHEZ, and Mr. PETERSON of Pennsylvania.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4274

OFFERED BY: MR. ACKERMAN

AMENDMENT NO. 28: Page 53, after line 8, insert the following section:

SEC. 221. Of the amounts made available in this title for the account for the Office of the Director of the Centers for Disease Control and Prevention, the account for the Office of the Director of the National Institutes of Health, and the account for general departmental management (Office of the Secretary of Health and Human Services), $6,000,000 (derived equally from such accounts) is transferred and made available to the Secretary of Health and Human Services for making grants under section 2625(c) of the Public Health Service Act.

H.R. 4274

OFFERED BY: MR. COBURN

AMENDMENT NO. 29: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available in this Act may be used by the Centers for Disease Control and Prevention, or any other part of the Public Health Service, to conduct or support any program in which blood samples are collected from individuals and tested for the human immunodeficiency virus in circumstances in which the samples do not indicate the identity of the individuals from whom the samples were taken.

H.R. 4274

OFFERED BY: MR. HAYWORTH

AMENDMENT NO. 30: Page 56, line 5, after the first dollar amount, insert the following: "(increased by $7,000,000)".

Page 59, line 20, after the dollar amount, insert the following: "(decreased by $7,000,000)".

H.R. 4274

OFFERED BY: MR. SANDERS

AMENDMENT NO. 31: Page 29, line 8, strike "transfer." and insert "transfer: *Provided further*, That the Director shall evaluate the effectiveness of child sexual abuse prevention efforts by the program known as 'Stop It Now!', at its current and proposed sites.".

H.R. 4274

OFFERED BY: MR. STEARNS

AMENDMENT NO. 32: Page 53, after line 8, insert the following section:

SEC. 221. Section 421 of the Public Health Service Act (42 U.S.C. 285b–3) is amended by adding at the end the following subsection:

"(c) Programs under subsection (a)(1)(E) (relating to emergency medical services and preventive, diagnostic, therapeutic, and rehabilitative approaches) shall include programs for the following:

"(1) The development and dissemination, in coordination with the emergency services guidelines promulgated under section 402(a) of title 23, United States Code, by the Associate Administrator for Traffic Safety Programs, Department of Transportation, of a core content for a model State training program applicable to cardiac arrest for inclusion in appropriate current emergency medical services educational curricula and training programs that address lifesaving interventions, including cardiopulmonary resuscitation and defibrillation. In developing the core content for such program, the Director of the Institute may rely upon the content of similar curricula and training programs developed by national nonprofit entities. The core content of such program—

"(A) may be used by health care professionals, allied health personnel, emergency medical services personnel, public safety personnel, and any other persons who are likely to arrive immediately at the scene of a sudden cardiac arrest (in this subsection referred to as 'cardiac arrest care providers') to provide lifesaving interventions, including cardiopulmonary resuscitation and defibrillation;

"(B) shall include age-specific criteria for the use of particular techniques, which shall include infants and children; and

"(C) shall be reevaluated as additional interventions are shown to be effective.

"(2) The operation of a limited demonstration project to provide training in such core content for cardiac arrest care providers to validate the effectiveness of the training program.

"(3) The definition and identification of cardiac arrest care providers, by personal relationship, exposure to arrest or trauma, occupation (including health professionals), or otherwise, who could provide benefit to victims of out-of-hospital arrest by comprehension of such core content.

"(4) The establishment of criteria for completion and comprehension of such core content, including consideration of inclusion in health and safety educational curricula.

"(5) The identification of equipment and supplies that should be accessible to cardiac arrest care providers to permit lifesaving interventions by preplacement of such equipment in appropriate locations insofar as such activities are consistent with the development of the core content and utilize information derived from such studies by the National Institutes of Health on investigation in cardiac resuscitation.

"(6) The development in accordance with this paragraph of model State legislation (or Federal legislation applicable to Federal territories, facilities, and employees). In developing the model legislation, the Director of the Institute shall cooperate with the Attorney General, and may consult with nonprofit private organizations that are involved in the drafting of model State legislation. The model legislation should take into consideration the following:

"(A) The purpose of the model legislation shall be to ensure—

"(i) access to emergency medical services through consideration of a requirement for public placement of lifesaving equipment; and

"(ii) good samaritan immunity for cardiac arrest care providers; those involved with the instruction of the training programs; and owners and managers of property where equipment is placed.

"(B) In the development of the model legislation, there shall be consideration of requirements for training in the core content and use of lifesaving equipment for State licensure or credentialing of health professionals or other occupations or employment of other individuals who may be defined as cardiac arrest care providers under paragraph (3).

"(7) The coordination of a national database for reporting and collecting information relating to the incidence of cardiac arrest, the circumstances surrounding such arrests, the rate of survival, the effect of age, and whether interventions, including cardiac arrest care provider interventions, or other aspects of the chain of survival, improve the rate of survival. The development of such database shall be coordinated with other existing databases on emergency care that have been developed under the authority of the National Highway Traffic Safety Administration and the Centers for Disease Control and Prevention.".

H.R. 4570

OFFERED BY: MR. HANSEN

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Omnibus National Parks and Public Lands Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—BOUNDARY ADJUSTMENTS AND RELATED CONVEYANCES

Sec. 101. Fort Davis Historic Site, Fort Davis, Texas.

Sec. 102. Abraham Lincoln Birthplace National Historic Site, Kentucky.

Sec. 103. Grand Staircase-Escalante National Monument, Utah.

Sec. 104. George Washington Birthplace National Monument, Virginia.

Sec. 105. Wasatch-Cache National Forest and Mount Naomi Wilderness, Utah.

Sec. 106. Bandelier National Monument, New Mexico.

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Sec. 223. Definitions.
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Sec. 225. Management of Bureau of Reclamation recreation area.
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Sec. 227. Montana Fish and Wildlife Conservation Trust.
Sec. 228. Canyon Ferry-Broadwater County Trust.
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Subtitle C—Conveyance of National Forest Lands for Public School Purposes
Sec. 231. Authorization of use of National Forest lands for public school purposes.
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Sec. 242. Authorization to use land in Merced County, California, for elementary school.
Sec. 243. Issuance of quitclaim deed, Steffens family property, Big Horn County, Wyoming.
Sec. 244. Issuance of quitclaim deed, Lowe family property, Big Horn County, Wyoming.
Sec. 245. Utah schools and lands exchange.
Sec. 246. Land exchange, Routt National Forest, Colorado.
Sec. 247. Hart Mountain jurisdictional transfers, Oregon.
Sec. 248. Sale, lease, or exchange of Idaho school land.
Sec. 249. Transfer of jurisdiction of certain property in San Joaquin County, California, to Bureau of Land Management.
Sec. 250. Conveyance, Camp Owen and related parcels, Kern County, California.
Sec. 251. Treatment of certain land acquired by exchange, Red Cliffs Desert Reserve, Utah.
Sec. 252. Land conveyance, Yavapai County, Arizona.
Sec. 253. Conveyance, Old Coyote Administrative Site, Rio Arriba County, New Mexico.
Sec. 254. Acquisition of real property interests for addition to Chickamauga-Chattanooga National Military Park.
Sec. 255. Land transfers involving Rogue River National Forest and other public lands in Oregon.
Sec. 256. Protection of Oregon and California Railroad grant lands.
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Sec. 305. Duties of Corridor Commission.
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TITLE I—BOUNDARY ADJUSTMENTS AND RELATED CONVEYANCES

SEC. 101. FORT DAVIS HISTORIC SITE, FORT DAVIS, TEXAS.

The Act entitled "An Act Authorizing the establishment of a national historic site at Fort Davis, Jeff Davis County, Texas", approved September 8, 1961 (75 Stat. 488; 16 U.S.C. 461 note), is amended in the first section by striking "not to exceed four hundred and sixty acres" and inserting "not to exceed 476 acres".

SEC. 102. ABRAHAM LINCOLN BIRTHPLACE NATIONAL HISTORIC SITE, KENTUCKY.

(a) IN GENERAL.—Upon acquisition of the land known as Knob Creek Farm pursuant to subsection (b), the boundary of the Abraham Lincoln Birthplace National Historic Site, established by the Act of July 17, 1916 (39 Stat. 385, chapter 247; 16 U.S.C. 211 et seq.), is revised to include such land. Lands acquired pursuant to this section shall be administered by the Secretary of the Interior as part of the historic site.

(b) ACQUISITION OF KNOB CREEK FARM.—The Secretary of the Interior may acquire, by donation only, the approximately 228 acres of land known as Knob Creek Farm in Larue County, Kentucky, as generally depicted on a map entitled "Knob Creek Farm Unit, Abraham Lincoln National Historic Site", numbered 338/80,077, and dated October 1998. Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(c) STUDY AND REPORT.—The Secretary of the Interior shall study the Knob Creek Farm in Larue County, Kentucky, and not later than 1 year after the date of enactment of this Act, submit a report to the Congress containing the results of the study. The purpose of the study shall be to:

(1) Identify significant resources associated with the Knob Creek Farm and the early boyhood of Abraham Lincoln.

(2) Evaluate the threats to the long-term protection of the Knob Creek Farm's cultural, recreational, and natural resources.

(3) Examine the incorporation of the Knob Creek Farm into the operations of the Abraham Lincoln Birthplace National Historic Site and establish a strategic management plan for implementing such incorporation. In developing the plan, the Secretary shall—

(A) determine infrastructure requirements and property improvements needed at Knob Creek Farm to meet National Park Service standards;

(B) identify current and potential uses of Knob Creek Farm for recreational, interpretive, and educational opportunities; and

(C) project costs and potential revenues associated with acquisition, development, and operation of Knob Creek Farm.

(d) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out subsection (c).

SEC. 103. GRAND STAIRCASE-ESCALANTE NATIONAL MONUMENT, UTAH.

(a) EXCLUSION OF CERTAIN LANDS.—The boundaries of the Grand Staircase-Escalante National Monument in the State of Utah are hereby modified to exclude the following lands:

(1) The parcel known as Henrieville Town, Utah, as generally depicted on the map entitled "Henrieville Town Exclusion, Garfield County, Utah", dated March 25, 1998.

(2) The parcel known as Cannonville Town, Utah, as generally depicted on the map entitled "Cannonville Town Exclusion, Garfield County, Utah", dated March 25, 1998.

(3) The parcel known as Tropic Town, Utah, as generally depicted on the map entitled "Tropic Town Parcel", dated July 21, 1998.

(4) The parcel known as Boulder Town, Utah, as generally depicted on the map entitled "Boulder Town Exclusion, Garfield County, Utah", dated March 25, 1998.

(b) INCLUSION OF CERTAIN ADDITIONAL LANDS.—The boundaries of the Grand Staircase-Escalante National Monument are hereby modified to include the parcel known as East Clark Bench, as generally depicted on the map entitled "East Clark Bench Inclusion, Kane County, Utah", dated March 25, 1998.

(c) MAPS.—The maps referred to in subsections (a) and (b) shall be on file and available for public inspection in the office of the Grand Staircase-Escalante National Monument in the State of Utah and in the office of the Director of the Bureau of Land Management.

(d) LAND CONVEYANCE, TROPIC TOWN, UTAH.—The Secretary of the Interior shall convey to Garfield County School District, Utah, all right, title, and interest of the United States in and to the lands shown on the map entitled "Tropic Town Parcel" and dated July 21, 1998, in accordance with section 1 of the Act of June 14, 1926 (43 U.S.C. 869; commonly known as the Recreation and Public Purposes Act), for use as the location for a school and for other education purposes.

(e) LAND CONVEYANCE, KODACHROME BASIN STATE PARK, UTAH.—The Secretary shall transfer to the State of Utah all right, title, and interest of the United States in and to the lands shown on the map entitled "Kodachrome Basin Conveyance No. 1 and No. 2" and dated July 21, 1998, in accordance with section 1 of the Act of June 14, 1926 (43 U.S.C. 869; commonly known as the Recreation and Public Purposes Act), for inclusion of the lands in Kodachrome Basin State Park.

(f) UTILITY CORRIDOR DESIGNATION, U.S. ROUTE 89, KANE COUNTY, UTAH.—There is hereby designated a utility corridor with regard to U.S. Route 89, in Kane County, Utah. The utility corridor shall run from the boundary of Glen Canyon Recreation Area easterly to Mount Carmel Jct. and shall consist of the following:

(1) Bureau of Land Management lands located on the north side of U.S. Route 89 within 240 feet of the center line of the highway.

(2) Bureau of Land Management lands located on the south side of U.S. Route 89 within 500 feet of the center line of the highway.

SEC. 104. GEORGE WASHINGTON BIRTHPLACE NATIONAL MONUMENT, VIRGINIA.

(a) ADDITION.—The boundaries of the George Washington Birthplace National Monument are modified to include the property generally known as George Washington's Boyhood Home, Ferry Farm, located in Stafford County, Virginia, across the Rappahannock River from Fredericksburg, Virginia, comprising approximately 85 acres. The boundary modification is generally depicted on the map entitled "George Washington Birthplace National Monument Boundary Map", numbered 322/80,020 and dated April 1998. The Secretary of the Interior shall keep the map on file and available for public inspection in appropriate offices of the National Park Service.

(b) ACQUISITION OF EASEMENT.—After enactment of this section, the Secretary of the Interior may acquire no more than a less than fee interest in the property described in subsection (a) to ensure the preservation of the important cultural and natural resources associated with Ferry Farm.

(c) RESOURCE STUDY.—Not later than 18 months after the date on which funds are made available to carry out this section, the Secretary of the Interior shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives a resource study of the property described in subsection (a). The study shall—

(1) identify the full range of resources and historic themes associated with Ferry Farm, including those associated with George Washington's tenure at the property described in subsection (a) and those associated with the Civil War period;

(2) identify alternatives for further National Park Service involvement at the property described in subsection (a) beyond those that may be provided for in the acquisition authorized under subsection (b); and

(3) include cost estimates for any necessary acquisition, development, interpretation, operation, and maintenance associated with the alternatives identified.

(d) AGREEMENTS.—Upon completion of the resource study under subsection (c), the Secretary of the Interior may enter into agreements with the owner of the property described in subsection (a) or other entities for the purpose of providing programs, services, facilities, or technical assistance that further the preservation and public use of the property.

SEC. 105. WASATCH-CACHE NATIONAL FOREST AND MOUNT NAOMI WILDERNESS, UTAH.

(a) BOUNDARY ADJUSTMENT.—To correct a faulty land survey, the boundaries of the Wasatch-Cache National Forest in the State of Utah and the boundaries of the Mount Naomi Wilderness, which is located within the Wasatch-Cache National Forest and was established as a component of the National Wilderness Preservation System in section 102(a)(1) of the Utah Wilderness Act of 1984 (Public Law 98-428; 98 Stat. 1657), are hereby modified to exclude the parcel of land known as the D. Hyde property, which encompasses an area of cultivation and private use, as generally depicted on the map entitled "D. Hyde Property Section 7 Township 12 North Range 2 East SLB & M", dated July 23, 1998.

(b) LAND CONVEYANCE.—The Secretary of Agriculture shall convey to Darrell Edward Hyde of Cache County, Utah, all right, title,

and interest of the United States in and to the parcel of land identified in subsection (a). As part of the conveyance, the Secretary shall release, on behalf of the United States, any claims of the United States against Darrell Edward Hyde for trespass or unauthorized use of the parcel before its conveyance.

(c) WILDERNESS ADDITION.—To prevent any net loss of wilderness within the State of Utah, the boundaries of the Mount Naomi Wilderness are hereby modified to include a parcel of land comprising approximately 7.25 acres, identified as the "Mount Naomi Wilderness Boundary Realignment Consideration" on the map entitled "Mount Naomi Wilderness Addition", dated September 25, 1998.

SEC. 106. BANDELIER NATIONAL MONUMENT, NEW MEXICO.

(a) FINDINGS.—Congress finds the following:

(1) Bandelier National Monument (in this section referred to as the "Monument") was established by Presidential proclamation on February 11, 1916, to preserve the archaeological resources of a "vanished people, with as much land as may be necessary for the proper protection thereof. . ." (Presidential Proclamation No. 1322; 39 Stat. 1764).

(2) At various times since the establishment of the Monument, the Congress and the President have adjusted the boundaries and purpose of the Monument to further preservation of archaeological and natural resources within the Monument:

(A) On February 25, 1932, the Otowi Section of the Santa Fe National Forest (some 4,699 acres of land) was transferred to the Monument from the Santa Fe National Forest (Presidential Proclamation No. 1991; 47 Stat. 2503).

(B) On December 9, 1959, 3,600 acres of Frijoles Mesa were transferred to the National Park Service from the Atomic Energy Commission, and such lands were subsequently added to the Monument on January 9, 1961, because of "pueblo-type archeological ruins germane to those in the monument area" (Presidential Proclamation No. 3388; 75 Stat. 1014).

(C) On May 27, 1963, Upper Canyon, consisting of 2,882 acres of land previously administered by the Atomic Energy Commission, was added to the Monument to preserve the lands "unusual scenic character together with geologic and topographic features, the preservation of which would implement the purposes of such monument (Presidential Proclamation No. 3539; 77 Stat. 1006).

(D) In 1976, concerned about upstream land management activities that could result in flooding and erosion in the Monument, Congress enacted Public Law 94-578 (90 Stat. 2732, 2736) to include the headwaters of the Rito de los Frijoles and the Cañada de Cochiti Grant (a total of 7,310 acres) within the boundaries of the Monument.

(E) In 1976, Congress enacted Public Law 94-567 (90 Stat. 2692), which created the Bandelier Wilderness, a 23,267 acres area that covers over 70 percent of the Monument.

(3) The Monument still has potential threats from flooding, erosion, and water quality deterioration because of the mixed ownership of the upper watersheds, along its western border, particularly in Alamo Canyon.

(b) PURPOSE.—The purpose of this section is to modify the boundaries of the Monument to allow for acquisition and enhanced protection of the lands within the Monument's upper watershed.

(c) BOUNDARY MODIFICATION.—Effective on the date of enactment of this Act, the boundaries of the Monument are hereby modified to include approximately 935 acres of land, comprised of the Elk Meadows subdivision, the Gardner parcel, the Clark parcel, and the Baca Land & Cattle Co. lands within the Upper Alamo watershed, as depicted on the National Park Service map entitled "Proposed Boundary Expansion Map Bandelier National Monument" dated July 1997. Such map shall be on file and available for public inspection in the offices of the Director of the National Park Service, Department of the Interior.

(d) ACQUISITION AUTHORITY—

(1) ACQUISITION METHODS.—Subject to paragraphs (2), (3), and (4), the Secretary of the Interior may acquire lands and interests therein within the boundaries of the area added to the Monument by this section by donation, purchase with donated or appropriated funds, transfer with another Federal agency, or exchange.

(2) CONSENT OF OWNER REQUIRED.—Lands or interests therein may be acquired under paragraph (1) only with the consent of the owner of the lands.

(3) STATE AND LOCAL LANDS.—Lands or interests therein owned by the State of New Mexico, or a political subdivision thereof, may be acquired under paragraph (1) only by donation or exchange.

(4) ACQUISITION OF LESS THAN FEE INTERESTS IN LAND.—The Secretary may acquire less than fee interests in land only if the Secretary determines that such less than fee acquisition will adequately protect the Monument from flooding, erosion, and degradation of its drainage waters.

(e) ADMINISTRATION.—The Secretary of the Interior, acting through the Director of the National Park Service, shall manage the Monument, including lands added to the Monument by this section, in accordance with this section, the provisions of law generally applicable to units of National Park System, including the Act of August 25, 1916 (16 U.S.C. 1 et seq.; commonly known as the National Park Service Organic Act), and such specific laws as heretofore have been enacted regarding the Monument.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

TITLE II—OTHER LAND CONVEYANCES AND MANAGEMENT

Subtitle A—Southern Nevada Public Land Management

SEC. 201. CONVEYANCE TO CLARK COUNTY DEPARTMENT OF AVIATION.

(a) CONVEYANCE REQUIRED.—Notwithstanding the land use planning requirements contained in sections 202 and 203 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1711 and 1712), but subject to subsection (b) of this section, the Secretary of the Interior shall convey to the Department of Aviation of Clark County, Nevada (in this section referred to as the "Aviation Department"), all right, title, and interest of the United States in and to the public lands identified for disposition on the map entitled "Ivanpah Valley Airport Selections, #1" and dated September 30, 1998, for the purpose of developing an airport facility and related infrastructure. Such map shall be on file and available for public inspection in the offices of the Director and the Las Vegas District of the Bureau of Land Management.

(b) AIRSPACE STUDY AND MITIGATION OF ADVERSE EFFECTS.—The conveyance identified in subsection (a) shall not occur unless each of the following occur:

(1) The Aviation Department conducts an airspace assessment to identify any adverse effect on access to the Las Vegas Basin under visual flight rules that would result from the construction and operation of a commercial or primary airport, or both, on the land to be conveyed.

(2) The Federal Aviation Administration certifies to the Secretary that the Aviation Department's assessment is thorough and that alternatives have been developed to address each adverse effect identified in the assessment, including alternatives that ensure access to the Las Vegas Basin under visual flight rules at a level that is equal to or better than existing access.

(3) The Aviation Department enters into an agreement with the Secretary to retain ownership of nearby Jean Airport and to maintain and develop Jean Airport as a general aviation airport.

(c) PHASED CONVEYANCES.—The Secretary shall convey the lands identified in subsection (a) in smaller parcels over a period of up to 20 years, as may be required to carry out the phased construction and development of the airport facility and infrastructure on the lands to be conveyed. As consideration for the conveyance of each parcel, the Aviation Department shall pay to the United States an amount equal to the fair market value of the parcel.

(d) DETERMINATIONS OF FAIR MARKET VALUE.—During the 3-year period beginning on the date of the enactment of this Act, the fair market value of a parcel to be conveyed under subsection (a) shall be based on an appraisal of the fair market value as of a date not later than 6 months after the date of the enactment of this Act. The fair market value of each parcel conveyed after the end of such period shall be based on a subsequent appraisal. An appraisal conducted after such period shall consider the parcel in its unimproved state and shall not reflect any enhancement in value to the parcel based upon the existence or planned construction of infrastructure on or near the parcel.

(e) REVERSIONARY INTEREST.—During the 5-year period beginning 20 years after the date on which the Secretary conveys the first parcel under subsection (a), if the Secretary determines that the Aviation Department is not developing or progressing toward the development of the conveyed lands as an airport facility, the Secretary may exercise a right to reenter the conveyed lands. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing. If the Secretary exercises a right to reenter the conveyed lands under this subsection, the Secretary shall reimburse the Aviation Department for all payments made to the United States under subsection (c).

(f) WITHDRAWAL.—The public lands referred to in subsection (a) are hereby withdrawn from mineral entry under the Act of May 10, 1872 (30 U.S.C. 22 et seq.; popularly known as the Mining Law of 1872), and the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(g) MOJAVE NATIONAL PRESERVE OVERFLIGHTS.—The Secretary of Transportation shall consult with the Secretary in the preparation of an airspace management plan for the Ivanpah Airport which avoids, to the maximum extent practicable, overflights of the Mojave National Preserve in California consistent with Federal Aviation Administration recommendations for safety.

Subtitle B—Conveyance of Canyon Ferry Reservoir Properties

SEC. 221. FINDINGS.

The Congress finds that the conveyance of the Properties described in section 224(b) to

the Lessees of those Properties for fair market value would have the beneficial results of—

(1) reducing Pick-Sloan project debt for the Canyon Ferry Reservoir;

(2) providing a permanent source of funding to acquire and improve public access, to conserve fish and wildlife, and to enhance public hunting, fishing, and recreational opportunities in the State of Montana;

(3) eliminating Federal payments in lieu of taxes and associated management expenditures in connection with the Federal Government's ownership of the Properties while increasing local tax revenues from the new owners of the Properties; and

(4) eliminating expensive and contentious disputes between the Secretary of the Interior and Lessees while ensuring that the Federal Government receives full and fair value for the conveyance of the Properties.

SEC. 222. PURPOSE.

The purpose of this subtitle is to establish terms and conditions under which the Secretary of the Interior shall convey, for fair market value, certain Properties around Canyon Ferry Reservoir in the State of Montana, to the Lessees of the Properties.

SEC. 223. DEFINITIONS.

In this subtitle:

(1) CABIN TRUST.—The terms "Cabin Trust" and "Canyon Ferry Cabin Site Transfer Trust" mean the Canyon Ferry Cabin Site Transfer Trust established pursuant to section 229.

(2) CFRA.—The term "CFRA" means the Canyon Ferry Recreation Association, Incorporated, a Montana corporation.

(3) COMMISSIONERS.—The term "Commissioners" means the Board of Commissioners for Broadwater County, Montana.

(4) COUNTY TRUST.—The terms "County Trust" and "Canyon Ferry-Broadwater County Trust" mean the Canyon Ferry-Broadwater County Trust established pursuant to section 228.

(5) LESSEE.—The term "Lessee" means the leaseholder (or permit holder) of any one of the cabin sites described in section 224(b) on the date of the enactment of this subtitle and the heirs, executors, and assigns of the leaseholder's (or permit holder's) interest in that cabin site.

(6) PROPERTY.—The term "Property" means any one of the cabin sites described in section 224(b).

(7) PROPERTIES.—The term "Properties" means all 265 of the cabin sites (and related parcels) described in section 224(b).

(8) PURCHASER.—The term "Purchaser" means a person or entity, excluding CFRA or a Lessee, that purchases the Properties under section 224.

(9) RESERVOIR.—The terms "Reservoir" and "Canyon Ferry Reservoir" mean the Canyon Ferry Reservoir in the State of Montana.

(10) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(11) STATE TRUST.—The terms "State Trust" and "Montana Fish and Wildlife Conservation Trust" mean the Montana Fish and Wildlife Conservation Trust established pursuant to section 227.

SEC. 224. SALE OF PROPERTIES.

(a) SALE REQUIRED.—Subject to subsection (c) and section 228(a), and notwithstanding any other provision of law, the Secretary shall sell at fair market value—

(1) all right, title, and interest of the United States in and to all (but not fewer than all) of the Properties, subject to valid existing rights; and

(2) perpetual easements for—

(A) vehicular access to each Property;

(B) access to and the use of one dock per Property; and

(C) access to and the use of all boathouses, ramps, retaining walls, and other improvements for which access is provided in the Property leases as of the date of the enactment of this subtitle.

(b) DESCRIPTION OF PROPERTIES.—

(1) IN GENERAL.—The Properties to be conveyed are—

(A) the 265 cabin sites of the Bureau of Reclamation located along the northern end of the Reservoir in portions of sections 2, 11, 12, 13, 15, 22, 23, and 26, Township 10 North, Range 1 West; and

(B) any small parcels contiguous to the Property (not including shoreline or land needed to provide public access to the shoreline of the Reservoir) that the Secretary determines should be conveyed in order to eliminate inholdings and facilitate administration of surrounding land remaining in Federal ownership.

(2) ACREAGE; LEGAL DESCRIPTION.—The acreage and legal description of each Property and of each parcel determined by the Secretary under paragraph (1)(B) shall be determined by agreement between the Secretary and CFRA.

(c) PURCHASE PROCESS.—

(1) IN GENERAL.—The Secretary shall—

(A) solicit sealed bids for the Properties;

(B) subject to paragraph (2), sell the Properties to the bidder that submits the highest bid above the minimum bid determined under paragraph (2); and

(C) only accept bids that provide for the purchase of all of the Properties in one bundle.

(2) MINIMUM BID.—Before accepting bids, the Secretary, in consultation with CFRA, shall establish a minimum bid based on an appraisal of the fair market value of the Properties, exclusive of the value of private improvements made by leaseholders of the Properties before the date of the conveyance. The appraisal shall be conducted in conformance with the Uniform Standards of Professional Appraisal Practice.

(3) RIGHT OF FIRST REFUSAL.—If the highest bidder is a person other than CFRA, CFRA shall have the right to match the highest bid and purchase the Properties at a price equal to the amount of that other person's bid.

(d) TERMS OF CONVEYANCE FOR PURCHASER OTHER THAN CFRA.—

(1) APPLICATION OF SUBSECTION.—This subsection applies in the event that the highest bidder for the Properties is other than CFRA, and CFRA does not match the highest bid as authorized in subsection (c)(3).

(2) PAYMENT AND CONVEYANCE.—The Secretary shall convey the Properties to the Purchaser upon the payment by the Purchaser of the bid amount. The Secretary shall use the proceeds as provided in section 226.

(3) PURCHASER TO EXTEND OPTION TO PURCHASE OR TO CONTINUE LEASING.—

(A) PURCHASE OPTION.—The Purchaser shall give each Lessee of a Property conveyed under this section an option to purchase the Property at fair market value as determined under subsection (c)(2).

(B) RIGHT TO CONTINUE LEASE.—A Lessee that is unable or unwilling to purchase a Property shall be provided the opportunity to continue to lease the Property for fair market value rent under the same terms and conditions as apply under the existing lease for the Property, including the right to renew the term of the existing lease for two consecutive five-year terms.

(C) COMPENSATION FOR IMPROVEMENTS.—If a Lessee declines to purchase a Property, the Purchaser shall compensate the Lessee for the fair market value, as determined pursuant to customary appraisal procedures, of all improvements made to the Property. The Lessee may sell the improvements to the Purchaser at any time, but the sale shall be completed by the final termination of the lease, after all renewals as provided in subparagraph (B).

(4) PROPERTY DESCRIPTIONS AND HISTORICAL USE.—The Purchaser shall honor the existing descriptions of the Properties and historical use restrictions for the Properties.

(e) TERMS OF CONVEYANCE FOR CFRA.—

(1) APPLICATION OF SUBSECTION.—This subsection applies in the event that CFRA is the highest bidder or matches the highest bid as authorized in subsection (c)(3).

(2) TIME FOR CONVEYANCE.—The Secretary shall close on a Property within 45 days after receipt of the purchase request from the Lessee of the Property or CFRA.

(3) TIME FOR PAYMENT.—At the closing for a Property to be purchased by the Lessee or CFRA, the Lessee or CFRA shall deliver to the Secretary payment for the Property. The Secretary shall use the proceeds as provided in section 226.

(4) PURCHASE AMOUNT.—The Secretary and CFRA shall determine the purchase amount of each Property based on the appraisal conducted pursuant to subsection (c)(2), the amount bid pursuant to subsection (c)(1), and the proportionate share of administrative costs pursuant to subsection (g). The total purchase amount for all Properties shall equal the total bid amount plus administrative costs pursuant to subsection (g).

(5) TIME FOR PURCHASE.—CFRA and the Lessees shall complete purchase of at least 75 percent of the Properties not later than August 1 of the year that is at least 12 months after title to the first Property is transferred by the Secretary to a Lessee.

(6) EFFECT OF FAILURE TO COMPLETE PURCHASE.—On the August 1 determined under paragraph (5), the Secretary shall convey, without consideration, to the Canyon Ferry Cabin Site Transfer Trust the fee title to any Property not purchased by CFRA or a Lessee before that date.

(7) COSTS.—The Lessee shall reimburse CFRA for a proportionate share of the costs to CFRA of completing the transactions, including any interest charges.

(f) CONTINUED PUBLIC ACCESS TO RESERVOIR.—The Secretary, the Purchaser, CFRA, and subsequent owners of each Property shall ensure that existing public access to and along the shoreline of the Reservoir is not obstructed.

(g) ADMINISTRATIVE COSTS.—Any reasonable administrative cost incurred by the Secretary incident to the conveyance under subsection (a) shall be reimbursed by the Purchaser or CFRA, as the case may be.

(h) TIMING.—The Secretary shall make every effort to complete the conveyance under subsection (a) not later than one year after the date on which the conditions specified in section 228(a) are satisfied.

(i) CLOSING.—

(1) IN GENERAL.—The Secretary shall complete no real estate closings under this section until the Secretary is prepared to close on every individual Property. Real estate closings to complete the conveyance under subsection (a) may be staggered to facilitate the conveyance as agreed to by the Secretary and the Purchaser or CFRA, as the case may be.

(2) CONVEYANCE TO LESSEE.—If a Lessee elects to purchase a Property from the Purchaser or CFRA, the Secretary, upon request

by the Lessee, shall have the conveyance documents prepared in the Lessee's name or names in order to minimize the time and documents required to complete the closing for the Property.

SEC. 225. MANAGEMENT OF BUREAU OF RECLAMATION RECREATION AREA.

(a) CONTRACT FOR CAMPGROUND MANAGEMENT.—Not later than six months after the date of the enactment of this subtitle, the Secretary shall—

(1) offer to enter into a contract with the Board of Commissioners for Broadwater County, Montana, under which the Commissioners would undertake the management of the Bureau of Reclamation recreation area known as Silos recreation area;

(2) enter into such a contract if mutually agreed upon by the Secretary and the Commissioners; and

(3) grant necessary easements to Broadwater County, Montana, for access roads within and adjacent to the Silos recreation area.

(b) CONCESSION INCOME.—Any income generated by any concessions which may be granted by the Commissioners at the Silos recreation area shall be deposited in the Canyon Ferry-Broadwater County Trust established pursuant to section 228 and may be disbursed by the manager of the County Trust as part of the income of the County Trust.

SEC. 226. USE OF PROCEEDS.

Proceeds received by the United States from the conveyances under this subtitle shall be used as follows:

(1) 10 percent of the proceeds shall be applied by the Secretary of the Treasury to reduce the outstanding debt for the Pick-Sloan project at Canyon Ferry Reservoir.

(2) 90 percent of the proceeds shall be deposited into the State Trust.

SEC. 227. MONTANA FISH AND WILDLIFE CONSERVATION TRUST.

(a) ESTABLISHMENT OF STATE TRUST.—

(1) ESTABLISHMENT.—The Secretary shall establish a nonprofit charitable permanent perpetual public trust in Montana to be known as the "Montana Fish and Wildlife Conservation Trust", to provide a permanent source of funding to acquire publicly accessible land and interests in land, including easements and conservation easements, in Montana from willing sellers at fair market value to—

(A) restore and conserve fisheries habitat, including riparian habitat;

(B) restore and conserve wildlife habitat;

(C) enhance public hunting, fishing, and recreational opportunities; and

(D) improve public access to public lands.

(2) CONSULTATION.—The Secretary shall establish the State Trust in consultation with the Montana congressional delegation and the Governor of the State of Montana.

(b) STATE TRUST MANAGER.—The State Trust shall be managed by a manager who shall be responsible for—

(1) investing the corpus of the State Trust; and

(2) disbursing funds from the State Trust at the request of the Joint State-Federal Agency Board established under subsection (c) upon receipt of a request for disbursement that complies with the requirements of such subsection.

(c) JOINT STATE-FEDERAL AGENCY BOARD.—

(1) ESTABLISHMENT.—An advisory board for the State Trust shall be established by the State Trust and shall be known as the "Joint State-Federal Agency Board". The Joint State-Federal Agency Board shall consist of the following persons:

(A) A Forest Service employee working in Montana designated by the Forest Service.

(B) A Bureau of Land Management employee working in Montana designated by the Bureau of Land Management.

(C) A Bureau of Reclamation employee working in Montana designated by the Bureau of Reclamation.

(D) A Fish and Wildlife Service employee working in Montana designated by the United States Fish and Wildlife Service.

(E) A Fish, Wildlife, and Parks employee designated by the Montana Department of Fish, Wildlife, and Parks.

(2) SUBMISSION OF DISBURSEMENT REQUEST.—A request for disbursement from the State Trust may be submitted to the manager of the State Trust if the request satisfies a purpose of the State Trust specified in subsection (a) and is agreed to by a majority of the members of the Joint State-Federal Agency Board.

(3) CONSULTATION AND CONSIDERATION.—Before submitting a request for disbursement to the manager of the State Trust, the Joint State-Federal Agency Board shall consult with the Citizen Advisory Board established under subsection (d) regarding the merits of the request and after consideration of the plan for the State Trust prepared under subsection (e). The Joint State-Federal Agency Board shall also notify members of the public, including local governments, of proposed requests for disbursement and shall provide an opportunity for public comment. The Joint State-Federal Agency Board shall consider any comments or recommendations for requests submitted by members of the public or the Citizen Advisory Board.

(d) CITIZEN ADVISORY BOARD.—The Joint State-Federal Agency Board shall appoint, from nominations submitted by the Secretary, a Citizen Advisory Board consisting of four members, including one representative with a demonstrated commitment to improving public access to public lands and to fish and wildlife conservation from each of the following:

(1) A Montana organization representing agricultural landowners.

(2) A Montana organization representing hunters.

(3) A Montana organization representing fishermen.

(4) A Montana nonprofit land trust or environmental organization.

(e) STATE TRUST PLAN.—The Citizen Advisory Board, in consultation with the Joint State-Federal Agency Board and the Montana Association of Counties, shall prepare (and periodically update) a plan for the management and use of the State Trust. The plan shall include recommendations regarding appropriate requests for disbursement from the State Trust. The plan shall be designed to maximize effectiveness of State Trust expenditures considering public needs and requests, availability of property, alternative sources of funding, and availability of matching funds.

(f) TREATMENT OF PRINCIPAL AND EARNINGS.—

(1) PRINCIPAL.—The principal amount of the State Trust shall be inviolate.

(2) EARNINGS.—Earnings on amounts in the State Trust shall be used to carry out subsection (a) and to administer the State Trust and Citizen Advisory Board.

(g) LOCAL PURPOSES.—No more than 50 percent of the income from the State Trust in any given year shall be utilized outside the watershed of the Missouri River in Montana, from Holter Dam upstream to the confluence of the Jefferson, Gallatin, and Madison Rivers.

(h) MANAGEMENT OF ACQUISITIONS.—Land and interests in land acquired under this section shall be managed for the purposes specified in subsection (a).

SEC. 228. CANYON FERRY-BROADWATER COUNTY TRUST.

(a) TRUST REQUIRED AS CONDITION ON CONVEYANCES.—The Secretary may not sell the Properties under section 224 unless and until—

(1) the Board of Commissioners for Broadwater County, Montana, establishes a nonprofit charitable permanent perpetual public trust, to be known as the "Canyon Ferry-Broadwater County Trust"; and

(2) at least $3,000,000, or some lesser amount as offset by in-kind contributions made before full funding of the County Trust, is deposited as the initial corpus of the County Trust.

(b) REDUCTION FOR IN-KIND CONTRIBUTIONS.—The amount required to be deposited in the County Trust under subsection (a)(2) may be reduced to reflect in-kind contributions made in Broadwater County and related to the improvement of access to those portions of the Reservoir lying within Broadwater County or for the creation and improvement of new and existing recreational areas within Broadwater County. In kind contributions, including the value of such contributions, the nature and type of contribution, and the entity providing the contribution, must be approved in advance by the commissioners, but in kind contributions may not include any contribution made by Broadwater County.

(c) COUNTY TRUST MANAGEMENT.—The County Trust shall be managed by a nonprofit foundation or other independent trustee to be selected by the Commissioners. The selected person or entity shall be referred to as the "trust manager".

(d) USE.—

(1) IN GENERAL.—The trust manager shall invest the corpus of the County Trust and shall disburse funds from the County Trust only as provided in this subsection.

(2) SILO RECREATION AREA.—A sum not to exceed $500,000 may be expended from the corpus of the County Trust to pay for the planning and construction of a harbor at the Silos recreation area.

(3) OTHER USES.—The balance of the principal of the County Trust shall be inviolate. Income derived from the County Trust may be expended for the improvement of access to those portions of Canyon Ferry Reservoir lying within Broadwater County, Montana, and for the creation and improvement of new and existing recreational areas within Broadwater County.

(4) LIMITATION.—All interest earned on the principal of the County Trust shall be reinvested and considered part of the corpus of the County Trust until the sum of $3,000,000, or such lesser amount as offset by in-kind contributions (as defined under subsection (b)), is deposited as the initial corpus of the County Trust.

(5) DISBURSEMENT.—The trust manager shall either approve or reject any request for disbursement, but shall not make any expenditure except on the recommendation of the advisory committee established under subsection (e).

(e) ADVISORY COMMITTEE.—

(1) APPOINTMENT.—The Commissioners shall appoint an advisory committee consisting of not less than three nor more than five persons.

(2) DUTIES.—The advisory committee shall meet on a regular basis to establish priorities and prepare requests for the disbursement of funds from the County Trust, except

that the advisory committee shall recommend only such expenditures as are approved by the Commissioners.

(f) NO OFFSET.—Neither the corpus of the County Trust nor its interest shall be used to reduce or replace the regular operating expenses of the Secretary at the Reservoir, unless such use is authorized by the Commissioners.

SEC. 229. CANYON FERRY CABIN SITE TRANSFER TRUST.

(a) ESTABLISHMENT.—The Secretary shall establish a trust in Montana, to be known as the "Canyon Ferry Cabin Site Transfer Trust".

(b) PURPOSES.—The purposes of the Canyon Ferry Cabin Site Transfer Trust are as follows:

(1) To receive each unsold Property transferred by the Secretary under section 224(e)(6).

(2) To provide all appropriate real estate management services, including collecting rents, paying taxes, enforcing lease terms and selling Property.

(3) To pay to the State Trust any income generated from the Cabin Trust after the payment of management fees, costs, and expenses.

(c) TRUST TERM.—

(1) ESTABLISHMENT.—The Cabin Trust shall be established on August 1 of the year that is at least 12 months after title to the first Property is transferred by the Secretary to a Lessee.

(2) TERMINATION.—The Cabin Trust shall terminate after the completion of the last sale of a Property under its management.

(d) ADMINISTRATION.—The Cabin Trust shall be managed by a trust manager who shall administer it consistent with the purposes of this section.

(e) CONTINUATION OF LEASES.—

(1) IN GENERAL.—The Cabin Trust shall allow a Lessee that is unable or unwilling to purchase a Property to continue to lease the Property pursuant to the terms and conditions of the lease in effect for the Property on the date of the enactment of this subtitle.

(2) RENTAL PAYMENTS.—All rents received during the continuation of a lease under paragraph (1) shall be paid to the Cabin Trust.

(3) LIMITATION ON RIGHT TO TRANSFER LEASE.—Subject to valid existing rights, a Lessee may not sell or otherwise assign or transfer the leasehold without purchasing the Property from the Cabin Trust and conveying the fee interest in the Property. In the event of a sale by a Lessee to a third party, it shall be permissible for a simultaneous closing to be conducted wherein the Lessee conveys its interest in the leasehold improvements to the third party and the Cabin Trust conveys the fee title to the third party.

(f) CONVEYANCE BY CABIN TRUST.—All conveyances of a Property and any related parcels described in section 224(b)(1)(B) by the Cabin Trust shall be at fair market value as determined by a new appraisal, but in no event may the Cabin Trust convey any Property to a Lessee for an amount less than the value established for the Property by the appraisal conducted pursuant to section 224(c)(2).

(g) SALE PROCEEDS.—All proceeds from the sale of a Property received by the Cabin Trust shall be distributed by the trust manager as follows:

(1) 10 percent of the proceeds shall be paid to the Secretary of the Treasury to be applied to the reduction of the outstanding debt for the Pick-Sloan project at Canyon Ferry Reservoir.

(2) 90 percent of the proceeds shall be paid to the Montana Fish and Wildlife Conservation Trust.

(h) COSTS.—The Lessee, or a third party acquiring a Property with the cooperation of the Lessee, shall reimburse the Cabin Trust for a proportionate share of the costs to the Cabin Trust of completing the transactions contemplated by this section. In addition, the Lessee, or a third party acquiring a Property with the cooperation of the Lessee, shall reimburse the Cabin Trust for costs, including costs of the new appraisal, associated with conveying the Property from the Cabin Trust to the Lessee or a third party.

Subtitle C—Conveyance of National Forest Lands for Public School Purposes

SEC. 231. AUTHORIZATION OF USE OF NATIONAL FOREST LANDS FOR PUBLIC SCHOOL PURPOSES.

(a) TRANSFERS.—The Secretary of Agriculture may, upon a finding that the transfer of certain National Forest lands for local public school purposes would serve the public interest, authorize the transfer of up to 40 acres of National Forest lands to a local governmental entity for public school purposes. The Secretary may make available only those National Forest lands that have been identified for disposal or exchange or are not otherwise needed for National Forest purposes. The Secretary shall make such transfers using the least amount of land required for the efficient operation of the project involved.

(b) COSTS.—Such transfers may be made at discounted or no-cost. The Secretary shall provide for a no-cost transfer to a local governmental entity for public school purposes if the Secretary determines that the charges for such lands would impose an undue hardship on the local governmental entity.

(c) CONDITIONS.—Such transfers shall be conditioned on the requirement that the lands so transferred will be used solely for public school purposes.

(d) DEADLINE FOR CONSIDERATION OF APPLICATION FOR USE FOR SCHOOL.—If the Secretary receives an application from a duly qualified applicant that is a local education agency seeking a conveyance of land under this section for use for an elementary or secondary school, including a public charter school, the Secretary shall—

(1) before the end of the 10-day period beginning on the date of that receipt, provide notice of that receipt to the applicant; and

(2) before the end of the 90-day period beginning on the date of that receipt—

(A) determine whether or not to convey land pursuant to the application, and notify the applicant of that determination; or

(B) report to the Congress and the applicant the reasons that determination has not been made.

Subtitle D—Other Conveyances

SEC. 241. LAND EXCHANGE, EL PORTAL ADMINISTRATIVE SITE, CALIFORNIA.

(a) AUTHORIZATION OF EXCHANGE.—If the non-Federal lands described in subsection (b) are conveyed to the United States in accordance with this section, the Secretary of the Interior shall convey to the party conveying the non-Federal lands all right, title, and interest of the United States in and to a parcel of land consisting of approximately 8 acres administered by the Department of Interior as part of the El Portal Administrative Site in the State of California, as generally depicted on the map entitled "El Portal Administrative Site Land Exchange", dated June 1998.

(b) RECEIPT OF NON-FEDERAL LANDS.—The parcel of non-Federal lands referred to in subsection (a) consists of approximately 8 acres, known as the Yosemite View parcel, which is located adjacent to the El Portal Administrative Site, as generally depicted on the map referred to in subsection (a). Title to the non-Federal lands must be acceptable to the Secretary of the Interior, and the conveyance shall be subject to such valid existing rights of record as may be acceptable to the Secretary. The parcel shall conform with the title approval standards applicable to Federal land acquisitions.

(c) EQUALIZATION OF VALUES.—If the value of the Federal land and non-Federal lands to be exchanged under this section are not equal in value, the difference in value shall be equalized through a cash payment or the provision of goods or services as agreed upon by the Secretary and the party conveying the non-Federal lands.

(d) APPLICABILITY OF OTHER LAWS.—Except as otherwise provided in this section, the Secretary of the Interior shall process the land exchange authorized by this section in the manner provided in part 2200 of title 43, Code of Federal Regulations, as in effect on the date of the enactment of this subtitle.

(e) BOUNDARY ADJUSTMENT.—Upon completion of the land exchange, the Secretary shall adjust the boundaries of the El Portal Administrative Site as necessary to reflect the exchange. Lands acquired by the Secretary under this section shall be administered as part of the El Portal Administrative Site.

(f) MAP.—The map referred to in subsection (a) shall be on file and available for inspection in appropriate offices of the Department of the Interior.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Interior may require such additional terms and conditions in connection with the land exchange under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 242. AUTHORIZATION TO USE LAND IN MERCED COUNTY, CALIFORNIA, FOR ELEMENTARY SCHOOL.

(a) REMOVAL OF RESTRICTIONS.—Notwithstanding the restrictions otherwise applicable under the terms of conveyance by the United States of any of the land described in subsection (b) to Merced County, California, or under any agreement concerning any part of such land between such county and the Secretary of the Interior or any other officer or agent of the United States, the land described in subsection (b) may be used for the purpose specified in subsection (c).

(b) LAND AFFECTED.—The land referred to in subsection (a) is the north 25 acres of the 40 acres located in the northwest quarter of the southwest quarter of section 20, township 7 south, range 13 east, Mount Diablo base line and Meridian in Merced County, California, conveyed to such county by deed recorded in volume 1941 at page 441 of the official records in Merced County, California.

(c) AUTHORIZED USES.—Merced County, California, may authorize the use of the land described in subsection (b) for an elementary school serving children without regard to their race, creed, color, national origin, physical or mental disability, or sex, operated by a nonsectarian organization on a nonprofit basis and in compliance with all applicable requirements of the laws of the United States and the State of California. If Merced County permits such lands to be used for such purposes, the county shall include information concerning such use in the periodic reports to the Secretary of the Interior required under the terms of the conveyance

of such lands to the county by the United States. Any violation of the provisions of this subsection shall be deemed to be a breach of the conditions and covenants under which such lands were conveyed to Merced County by the United States, and shall have the same effect as provided by deed whereby the United States conveyed the lands to the county. Except as specified in this subsection, nothing in this section shall increase or diminish the authority or responsibility of the county with respect to the land.

SEC. 243. ISSUANCE OF QUITCLAIM DEED, STEFFENS FAMILY PROPERTY, BIG HORN COUNTY, WYOMING.

(a) ISSUANCE.—Subject to valid existing rights and subsection (d), the Secretary of the Interior is directed to issue, without consideration, a quitclaim deed to Marie Wambeke of Big Horn County, Wyoming, the personal representative of the estate of Fred Steffens, to the land described in subsection (b).

(b) LAND DESCRIPTION.—The land referred to in subsection (a) is the approximately 80-parcel known as "Farm Unit C" in the E½NW¼ of Section 27, Township 57 North, Range 97 West, 6th Principal Meridian, Wyoming.

(c) REVOCATION OF WITHDRAWAL.—The Bureau of Reclamation withdrawal for the Shoshone Reclamation Project under Secretarial Order dated October 21, 1913, is hereby revoked with respect to the land described in subsection (b).

(d) RESERVATION OF MINERAL INTERESTS.—All minerals underlying the land described in subsection (b) are hereby reserved to the United States.

SEC. 244. ISSUANCE OF QUITCLAIM DEED, LOWE FAMILY PROPERTY, BIG HORN COUNTY, WYOMING.

(a) ISSUANCE.—Subject to valid existing rights and subsection (c), the Secretary of the Interior is directed to issue, without consideration, a quitclaim deed to John R. and Margaret J. Lowe of Big Horn County, Wyoming, to the land described in subsection (b).

(b) LAND DESCRIPTION.—The land referred to in subsection (a) is the approximately 40-acre parcel located in the SW¼SE¼ of Section 11, Township 51 North, Range 96 West, 6th Principal Meridian, Wyoming.

(c) RESERVATION OF MINERAL INTERESTS.—All minerals underlying the land described in subsection (b) are hereby reserved to the United States.

SEC. 245. UTAH SCHOOLS AND LANDS EXCHANGE.

(a) FINDINGS.—The Congress finds the following:

(1) The State of Utah owns approximately 176,600 acres of land, as well as approximately 24,165 acres of mineral interests, administered by the Utah School and Institutional Trust Lands Administration, within the exterior boundaries of the Grand Staircase-Escalante National Monument, established by Presidential proclamation on September 18, 1996, pursuant to section 2 of the Antiquities Act of 1906 (16 U.S.C. 431). The State of Utah also owns approximately 200,000 acres of land, and 76,000 acres of mineral interests, administered by the Utah School and Institutional Trust Lands Administration, within the exterior boundaries of several units of the National Park System and the National Forest System, and within certain Indian reservations in Utah. These lands were granted by Congress to the State of Utah pursuant to the Utah Enabling Act, chap. 138, 28 Stat. 107 (1894), to be held in trust for the benefit of the State's public school system and other public institutions.

(2) Many of the State school trust lands within the monument may contain significant economic quantities of mineral resources, including coal, oil, and gas, tar sands, coalbed methane, titanium, uranium, and other energy and metalliferous minerals. Certain State school trust lands within the Monument, like the Federal lands comprising the Monument, have substantial non-economic scientific, historic, cultural, scenic, recreational, and natural resources, including ancient Native American archaeological sites and rare plant and animal communities.

(3) Development of surface and mineral resources on State school trust lands within the monument could be incompatible with the preservation of these scientific and historic resources for which the monument was established. Federal acquisition of State school trust lands within the monument would eliminate this potential incompatibility, and would enhance management of the Grand Staircase-Escalante National Monument.

(4) The United States owns lands and interest in lands outside of the monument that can be transferred to the State of Utah in exchange for the monument inholdings without jeopardizing Federal management objectives or needs.

(5) In 1993, Congress passed and the President signed Public Law 103-93, which contained a process for exchanging State of Utah school trust inholdings in the National Park System, the National Forest System, and certain Indian reservations in Utah. Among other things, it identified various Federal lands and interests in land that were available to exchange for these State inholdings.

(6) Although Public Law 103-93 offered the hope of a prompt, orderly exchange of State inholdings for Federal lands elsewhere, implementation of the legislation has been very slow. Completion of this process is realistically estimated to be many years away, at great expense to both the State and the United States in the form of expert witnesses, lawyers, appraisers, and other litigation costs.

(7) The State also owns approximately 2,560 acres of land in or near the Alton coal field which has been declared an area unsuitable for coal mining under the terms of the Surface Mining Control and Reclamation Act. This land is also administered by the Utah School and Institutional Trust Lands Administration, but its use is limited given this declaration.

(8) The large presence of State school trust land inholdings in the monument, national parks, national forests, and Indian reservations make land and resource management in these areas difficult, costly, and controversial for both the State of Utah and the United States.

(9) It is in the public interest to reach agreement on exchange of inholdings, on terms fair to both the State and the United States. Agreement saves much time and delay in meeting the expectations of the State school and institutional trusts, in simplifying management of Federal and Indian lands and resources, and in avoiding expensive, protracted litigation under Public Law 103-93.

(10) The State of Utah and the United States have reached an agreement under which the State would exchange of all its State school trust lands within the monument, and specified inholdings in national parks, forests, and Indian reservations that are subject to Public Law 103-93, for various Federal lands and interests in lands located outside the monument, including Federal lands and interests identified as available for exchange in Public Law 103-93 and additional Federal lands and interests in lands.

(11) The State school trust lands to be conveyed to the Federal Government include properties within units of the National Park System, the National Forest System, and the Grand Staircase-Escalante National Monument. The Federal assets made available for exchange with the State were selected with a great sensitivity to environmental concerns and a belief and expectation by both parties that Federal assets to be conveyed to the State would be unlikely to trigger significant environmental controversy.

(12) The parties agreed at the outset of negotiations to avoid identifying Federal assets for conveyance to the State where any of the following was known to exist or likely to be an issue as a result of foreseeable future uses of the land: significant wildlife resources, endangered species habitat, significant archaeological resources, areas of critical environmental concern, coal resources requiring surface mining to extract the mineral deposits, wilderness study areas, significant recreational areas, or any other lands known to raise significant environmental concerns of any kind.

(13) The parties further agreed that the use of any mineral interests obtained by the State of Utah where the Federal Government retains surface and other interest, will not conflict with established Federal land and environmental management objectives, and shall be fully subject to all environmental regulations applicable to development of non-Federal mineral interest on Federal lands.

(14) Because the inholdings to be acquired by the Federal Government include properties within the boundaries of some of the most renowned conservation land units in the United States, and because a mission of the Utah School and Institutional Trust Lands Administration is to produce economic benefits for Utah's public schools and other beneficiary institutions, the exchange of lands called for in this agreement will resolve many longstanding environmental conflicts and further the interest of the State trust lands, the school children of Utah, and these conservation resources.

(15) Under this Agreement taken as a whole, the State interests to be conveyed to the United States by the State of Utah, and the Federal interests and payments to be conveyed to the State of Utah by the United States, are approximately equal in value.

(16) The purpose of this section is to enact into law and direct prompt implementation of this historic agreement.

(b) RATIFICATION OF AGREED EXCHANGE BETWEEN THE STATE OF UTAH AND THE DEPARTMENT OF THE INTERIOR.—

(1) AGREEMENT.—The State of Utah and the Department of the Interior have agreed to exchange certain Federal lands, Federal mineral interests, and payment of money for lands and mineral interests managed by the Utah School and Institutional Trust Lands Administration, lands and mineral interests of approximately equal value inheld within the Grand Staircase-Escalante National Monument the Goshute and Navajo Indian Reservations, units of the National Park System, the National Forest System, and the Alton coal fields.

(2) RATIFICATION.—All terms, conditions, procedures, covenants, reservations, and other provisions set forth in the document entitled "Agreement to Exchange Utah School Trust Lands Between the State of

Utah and the United States of America" (in this section referred to as the "Agreement") are hereby incorporated in this section, are ratified and confirmed, and set forth the obligations and commitments of the United States, the State of Utah, and Utah School and Institutional Trust Lands Administration, as a matter of Federal law.

(c) LEGAL DESCRIPTIONS.—

(1) IN GENERAL.—The maps and legal descriptions referred to in the Agreement depict the lands subject to the conveyances.

(2) PUBLIC AVAILABILITY.—The maps and descriptions referred to in the Agreement shall be on file and available for public inspection in the offices of the Secretary of the Interior and the Utah State Director of the Bureau of Land Management.

(3) CONFLICT.—In case of conflict between the maps and the legal descriptions, the legal descriptions shall control.

(d) COSTS.—The United States and the State of Utah shall each bear its own respective costs incurred in the implementation of this section.

(e) REPEAL OF PUBLIC LAW 103-93 AND PUBLIC LAW 104-211.—The provisions of Public Law 103-93 (107 Stat. 995), other than section 7(b)(1), section 7(b)(3), and section 10(b) thereof, are hereby repealed. Public Law 104-211 (110 Stat. 3013) is hereby repealed.

(f) CASH PAYMENT PREVIOUSLY AUTHORIZED.—As previously authorized and made available by section 7(b)(1) and (b)(3) of Public Law 103-93, upon completion of all conveyances described in the Agreement, the United States shall pay $50,000,000 to the State of Utah from funds not otherwise appropriated from the Treasury.

(g) SCHEDULE FOR CONVEYANCES.—All conveyances under sections 2 and 3 of the Agreement shall be completed within 70 days after the enactment of this Act.

SEC. 246. LAND EXCHANGE, ROUTT NATIONAL FOREST, COLORADO.

(a) AUTHORIZATION OF EXCHANGE.—If the non-Federal lands described in subsection (b) are conveyed to the United States in accordance with this section, the Secretary of Agriculture shall convey to the party conveying the non-Federal lands all right, title, and interest of the United States in and to a parcel of land consisting of approximately 84 acres within the Routt National Forest in the State of Colorado, as generally depicted on the map entitled "Miles Land Exchange", Routt National Forest, dated May 1996.

(b) RECEIPT OF NON-FEDERAL LANDS.—The parcel of non-Federal lands referred to in subsection (a) consists of approximately 84 acres, known as the Miles parcel, located adjacent to the Routt National Forest, as generally depicted on the map entitled "Miles Land Exchange", Routt National Forest, dated May 1996. Title to the non-Federal lands must be acceptable to the Secretary of Agriculture, and the conveyance shall be subject to such valid existing rights of record as may be acceptable to the Secretary of Agriculture. The parcel shall conform with the title approval standards applicable to Federal land acquisitions.

(c) APPROXIMATELY EQUAL IN VALUE.—The values of both the Federal and non-Federal lands to be exchanged under this section are deemed to be approximately equal in value, and no additional valuation determinations are required.

(d) APPLICABILITY OF OTHER LAWS.—Except as otherwise provided in this section, the Secretary of Agriculture shall process the land exchange authorized by this section in the manner provided in subpart A of part 254 of title 36, Code of Federal Regulations.

(e) MAPS.—The maps referred to in subsections (a) and (b) shall be on file and available for inspection in the office of the Forest Supervisor, Routt National Forest, and in the office of the Chief of the Forest Service.

(f) BOUNDARY ADJUSTMENT.—Upon approval and acceptance of title by the Secretary of Agriculture, the non-Federal lands conveyed to the United States under this section shall become part of the Routt National Forest, and the boundaries of the Routt National Forest shall be adjusted to reflect the land exchange. Upon receipt of the non-Federal lands, the Secretary of Agriculture shall manage the lands in accordance with the laws and regulations pertaining to the National Forest System. For purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9), the boundaries of the Routt National Forest, as adjusted by this section, shall be considered to be the boundaries of the National Forest as of January 1, 1965.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of Agriculture may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 247. HART MOUNTAIN JURISDICTIONAL TRANSFERS, OREGON.

(a) TRANSFER FROM THE BUREAU OF LAND MANAGEMENT TO THE UNITED STATES FISH AND WILDLIFE SERVICE.—

(1) IN GENERAL.—Administrative jurisdiction over the parcels of land identified for transfer to the United States Fish and Wildlife Service on the map entitled "Hart Mountain Jurisdictional Transfer", dated February 26, 1998, comprising approximately 12,100 acres of land in Lake County, Oregon, located adjacent to or within the Hart Mountain National Antelope Refuge, is transferred from the Bureau of Land Management to the United States Fish and Wildlife Service.

(2) INCLUSION IN REFUGE.—The parcels of land described in paragraph (1) shall be included in the Hart Mountain National Antelope Refuge.

(3) WITHDRAWAL.—Subject to valid existing rights, the parcels of land described in paragraph (1)—

(A) are withdrawn from—

(i) surface entry under the public land laws;

(ii) leasing under the mineral leasing laws and Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.); and

(iii) location and entry under the mining laws; and

(B) shall be treated as parcels of land subject to the provisions of Executive Order No. 7523 of December 21, 1936, as amended by Executive Order No. 7895 of May 23, 1938, and Presidential Proclamation No. 2416 of July 25, 1940, that withdrew parcels of land for the Hart Mountain National Antelope Refuge.

(4) MANAGEMENT.—The land described in paragraph (1) shall be included in the Hart Mountain National Antelope Refuge and managed in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), and other applicable law and with management plans and agreements between the Bureau of Land Management and the United States Fish and Wildlife Service for the Hart Mountain Refuge.

(b) CONTINUED MANAGEMENT OF GUANO CREEK WILDERNESS STUDY AREA BY THE BUREAU OF LAND MANAGEMENT.—

(1) IN GENERAL.—The parcels of land identified for cooperative management on the map entitled "Hart Mountain Jurisdictional Transfer", dated February 26, 1998, comprising approximately 10,900 acres of land in Lake County, Oregon, located south of the Hart Mountain National Antelope Refuge, shall be retained under the jurisdiction of the Bureau of Land Management.

(2) MANAGEMENT.—The parcels of land described in paragraph (1) that are within the Guano Creek Wilderness Study Area Act shall be managed so as not to impair the suitability of the area for designation as wilderness, in accordance with current and future management plans and agreements (including the agreement known as the "Shirk Ranch Agreement", dated September 30, 1997), until such date as Congress enacts a law directing otherwise.

(c) TRANSFER FROM THE UNITED STATES FISH AND WILDLIFE SERVICE TO THE BUREAU OF LAND MANAGEMENT.—

(1) IN GENERAL.—Administrative jurisdiction over the parcels of land identified for transfer to the Bureau of Land Management on the map entitled "Hart Mountain Jurisdictional Transfer", dated February 26, 1998, comprising approximately 7,700 acres of land in Lake County, Oregon, located adjacent to or within the Hart Mountain National Antelope Refuge, is transferred from the United States Fish and Wildlife Service to the Bureau of Land Management.

(2) REMOVAL FROM REFUGE.—The parcels of land described in paragraph (1) are removed from the Hart Mountain National Antelope Refuge, and the boundary of the refuge is modified to reflect that removal.

(3) REVOCATION OF WITHDRAWAL.—The provisions of Executive Order No. 7523 of December 21, 1936, as amended by Executive Order No. 7895 of May 23, 1938, and Presidential Proclamation No. 2416 of July 25, 1940, that withdrew the parcels of land for the refuge, shall be of no effect with respect to the parcels of land described in paragraph (1).

(4) STATUS.—The parcels of land described in paragraph (1)—

(A) are designated as public land; and

(B) shall be open to—

(i) surface entry under the public land laws;

(ii) leasing under the mineral leasing laws and the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.); and

(iii) location and entry under the mining laws.

(5) MANAGEMENT.—The land described in paragraph (1) shall be managed in accordance with the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and other applicable law, and the agreement known as the "Shirk Ranch Agreement", dated September 30, 1997.

(d) MAP.—A copy of the map described in subsections (a), (b), and (c) and such additional legal descriptions as are applicable shall be kept on file and available for public inspection in the Office of the Regional Director of Region 1 of the United States Fish and Wildlife Service, the local District Office of the Bureau of Land Management, the Committee on Energy and Natural Resources of the Senate, and the Committee on Resources of the House of Representatives.

(e) CORRECTION OF REFERENCE TO WILDLIFE REFUGE.—Section 28 of the Act of August 13, 1954 (68 Stat. 718, chapter 732; 72 Stat. 818; 25 U.S.C. 564w-1), is amended in subsections (f) and (g) by striking "Klamath Forest National Wildlife Refuge" each place it appears and inserting "Klamath Marsh National Wildlife Refuge".

SEC. 248. SALE, LEASE, OR EXCHANGE OF IDAHO SCHOOL LAND.

The Act of July 3, 1890 (commonly known as the "Idaho Admission Act") (26 Stat. 215,

chapter 656), is amended by striking section 5 and inserting the following:

"SEC. 5. SALE, LEASE, OR EXCHANGE OF SCHOOL LAND.

"(a) SALE.—

"(1) IN GENERAL.—Except as provided in subsection (c), all land granted under this Act for educational purposes shall be sold only at public sale.

"(2) USE OF PROCEEDS.—

"(A) IN GENERAL.—Proceeds of the sale of school land—

"(i) except as provided in clause (ii), shall be deposited in the public school permanent endowment fund and expended only for the support of public schools; and

"(ii)(I) may be deposited in a land bank fund to be used to acquire, in accordance with State law, other land in the State for the benefit of the beneficiaries of the public school permanent endowment fund; or

"(II) if the proceeds are not used to acquire other land in the State within a period specified by State law, shall be transferred to the public school permanent endowment fund.

"(B) EARNINGS RESERVE FUND.—Earnings on amounts in the public school permanent endowment fund shall be deposited in an earnings reserve fund to be used for the support of public schools of the State in accordance with State law.

"(b) LEASE.—Land granted under this Act for educational purposes may be leased in accordance with State law.

"(c) EXCHANGE.—

"(1) IN GENERAL.—Land granted for educational purposes under this Act may be exchanged for other public or private land.

"(2) VALUATION.—The values of exchanged lands shall be approximately equal, or, if the values are not approximately equal, the values shall be equalized by the payment of funds by the appropriate party.

"(3) EXCHANGES WITH THE UNITED STATES.—

"(A) IN GENERAL.—A land exchange with the United States shall be limited to Federal land within the State that is subject to exchange under the law governing the administration of the Federal land.

"(B) PREVIOUS EXCHANGES.—All land exchanges made with the United States before the date of enactment of this paragraph are approved.

"(d) RESERVATION FOR SCHOOL PURPOSES.—Land granted for educational purposes, whether surveyed or unsurveyed, shall not be subject to preemption, homestead entry, or any other form of entry under the land laws of the United States, but shall be reserved for school purposes only.".

SEC. 249. TRANSFER OF JURISDICTION OF CERTAIN PROPERTY IN SAN JOAQUIN COUNTY, CALIFORNIA, TO BUREAU OF LAND MANAGEMENT.

(a) TRANSFER.—The property described in subsection (b) is hereby transferred by operation of law upon the enactment of this Act from the administrative jurisdiction of the Federal Bureau of Prisons, United States Department of Justice, to the Bureau of Land Management, United States Department of the Interior. The Attorney General of the United States and the Secretary of the Interior shall take such actions as may be necessary to carry out such transfer.

(b) PROPERTY DESCRIPTION.—The property referred to in subsection (a) is a portion of a 200-acre property located in the San Joaquin Valley, approximately 55 miles east of San Francisco, 2 miles to the west of the City of Tracy, California, municipal limits, approximately 1.25 miles west of Interstate 5 (I–5) and ½ mile southeast of the I–580/I–205 split as indicated by Exhibit I–3, formerly a Federal Aviation Administration (FAA) antenna field, known as the "Tracy Site".

SEC. 250. CONVEYANCE, CAMP OWEN AND RELATED PARCELS, KERN COUNTY, CALIFORNIA.

(a) CONVEYANCE REQUIRED.—The Secretary of Agriculture shall convey, without consideration, to Kern County, California, all right, title, and interest of the United States in and to three parcels of land under the jurisdiction of the Forest Service in Kern County, as follows

(1) Approximately 104 acres known as Camp Owen.

(2) Approximately 4 acres known as Wofford Heights Park.

(3) Approximately 3.4 acres known as the French Gulch maintenance yard.

(b) CONDITION ON CONVEYANCE.—The lands conveyed under this section shall be subject to valid existing rights of record.

(c) TIME FOR CONVEYANCE.—The Secretary shall complete the conveyance under this section within three months after the date of the enactment of this Act.

(d) LEGAL DESCRIPTIONS.—The exact acreage and legal description of the lands to be conveyed under this section shall be determined by a survey satisfactory to the Secretary.

SEC. 251. TREATMENT OF CERTAIN LAND ACQUIRED BY EXCHANGE, RED CLIFFS DESERT RESERVE, UTAH.

(a) LIMITATION ON LIABILITY.—In support of the habitat conservation plan of Washington County, Utah, for the protection of the desert tortoise and surrounding habitat, the transfer of the land described in subsection (b) from the city of St. George, Utah, to the United States shall convey no liability on the United States that did not already exist with the United States on the date of the transfer of the land.

(b) DESCRIPTION OF LAND.—The land referred to in subsection (a) is a parcel of approximately 15 acres of land located within the Red Cliffs Desert Reserve in Washington County, Utah, that was formerly used as a landfill by the city of St. George.

SEC. 252. LAND CONVEYANCE, YAVAPAI COUNTY, ARIZONA.

(a) CONVEYANCE REQUIRED.—Notwithstanding any other provision of law, the Secretary of the Interior shall convey, without consideration and for educational related purposes, to Embry-Riddle Aeronautical University, Florida, a nonprofit corporation authorized to do business in the State of Arizona, all right, title, and interest of the United States, if any, to a parcel of real property consisting of approximately 16 acres in Yavapai County, Arizona, which is more fully described as the parcel lying east of the east right-of-way boundary of the Willow Creek Road in the southwest one-quarter of the southwest one-quarter (SW¼SW¼) of section 2, township 14 north, range 2 west, Gila and Salt River meridian.

(b) TERMS OF CONVEYANCE.—Subject to the limitation that the land to be conveyed is to be used only for educational related purposes, the conveyance under subsection (a) is to be made without any other conditions, limitations, reservations, restrictions, or terms by the United States.

SEC. 253. CONVEYANCE, OLD COYOTE ADMINISTRATIVE SITE, RIO ARRIBA COUNTY, NEW MEXICO.

(a) CONVEYANCE OF PROPERTY.—Not later than one year after the date of enactment of this Act, the Secretary of the Interior (referred to in this section as the "Secretary") shall convey to the County of Rio Arriba, New Mexico (referred to in this section as the "County"), subject to the terms and conditions stated in subsection (b), all right, title, and interest of the United States in and to the land (including all improvements on the land) known as the "Old Coyote Administrative Site" located approximately ½ mile east of the Village of Coyote, New Mexico, on State Road 96, comprising one tract of 130.27 acres (as described in Public Land Order 3730), and one tract of 276.76 acres (as described in Executive Order 4599).

(b) TERMS AND CONDITIONS.—

(1) Consideration for the conveyance described in subsection (a) shall be—

(A) an amount that is consistent with the special pricing program for Governmental entities under the Recreation and Public Purposes Act; and

(B) an agreement between the Secretary and the County indemnifying the Government of the United States from all liability of the Government that arises from the property.

(2) The lands conveyed by this Act shall be used for public purposes. If such lands cease to be used for public purposes, at the option of the United States, such lands will revert to the United States.

(c) LAND WITHDRAWALS.—Land withdrawals under Public Land Order 3730 and Executive Order 4599 as extended in the Federal Register on May 25, 1989 (54 F.R. 22629), shall be revoked simultaneous with the conveyance of the property under subsection (a).

SEC. 254. ACQUISITION OF REAL PROPERTY INTERESTS FOR ADDITION TO CHICKAMAUGA-CHATTANOOGA NATIONAL MILITARY PARK.

The Secretary of the Interior may acquire private lands, easements, and buildings within the areas authorized for acquisition for Chickamauga-Chattanooga National Military Park, by donation, purchase with donated or appropriated funds, or by exchange. Lands acquired by the Secretary pursuant to this section shall be administered by the Secretary as part of the park.

SEC. 255. LAND TRANSFERS INVOLVING ROGUE RIVER NATIONAL FOREST AND OTHER PUBLIC LANDS IN OREGON.

(a) TRANSFER FROM PUBLIC DOMAIN TO NATIONAL FOREST.—

(1) LAND TRANSFER.—The public domain lands depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 2,058 acres within the external boundaries of Rogue River National Forest in the State of Oregon are hereby added to and made a part of Rogue River National Forest.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the lands described in paragraph (1) is hereby transferred from the Secretary of the Interior to the Secretary of Agriculture. Subject to valid existing rights, the Secretary of Agriculture shall manage such lands as part of Rogue River National Forest in accordance with the Act of March 1, 1911 (commonly known as the Weeks Law), and under the laws, rules, and regulations applicable to the National Forest System.

(b) TRANSFER FROM NATIONAL FOREST TO PUBLIC DOMAIN.—

(1) LAND TRANSFER.—The Federal lands depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 1,632 acres within the external boundaries of Rogue River National Forest, are hereby transferred to unreserved public domain status, and their status as part of Rogue River National Forest and the National Forest System is hereby revoked.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the lands described in paragraph (1) is hereby transferred from the Secretary of Agriculture to the Secretary of the Interior. Subject to valid existing rights, the Secretary of the Interior shall administer such lands under the laws, rules, and regulations applicable to unreserved public domain lands.

(c) RESTORATION OF STATUS OF CERTAIN NATIONAL FOREST LANDS AS REVESTED RAILROAD GRANT LANDS.—

(1) RESTORATION OF EARLIER STATUS.—The Federal lands depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 4,298 acres within the external boundaries of Rogue River National Forest, are hereby restored to the status of revested Oregon and California Railroad grant lands, and their status as part of Rogue River National Forest and the National Forest System is hereby revoked.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the lands described in paragraph (1) is hereby transferred from the Secretary of Agriculture to the Secretary of the Interior. Subject to valid existing rights, the Secretary of the Interior shall administer such lands under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.), and other laws, rules, and regulations applicable to revested Oregon and California Railroad grant lands under the administrative jurisdiction of the Secretary of the Interior.

(d) ADDITION OF CERTAIN REVESTED RAILROAD GRANT LANDS TO NATIONAL FOREST.—

(1) LAND TRANSFER.—The revested Oregon and California Railroad grant lands depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 960 acres within the external boundaries of Rogue River National Forest, are hereby added to and made a part of Rogue River National Forest.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the lands described in paragraph (1) is hereby transferred from the Secretary of the Interior to the Secretary of Agriculture. Subject to valid existing rights, the Secretary of Agriculture shall manage such lands as part of the Rogue River National Forest in accordance with the Act of March 1, 1911 (commonly known as the Weeks Law), and under the laws, rules, and regulations applicable to the National Forest System.

(3) DISTRIBUTION OF RECEIPTS.—Notwithstanding the sixth paragraph under the heading "FOREST SERVICE" in the Act of May 23, 1908 and section 13 of the Act of March 1, 1911 (16 U.S.C. 500), revenues derived from the lands described in paragraph (1) shall be distributed in accordance with the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(e) BOUNDARY ADJUSTMENT.—The boundaries of Rogue River National Forest are hereby adjusted to encompass the lands transferred to the administrative jurisdiction of the Secretary of Agriculture under this section and to exclude private property interests adjacent to the exterior boundaries of Rogue River National Forest, as depicted on the map entitled "Rogue River National Forest Boundary Adjustment" and dated April 28, 1998.

(f) MAPS.—Within 60 days after the date of the enactment of this Act, the maps referred to in this section shall be available for public inspection in the office of the Chief of the Forest Service.

(g) MISCELLANEOUS REQUIREMENTS.—As soon as practicable after the date of the enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall revise the public land records relating to the lands transferred under this section to reflect the administrative, boundary, and other changes made by this section. The Secretaries shall publish in the Federal Register appropriate notice to the public of the changes in administrative jurisdiction made by this section with regard to lands described in this section.

SEC. 256. PROTECTION OF OREGON AND CALIFORNIA RAILROAD GRANT LANDS.

(a) DEFINITIONS.—For purposes of this section:

(1) O&C LANDS.—The term "O&C lands" means the lands that—

(A) revested in the United States under the Act of June 9, 1916 (Chapter 137; 39 Stat. 218), commonly known as Oregon and California Railroad grant lands; and

(B) are managed by the Secretary of the Interior through the Bureau of Land Management under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(2) CBWR LANDS.—The term "CBWR lands" means the lands that—

(A) were reconveyed to the United States under the Act of February 26, 1919 (Chapter 47; 40 Stat. 1179), commonly known as Coos Bay Wagon Road grant lands; and

(B) are managed by the Secretary of the Interior through the Bureau of Land Management under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(3) PUBLIC DOMAIN LANDS.—The term "public domain lands" has the meaning given the term "public lands" in the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), except that the term does not include O&C lands and CBWR lands.

(4) O&C GEOGRAPHIC AREA.—The term "O&C geographic area" means all lands in the State of Oregon located within the boundaries of the Bureau of Land Management's Medford District, Roseburg District, Eugene District, Salem District, Coos Bay District, and Klamath Resource Area of the Lakeview District, as those districts and that resource area were constituted on January 1, 1998.

(5) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(b) POLICY OF NO NET LOSS OF O&C LANDS.—In carrying out sales, purchases, and exchanges of lands located in the O&C geographic area, the Secretary shall seek to ensure that such sales, purchases, and exchanges do not decrease the number of acres of O&C lands.

(c) DETERMINATION OF WHETHER LOSS OCCURRED.—Not later than April 1 of each fiscal year, the Secretary shall determine whether there has been a net reduction in the number of acres of O&C lands during the preceding fiscal year as a result of the disposal of lands by the United States under any provision of law.

(d) ACTIONS IN EVENT OF A LOSS OF O&C LANDS.—

(1) DESIGNATION OF REPLACEMENT LANDS.—If the Secretary determines under subsection (c) for a fiscal year that a reduction in the number of acres of O&C lands occurred, the Secretary shall designate a number of acres of forested public domain lands within the O&C geographic area, equal to the number of acres of that reduction, for treatment as O&C lands under subsection (e). The Secretary shall make the designation under this paragraph within 90 days after the date on which the Secretary made the determination under subsection (c).

(2) LANDS DESIGNATED.—The Secretary shall designate under paragraph (1) forested public domain lands that are stocked with timber in volumes per acre that are not less than the average volumes per acre found on the O&C lands that were disposed of during the fiscal year involved. Public domain lands designated under paragraph (1) shall be selected from public domain lands within similar land allocations, under the resource management plans then in effect, as the O&C lands that were disposed of.

(e) TREATMENT OF DESIGNATED LANDS.—Public domain lands designated by the Secretary under subsection (d) shall for all purposes have the same status, be administered, and be otherwise treated as lands that were revested in the United States pursuant to the Act of June 9, 1916 (chapter 137; 39 Stat. 218), and managed by the Secretary under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(f) CONGRESSIONAL NOTIFICATION.—Not later than September 30 of each fiscal year in which public domain lands are designated under subsection (d), the Secretary shall submit to Congress a report describing each designation of lands under such subsection in that fiscal year.

TITLE III—HERITAGE AREAS

Subtitle A—Delaware and Lehigh National Heritage Corridor of Pennsylvania

SEC. 301. CHANGE IN NAME OF HERITAGE CORRIDOR.

The Delaware and Lehigh Navigation Canal National Heritage Corridor Act of 1988 (Public Law 100-692; 102 Stat. 4552; 16 U.S.C. 461 note) is amended by striking "Delaware and Lehigh Navigation Canal National Heritage Corridor" each place it appears (except section 4(a)) and inserting "Delaware and Lehigh National Heritage Corridor".

SEC. 302. PURPOSE.

Section 3(b) of such Act (102 Stat. 4552) is amended as follows:

(1) By inserting after "subdivisions" the following: "in enhancing economic development within the context of preservation and".

(2) By striking "and surrounding the Delaware and Lehigh Navigation Canal in the Commonwealth" and inserting "the Corridor".

SEC. 303. CORRIDOR COMMISSION.

(a) MEMBERSHIP.—Section 5(b) of such Act (102 Stat. 4553) is amended as follows:

(1) In the matter preceding paragraph (1), by striking "appointed not later than 6 months after the date of enactment of this Act".

(2) By striking paragraph (2) and inserting the following:

"(2) 3 individuals appointed by the Secretary upon consideration of individuals recommended by the governor, of whom—

"(A) 1 shall represent the Pennsylvania Department of Conservation and Natural Resources;

"(B) 1 shall represent the Pennsylvania Department of Community and Economic Development; and

"(C) 1 shall represent the Pennsylvania Historical and Museum Commission.".

(3) In paragraph (3), by striking "the Secretary, after receiving recommendations from the Governor, of whom" and all that follows through "Delaware Canal region" and inserting the following: "the Secretary upon consideration of individuals recommended by the governor, of whom—

"(A) 1 shall represent a city, 1 shall represent a borough, and 1 shall represent a township; and

"(B) 1 shall represent each of the 5 counties of Luzerne, Carbon, Lehigh, Northampton, and Bucks in Pennsylvania".

(4) In paragraph (4)—

(A) By striking "8 individuals" and inserting "9 individuals".

(B) By striking "the Secretary, after receiving recommendations from the Governor, who shall have" and all that follows through "Canal region. A vacancy" and inserting the following: "the Secretary upon consideration of individuals recommended by the governor, of whom—

"(A) 3 shall represent the northern region of the Corridor;

"(B) 3 shall represent the middle region of the Corridor; and

"(C) 3 shall represent the southern region of the Corridor.

A vacancy".

(b) TERMS.—Section 5 of such Act (102 Stat. 4553) is amended by striking subsection (c) and inserting the following:

"(c) TERMS.—The following provisions shall apply to a member of the Commission appointed under paragraph (3) or (4) of subsection (b):

"(1) LENGTH OF TERM.—The member shall be appointed for a term of 3 years.

"(2) CARRYOVER.—The member shall serve until a successor is appointed by the Secretary.

"(3) REPLACEMENT.—If the member resigns or is unable to serve due to incapacity or death, the Secretary shall appoint, not later than 60 days after receiving a nomination of the appointment from the Governor, a new member to serve for the remainder of the term.

"(4) TERM LIMITS.—A member may serve for not more than 6 years."

SEC. 304. POWERS OF CORRIDOR COMMISSION.

(a) CONVEYANCE OF REAL ESTATE.—Section 7(g)(3) of such Act (102 Stat. 4555) is amended in the first sentence by inserting "or nonprofit organization" after "appropriate public agency".

(b) COOPERATIVE AGREEMENTS.—Section 7(h) of such Act (102 Stat. 4555) is amended as follows:

(1) In the first sentence, by inserting "any non-profit organization," after "subdivision of the Commonwealth,".

(2) In the second sentence, by inserting "such nonprofit organization," after "such political subdivision,".

SEC. 305. DUTIES OF CORRIDOR COMMISSION.

Section 8(b) of such Act (102 Stat. 4556) is amended in the matter preceding paragraph (1) by inserting ", cultural, natural, recreational, and scenic" after "interpret the historic".

SEC. 306. TERMINATION OF CORRIDOR COMMISSION.

Section 9(a) of such Act (102 Stat. 4556) is amended by striking "5 years after the date of enactment of this Act" and inserting "5 years after the date of enactment of the Omnibus National Parks and Public Lands Act of 1998".

SEC. 307. DUTIES OF OTHER FEDERAL ENTITIES.

Section 11 of such Act (102 Stat. 4557) is amended in the matter preceding paragraph (1) by striking "the flow of the Canal or the natural" and inserting "directly affecting the purposes of the Corridor".

SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

(a) COMMISSION.—Section 12(a) of such Act (102 Stat. 4558) is amended by striking "$350,000" and inserting "$1,000,000".

(b) MANAGEMENT ACTION PLAN.—Section 12 of such Act (102 Stat. 4558) is amended by adding at the end the following:

"(c) MANAGEMENT ACTION PLAN.—

"(1) IN GENERAL.—To implement the management action plan created by the Commission, there is authorized to be appropriated $1,000,000 for each of fiscal years 2000 through 2007.

"(2) LIMITATION ON EXPENDITURES.—Amounts made available under paragraph (1) shall not exceed 50 percent of the costs of implementing the management action plan.".

SEC. 309. LOCAL AUTHORITY AND PRIVATE PROPERTY.

Such Act is further amended—

(1) by redesignating section 13 (102 Stat. 4558) as section 14; and

(2) by inserting after section 12 the following:

"SEC. 13. LOCAL AUTHORITY AND PRIVATE PROPERTY.

"The Commission shall not interfere with—

"(1) the private property rights of any person; or

"(2) any local zoning ordinance or land use plan of the Commonwealth of Pennsylvania or any political subdivision of Pennsylvania.".

SEC. 310. DUTIES OF THE SECRETARY.

Section 10 of such Act (102 Stat. 4557) is amended by striking subsection (d) and inserting the following:

"(d) TECHNICAL ASSISTANCE AND GRANTS.—The Secretary, upon request of the Commission, is authorized to provide grants and technical assistance to the Commission or units of government, nonprofit organizations, and other persons, for development and implementation of the Plan.".

Subtitle B—Automobile National Heritage Area of Michigan

SEC. 311. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the industrial, cultural, and natural heritage legacies of Michigan's automobile industry are nationally significant;

(2) in the areas of Michigan including and in proximity to Detroit, Dearborn, Pontiac, Flint, and Lansing, the design and manufacture of the automobile helped establish and expand the United States industrial power;

(3) the industrial strength of automobile manufacturing was vital to defending freedom and democracy in 2 world wars and played a defining role in American victories;

(4) the economic strength of our Nation is connected integrally to the vitality of the automobile industry, which employs millions of workers and upon which 1 out of 7 United States jobs depends;

(5) the industrial and cultural heritage of the automobile industry in Michigan includes the social history and living cultural traditions of several generations;

(6) the United Auto Workers and other unions played a significant role in the history and progress of the labor movement and the automobile industry;

(7) the Department of the Interior is responsible for protecting and interpreting the Nation's cultural and historic resources, and there are significant examples of these resources within Michigan to merit the involvement of the Federal Government to develop programs and projects in cooperation with the Automobile National Heritage Area Partnership, Incorporated, the State of Michigan, and other local and governmental bodies, to adequately conserve, protect, and interpret this heritage for the educational and recreational benefit of this and future generations of Americans;

(8) the Automobile National Heritage Area Partnership, Incorporated would be an appropriate entity to oversee the development of the Automobile National Heritage Area; and

(9) 2 local studies, "A Shared Vision for Metropolitan Detroit" and "The Machine That Changed the World", and a National Park Service study, "Labor History Theme Study: Phase III; Suitability-Feasibility", demonstrated that sufficient historical resources exist to establish the Automobile National Heritage Area.

(b) PURPOSE.—The purpose of this subtitle is to establish the Automobile National Heritage Area to—

(1) foster a close working relationship with all levels of government, the private sector, and the local communities in Michigan and empower communities in Michigan to conserve their automotive heritage while strengthening future economic opportunities; and

(2) conserve, interpret, and develop the historical, cultural, natural, and recreational resources related to the industrial and cultural heritage of the Automobile National Heritage Area.

SEC. 312. DEFINITIONS.

For purposes of this subtitle:

(1) BOARD.—The term "Board" means the Board of Directors of the Partnership.

(2) HERITAGE AREA.—The term "Heritage Area" means the Automobile National Heritage Area established by section 313.

(3) PARTNERSHIP.—The term "Partnership" means the Automobile National Heritage Area Partnership, Incorporated (a nonprofit corporation established under the laws of the State of Michigan).

(4) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

SEC. 313. AUTOMOBILE NATIONAL HERITAGE AREA.

(a) ESTABLISHMENT.—There is established in the State of Michigan the Automobile National Heritage Area.

(b) BOUNDARIES.—

(1) IN GENERAL.—Subject to paragraph (2), the boundaries of the Heritage Area shall include lands in Michigan that are related to the following corridors:

(A) The Rouge River Corridor.

(B) The Detroit River Corridor.

(C) The Woodward Avenue Corridor.

(D) The Lansing Corridor.

(E) The Flint Corridor.

(F) The Sauk Trail/Chicago Road Corridor.

(2) SPECIFIC BOUNDARIES.—The specific boundaries of the Heritage Area shall be those specified in the management plan approved under section 315.

(3) MAP.—The Secretary shall prepare a map of the Heritage Area which shall be on file and available for public inspection in the office of the Director of the National Park Service.

(4) CONSENT OF LOCAL GOVERNMENTS.—(A) The Partnership shall provide to the government of each city, village, and township that has jurisdiction over property proposed to be included in the Heritage Area written notice of that proposal.

(B) Property may not be included in the Heritage Area if—

(i) the Partnership fails to give notice of the inclusion in accordance with subparagraph (A);

(ii) any local government to which the notice is required to be provided objects to the inclusion, in writing to the Partnership, by not later than the end of the period provided pursuant to clause (iii); or

(iii) fails to provide a period of at least 60 days for objection under clause (ii).

(c) ADMINISTRATION.—The Heritage Area shall be administered in accordance with this subtitle.

(d) ADDITIONS AND DELETIONS OF LANDS.—The Secretary may add or remove lands to or

from the Heritage Area in response to a request from the Partnership.

SEC. 314. DESIGNATION OF PARTNERSHIP AS MANAGEMENT ENTITY.

(a) IN GENERAL.—The Partnership shall be the management entity for the Heritage Area.

(b) FEDERAL FUNDING.—

(1) AUTHORIZATION TO RECEIVE FUNDS.—The Partnership may receive amounts appropriated to carry out this subtitle.

(2) DISQUALIFICATION.—If a management plan for the Heritage Area is not submitted to the Secretary as required under section 315 within the time specified in that section, the Partnership shall cease to be authorized to receive Federal funding under this subtitle until such a plan is submitted to the Secretary.

(c) AUTHORITIES OF PARTNERSHIP.—The Partnership may, for purposes of preparing and implementing the management plan for the Heritage Area, use Federal funds made available under this subtitle—

(1) to make grants to the State of Michigan, its political subdivisions, nonprofit organizations, and other persons;

(2) to enter into cooperative agreements with or provide technical assistance to the State of Michigan, its political subdivisions, nonprofit organizations, and other organizations;

(3) to hire and compensate staff;

(4) to obtain money from any source under any program or law requiring the recipient of such money to make a contribution in order to receive such money; and

(5) to contract for goods and services.

(d) PROHIBITION OF ACQUISITION OF REAL PROPERTY.—The Partnership may not use Federal funds received under this subtitle to acquire real property or any interest in real property.

SEC. 315. MANAGEMENT DUTIES OF THE AUTOMOBILE NATIONAL HERITAGE AREA PARTNERSHIP.

(a) HERITAGE AREA MANAGEMENT PLAN.—

(1) SUBMISSION FOR REVIEW BY SECRETARY.—The Board of Directors of the Partnership shall, within 3 years after the date of enactment of this subtitle, develop and submit for review to the Secretary a management plan for the Heritage Area.

(2) PLAN REQUIREMENTS, GENERALLY.—A management plan submitted under this section shall—

(A) present comprehensive recommendations for the conservation, funding, management, and development of the Heritage Area;

(B) be prepared with public participation;

(C) take into consideration existing Federal, State, county, and local plans and involve residents, public agencies, and private organizations in the Heritage Area;

(D) include a description of actions that units of government and private organizations are recommended to take to protect the resources of the Heritage Area; and

(E) specify existing and potential sources of Federal and non-Federal funding for the conservation, management, and development of the Heritage Area.

(3) ADDITIONAL PLAN REQUIREMENTS.—The management plan also shall include the following, as appropriate:

(A) An inventory of resources contained in the Heritage Area, including a list of property in the Heritage Area that should be conserved, restored, managed, developed, or maintained because of the natural, cultural, or historic significance of the property as it relates to the themes of the Heritage Area. The inventory may not include any property that is privately owned unless the owner of the property consents in writing to that inclusion.

(B) A recommendation of policies for resource management that consider and detail the application of appropriate land and water management techniques, including (but not limited to) the development of intergovernmental cooperative agreements to manage the historical, cultural, and natural resources and recreational opportunities of the Heritage Area in a manner consistent with the support of appropriate and compatible economic viability.

(C) A program for implementation of the management plan, including plans for restoration and construction and a description of any commitments that have been made by persons interested in management of the Heritage Area.

(D) An analysis of means by which Federal, State, and local programs may best be coordinated to promote the purposes of this subtitle.

(E) An interpretive plan for the Heritage Area.

(4) APPROVAL AND DISAPPROVAL OF THE MANAGEMENT PLAN.—

(A) IN GENERAL.—Not later than 180 days after submission of the Heritage Area management plan by the Board, the Secretary shall approve or disapprove the plan. If the Secretary has taken no action after 180 days, the plan shall be considered approved.

(B) DISAPPROVAL AND REVISIONS.—If the Secretary disapproves the management plan, the Secretary shall advise the Board, in writing, of the reasons for the disapproval and shall make recommendations for revision of the plan. The Secretary shall approve or disapprove proposed revisions to the plan not later than 60 days after receipt of such revisions from the Board. If the Secretary has taken no action for 60 days after receipt, the plan and revisions shall be considered approved.

(b) PRIORITIES.—The Partnership shall give priority to the implementation of actions, goals, and policies set forth in the management plan for the Heritage Area, including—

(1) assisting units of government, regional planning organizations, and nonprofit organizations—

(A) in conserving the natural and cultural resources in the Heritage Area;

(B) in establishing and maintaining interpretive exhibits in the Heritage Area;

(C) in developing recreational opportunities in the Heritage Area;

(D) in increasing public awareness of and appreciation for the natural, historical, and cultural resources of the Heritage Area;

(E) in the restoration of historic buildings that are located within the boundaries of the Heritage Area and related to the theme of the Heritage Area; and

(F) in ensuring that clear, consistent, and environmentally appropriate signs identifying access points and sites of interest are put in place throughout the Heritage Area; and

(2) consistent with the goals of the management plan, encouraging economic viability in the affected communities by appropriate means.

(c) CONSIDERATION OF INTERESTS OF LOCAL GROUPS.—The Partnership shall, in preparing and implementing the management plan for the Heritage Area, consider the interest of diverse units of government, businesses, private property owners, and nonprofit groups within the Heritage Area.

(d) PUBLIC MEETINGS.—The Partnership shall conduct public meetings at least annually regarding the implementation of the Heritage Area management plan.

(e) ANNUAL REPORTS.—The Partnership shall, for any fiscal year in which it receives Federal funds under this subtitle or in which a loan made by the Partnership with Federal funds under section 314(c)(1) is outstanding, submit an annual report to the Secretary setting forth its accomplishments, its expenses and income, and the entities to which it made any loans and grants during the year for which the report is made.

(f) COOPERATION WITH AUDITS.—The Partnership shall, for any fiscal year in which it receives Federal funds under this subtitle or in which a loan made by the Partnership with Federal funds under section 314(c)(1) is outstanding, make available for audit by the Congress, the Secretary, and appropriate units of government all records and other information pertaining to the expenditure of such funds and any matching funds, and require, for all agreements authorizing expenditure of Federal funds by other organizations, that the receiving organizations make available for such audit all records and other information pertaining to the expenditure of such funds.

(g) DELEGATION.—The Partnership may delegate the responsibilities and actions under this section for each corridor identified in section 313(b)(1). All delegated actions are subject to review and approval by the Partnership.

SEC. 316. DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.

(a) TECHNICAL ASSISTANCE AND GRANTS.—

(1) IN GENERAL.—The Secretary may provide technical assistance and, subject to the availability of appropriations, grants to units of government, nonprofit organizations, and other persons upon request of the Partnership, and to the Partnership, regarding the management plan and its implementation.

(2) PROHIBITION OF CERTAIN REQUIREMENTS.—The Secretary may not, as a condition of the award of technical assistance or grants under this section, require any recipient of such technical assistance or a grant to enact or modify land use restrictions.

(3) DETERMINATIONS REGARDING ASSISTANCE.—The Secretary shall decide if a unit of government, nonprofit organization, or other person shall be awarded technical assistance or grants and the amount of that assistance. Such decisions shall be based on the relative degree to which the assistance effectively fulfills the objectives contained in the Heritage Area management plan and achieves the purposes of this subtitle. Such decisions shall give consideration to projects which provide a greater leverage of Federal funds.

(b) PROVISION OF INFORMATION.—In cooperation with other Federal agencies, the Secretary shall provide the general public with information regarding the location and character of the Heritage Area.

(c) OTHER ASSISTANCE.—The Secretary may enter into cooperative agreements with public and private organizations for the purposes of implementing this subsection.

(d) DUTIES OF OTHER FEDERAL AGENCIES.—Any Federal entity conducting any activity directly affecting the Heritage Area shall consider the potential effect of the activity on the Heritage Area management plan and shall consult with the Partnership with respect to the activity to minimize the adverse effects of the activity on the Heritage Area.

SEC. 317. LACK OF EFFECT ON LAND USE REGULATION AND PRIVATE PROPERTY.

(a) LACK OF EFFECT ON AUTHORITY OF LOCAL GOVERNMENT.—Nothing in this subtitle shall be construed to modify, enlarge, or diminish any authority of Federal, State,

or local governments to regulate any use of land under any other law or regulation.

(b) LACK OF ZONING OR LAND USE POWERS.—Nothing in this subtitle shall be construed to grant powers of zoning or land use control to the Partnership.

(c) LOCAL AUTHORITY AND PRIVATE PROPERTY NOT AFFECTED.—Nothing in this subtitle shall be construed to affect or to authorize the Partnership to interfere with—

(1) the rights of any person with respect to private property; or

(2) any local zoning ordinance or land use plan of the State of Michigan or a political subdivision thereof.

SEC. 318. SUNSET.

The Secretary may not make any grant or provide any assistance under this subtitle after September 30, 2014.

SEC. 319. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated under this subtitle not more than $1,000,000 for any fiscal year. Not more than a total of $10,000,000 may be appropriated for the Heritage Area under this subtitle.

(b) 50 PERCENT MATCH.—Federal funding provided under this subtitle, after the designation of the Heritage Area, may not exceed 50 percent of the total cost of any activity carried out with any financial assistance or grant provided under this subtitle.

Subtitle C—Lackawanna Heritage Valley American Heritage Area of Pennsylvania

SEC. 321. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The industrial and cultural heritage of northeastern Pennsylvania inclusive of Lackawanna, Luzerne, Wayne, and Susquehanna counties, related directly to anthracite and anthracite-related industries, is nationally significant, as documented in the United States Department of the Interior-National Parks Service, National Register of Historic Places, Multiple Property Documentation submittal of the Pennsylvania Historic and Museum Commission (1996).

(2) These industries include anthracite mining, ironmaking, textiles, and rail transportation.

(3) The industrial and cultural heritage of the anthracite and related industries in this region includes the social history and living cultural traditions of the people of the region.

(4) The labor movement of the region played a significant role in the development of the Nation including the formation of many key unions such as the United Mine Workers of America, and crucial struggles to improve wages and working conditions, such as the 1900 and 1902 anthracite strikes.

(5) The Department of the Interior is responsible for protecting the Nation's cultural and historic resources, and there are significant examples of these resources within this 4-county region to merit the involvement of the Federal Government to develop programs and projects, in cooperation with the Lackawanna Heritage Valley Authority, the Commonwealth of Pennsylvania, and other local and governmental bodies, to adequately conserve, protect, and interpret this heritage for future generations, while providing opportunities for education and revitalization.

(6) The Lackawanna Heritage Valley Authority would be an appropriate management entity for a Heritage Area established in the region.

(b) PURPOSE.—The objectives of the Lackawanna Heritage Valley American Heritage Area are as follows:

(1) To foster a close working relationship with all levels of government, the private sector, and the local communities in the anthracite coal region of northeastern Pennsylvania and empower the communities to conserve their heritage while continuing to pursue economic opportunities.

(2) To conserve, interpret, and develop the historical, cultural, natural, and recreational resources related to the industrial and cultural heritage of the 4-county region of northeastern Pennsylvania.

SEC. 322. LACKAWANNA HERITAGE VALLEY AMERICAN HERITAGE AREA.

(a) ESTABLISHMENT.—There is hereby established the Lackawanna Heritage Valley American Heritage Area (in this subtitle referred to as the "Heritage Area").

(b) BOUNDARIES.—The Heritage Area shall be comprised of all or parts of the counties of Lackawanna, Luzerne, Wayne, and Susquehanna in Pennsylvania, determined pursuant to the compact under section 323.

(c) MANAGEMENT ENTITY.—The management entity for the Heritage Area shall be the Lackawanna Heritage Valley Authority.

SEC. 323. COMPACT.

To carry out the purposes of this subtitle, the Secretary of the Interior (in this subtitle referred to as the "Secretary") shall enter into a compact with the management entity. The compact shall include information relating to the objectives and management of the area, including each of the following:

(1) A delineation of the boundaries of the Heritage Area.

(2) A discussion of the goals and objectives of the Heritage Area, including an explanation of the proposed approach to conservation and interpretation and a general outline of the protection measures committed to by the partners.

SEC. 324. AUTHORITIES AND DUTIES OF MANAGEMENT ENTITY.

(a) AUTHORITIES OF THE MANAGEMENT ENTITY.—The management entity may, for purposes of preparing and implementing the management plan developed under subsection (b), use funds made available through this subtitle for the following:

(1) To make loans and grants to, and enter into cooperative agreements with States and their political subdivisions, private organizations, or any person.

(2) To hire and compensate staff.

(b) MANAGEMENT PLAN.—The management entity shall develop a management plan for the Heritage Area that presents comprehensive recommendations for the Heritage Area's conservation, funding, management, and development. Such plan shall take into consideration existing State, county, and local plans and involve residents, public agencies, and private organizations working in the Heritage Area. It shall include actions to be undertaken by units of government and private organizations to protect the resources of the Heritage Area. It shall specify the existing and potential sources of funding to protect, manage, and develop the Heritage Area. Such plan shall include, as appropriate, the following:

(1) An inventory of the resources contained in the Heritage Area, including a list of any property in the Heritage Area that is related to the themes of the Heritage Area and that should be preserved, restored, managed, developed, or maintained because of its natural, cultural, historic, recreational, or scenic significance.

(2) A recommendation of policies for resource management which considers and details application of appropriate land and water management techniques, including, but not limited to, the development of intergovernmental cooperative agreements to protect the Heritage Area's historical, cultural, recreational, and natural resources in a manner consistent with supporting appropriate and compatible economic viability.

(3) A program for implementation of the management plan by the management entity, including plans for restoration and construction, and specific commitments of the identified partners for the first 5 years of operation.

(4) An analysis of ways in which local, State, and Federal programs may best be coordinated to promote the purposes of this subtitle.

(5) An interpretation plan for the Heritage Area.

The management entity shall submit the management plan to the Secretary for approval within 3 years after the date of enactment of this subtitle. If a management plan is not submitted to the Secretary as required within the specified time, the Heritage Area shall no longer qualify for Federal funding.

(c) DUTIES OF MANAGEMENT ENTITY.—The management entity shall—

(1) give priority to implementing actions set forth in the compact and management plan, including steps to assist units of government, regional planning organizations, and nonprofit organizations in preserving the Heritage Area;

(2) assist units of government, regional planning organizations, and nonprofit organizations in establishing and maintaining interpretive exhibits in the Heritage Area; assist units of government, regional planning organizations, and nonprofit organizations in developing recreational resources in the Heritage Area;

(3) assist units of government, regional planning organizations, and nonprofit organizations in increasing public awareness of and appreciation for the natural, historical, and architectural resources and sites in the Heritage Area; assist units of government, regional planning organizations and nonprofit organizations in the restoration of any historic building relating to the themes of the Heritage Area;

(4) encourage by appropriate means economic viability in the Heritage Area consistent with the goals of the plan; encourage local governments to adopt land use policies consistent with the management of the Heritage Area and the goals of the plan;

(5) assist units of government, regional planning organizations, and nonprofit organizations to ensure that clear, consistent, and environmentally appropriate signs identifying access points and sites of interest are put in place throughout the Heritage Area;

(6) consider the interests of diverse governmental, business, and nonprofit groups within the Heritage Area;

(7) conduct public meetings at least quarterly regarding the implementation of the management plan;

(8) submit substantial changes (including any increase of more than 20 percent in the cost estimates for implementation) to the management plan to the Secretary for the Secretary's approval; for any year in which Federal funds have been received under this subtitle, submit an annual report to the Secretary setting forth its accomplishments, its expenses and income, and the entity to which any loans and grants were made during the year for which the report is made; and

(9) for any year in which Federal funds have been received under this subtitle, make available for audit all records pertaining to

the expenditure of such funds and any matching funds, and require, for all agreements authorizing expenditure of Federal funds by other organizations, that the receiving organizations make available for audit all records pertaining to the expenditure of such funds.

(d) PROHIBITION ON THE ACQUISITION OF REAL PROPERTY.—The management entity may not use Federal funds received under this subtitle to acquire real property or an interest in real property. Nothing in this subtitle shall preclude any management entity from using Federal funds from other sources for their permitted purposes.

SEC. 325. DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary may, upon request of the management entity, provide technical and financial assistance to the management entity to develop and implement the management plan. In assisting the management entity, the Secretary shall give priority to actions that in general assist in—

(A) conserving the significant natural, historic, and cultural resources which support its themes; and

(B) providing educational, interpretive, and recreational opportunities consistent with its resources and associated values.

(2) SPENDING FOR NON-FEDERALLY OWNED PROPERTY.—The Secretary may spend Federal funds directly on non-federally owned property to further the purposes of this subtitle, especially in assisting units of government in appropriate treatment of districts, sites, buildings, structures, and objects listed or eligible for listing on the National Register of Historic Places. The Historic American Building Survey/Historic American Engineering Record shall conduct those studies necessary to document the industrial, engineering, building, and architectural history of the region.

(b) APPROVAL AND DISAPPROVAL OF COMPACTS AND MANAGEMENT PLANS.—The Secretary, in consultation with the Governor of Pennsylvania, shall approve or disapprove a compact or management plan submitted under this subtitle not later than 90 days after receiving such compact or management plan.

(c) ACTION FOLLOWING DISAPPROVAL.—If the Secretary disapproves a submitted compact or management plan, the Secretary shall advise the management entity in writing of the reasons therefore and shall make recommendations for revisions in the compact or plan. The Secretary shall approve or disapprove a proposed revision within 90 days after the date it is submitted.

(d) APPROVING AMENDMENTS.—The Secretary shall review substantial amendments to the management plan for the Heritage Area. Funds appropriated pursuant to this subtitle may not be expended to implement the changes made by such amendments until the Secretary approves the amendments.

SEC. 326. SUNSET.

The Secretary may not make any grant or provide any assistance under this subtitle after September 30, 2012.

SEC. 327. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated under this subtitle not more than $1,000,000 for any fiscal year. Not more than a total of $10,000,000 may be appropriated for the Heritage Area under this subtitle.

(b) 50 PERCENT MATCH.—Federal funding provided under this subtitle, after the designation of the Heritage Area, may not exceed 50 percent of the total cost of any assistance or grant provided or authorized under this subtitle.

Subtitle D—Miscellaneous Provisions

SEC. 331. BLACKSTONE RIVER VALLEY NATIONAL HERITAGE CORRIDOR, MASSACHUSETTS AND RHODE ISLAND.

Section 10(b) of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99-647; 16 U.S.C. 461 note), is amended by striking "For fiscal year 1996, 1997, and 1998," and inserting "For fiscal years 1998, 1999, and 2000,".

SEC. 332. ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR, ILLINOIS.

(a) EXTENSION OF COMMISSION.—Section 111(a) of the Illinois and Michigan Canal National Heritage Corridor Act of 1984 (Public Law 98-398; 98 Stat. 1456; 16 U.S.C. 461 note) is amended by striking "ten" and inserting "20".

(b) REPEAL OF EXTENSION AUTHORITY.—Section 111 of such Act (16 U.S.C. 461 note) is further amended—

(1) by striking "(a) TERMINATION.—"; and

(2) by striking subsection (b).

TITLE IV—HISTORIC AREAS

SEC. 401. BATTLE OF MIDWAY NATIONAL MEMORIAL STUDY.

(a) FINDINGS.—The Congress makes the following findings:

(1) September 2, 1998, marked the 53d anniversary of the United States victory over Japan in World War II.

(2) The Battle of Midway proved to be the turning point in the war in the Pacific, as United States Navy forces inflicted such severe losses on the Imperial Japanese Navy during the battle that the Imperial Japanese Navy never again took the offensive against United States or allied forces.

(3) During the Battle of Midway on June 4, 1942, an outnumbered force of the United States Navy, consisting of 29 ships and other units of the Armed Forces under the command of Admiral Nimitz and Admiral Spruance, outmaneuvered and out-fought 350 ships of the Imperial Japanese Navy.

(4) It is in the public interest to study whether Midway Atoll should be established as a national memorial to the Battle of Midway to express the enduring gratitude of the American people for victory in the battle and to inspire future generations of Americans with the heroism and sacrifice of the members of the Armed Forces who achieved that victory.

(5) The historic structures on Midway Atoll should be protected and maintained.

(b) PURPOSE.—The purpose of this section shall be to require a study of the feasibility and suitability of designating the Midway Atoll as a national memorial to the Battle of Midway within the boundaries of the Midway Atoll National Wildlife Refuge. The study of the Midway Atoll and its environs shall include, but not be limited to, identification of interpretive opportunities for the educational and inspirational benefit of present and future generations, and of the unique and significant circumstances involving the defense of the island by the United States in World War II and the Battle of Midway.

(c) STUDY OF THE ESTABLISHMENT OF MIDWAY ATOLL AS A NATIONAL MEMORIAL TO THE BATTLE OF MIDWAY.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service, shall carry out a study of the suitability and feasibility of establishing Midway Atoll as a national memorial to the Battle of Midway. The Secretary shall carry out the study in consultation with the Director of the National Park Service, the International Midway Memorial Foundation, Inc. (referred to in this section as the "Foundation"), the Veterans of Foreign Wars, the Battle of Coral Sea Association, the American Legion, or other appropriate veterans group, respectively, and the Midway Phoenix Corporation.

(2) CONSIDERATIONS.—In studying the establishment of Midway Atoll as a national memorial to the Battle of Midway under paragraph (1), the Secretary shall address the following:

(A) The appropriate Federal agency to manage such a memorial, and whether and under what conditions to lease or otherwise allow the Foundation or another appropriate entity to administer, maintain, and fully utilize for use as a national memorial to the Battle of Midway the lands (including any equipment, facilities, infrastructure, and other improvements) and waters of Midway Atoll if designated as a national memorial.

(B) Whether designation as a national memorial would conflict with current management of Midway Atoll as a wildlife refuge and whether, and under what circumstances, the needs and requirements of the wildlife refuge should take precedence over the needs and requirements of a national memorial on Midway Atoll.

(C) Whether, and under what conditions, to permit the use of the facilities on Sand Island for purposes other than a wildlife refuge or a national memorial.

(D) Whether to impose conditions on public access to Midway Atoll if designated as a national memorial.

(d) REPORT.—Upon completion of the study required under paragraph (1), the Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the study, which shall include any recommendations for further legislative action. The report shall also include an inventory of all known past and present facilities and structures of historical significance on Midway Atoll and its environs. The report shall include a description of each historic facility and structure and a discussion of how each will contribute to the designation and interpretation of the proposed national memorial.

(e) CONTINUING DISCUSSIONS.—Nothing in this section shall be construed to delay or prohibit discussions or agreements between the Foundation, the Veterans of Foreign Wars, the Battle of Coral Sea Association, the American Legion, or any other appropriate veterans group, or the Midway Phoenix Corporation and the United States Fish and Wildlife Service or any other Government entity regarding the future role of the Foundation or the Midway Phoenix Corporation on Midway Atoll.

(f) EXISTING AGREEMENT.—This section shall not affect any agreement in effect on the date of the enactment of this Act between the United States Fish and Wildlife Service and Midway Phoenix Corporation.

(g) AUTHORIZATION.—There are authorized to be appropriated to carry out this section not more than $100,000.

SEC. 402. HISTORIC LIGHTHOUSE PRESERVATION.

(a) PRESERVATION OF HISTORIC LIGHT STATIONS.—Title III of the National Historic Preservation Act (16 U.S.C. 470w-470w-6) is amended by adding the following new section after section 307:

"SEC. 308. HISTORIC LIGHTHOUSE PRESERVATION.

"(a) IN GENERAL.—In order to provide a national historic light station program, the Secretary shall—

"(1) collect and disseminate information concerning historic light stations, including historic lighthouses and associated structures;

"(2) foster educational programs relating to the history, practice, and contribution to society of historic light stations;

"(3) sponsor or conduct research and study into the history of light stations;

"(4) maintain a listing of historic light stations; and

"(5) assess the effectiveness of the program established by this section regarding the conveyance of historic light stations.

"(b) CONVEYANCE OF HISTORIC LIGHT STATIONS.—

"(1) Within one year of the date of enactment of this section, the Secretary and the Administrator of General Services shall establish a process for identifying, and selecting, an eligible entity to which a historic light station could be conveyed for education, park, recreation, cultural, or historic preservation purposes.

"(2) The Secretary shall review all applicants for the conveyance of a historic light station, when the historic light station has been identified as excess to the needs of the agency with administrative jurisdiction over the historic light station, and forward to the Administrator a single approved application for the conveyance of the historic light station. When selecting an eligible entity, the Secretary may consult with the State Historic Preservation Officer of the state in which the historic light station is located. A priority of consideration shall be afforded public entities that submit applications in which the public entity enters into a partnership with a nonprofit organization whose primary mission is historic light station preservation.

"(3)(A) Except as provided in paragraph (B), the Administrator shall convey, by quitclaim deed, without consideration, all right, title, and interest of the United States in and to the historic light station, subject to the conditions set forth in subsection (c). The conveyance of a historic light station under this section shall not be subject to the provisions of 42 U.S.C. 11301 et seq.

"(B)(i) Historic light stations located within the exterior boundaries of a unit of the National Park System or a refuge within the National Wildlife Refuge System shall be conveyed or sold only with the approval of the Secretary.

"(ii) If the Secretary approves the conveyance or sale of a historic light station referenced in this paragraph, such conveyance or sale shall be subject to the conditions set forth in subsection (c) and any other terms or conditions the Secretary considers necessary to protect the resources of the park unit or wildlife refuge.

"(iii) For those historic light stations referenced in this paragraph, the Secretary is encouraged to enter cooperative agreements with appropriate eligible entities, as provided in this Act, to the extent such cooperative agreements are consistent with the Secretary's responsibilities to manage and administer the park unit or wildlife refuge, as appropriate.

"(c) TERMS OF CONVEYANCE.—

"(1) The conveyance of a historic light station shall be made subject to any conditions the Administrator considers necessary to ensure that—

"(A) the lights, antennas, sound signal, electronic navigation equipment, and associated light station equipment located at the historic light station, which are active aids to navigation, shall continue to be operated and maintained by the United States for as long as needed for this purpose;

"(B) the eligible entity to which the historic light station is conveyed under this section shall not interfere or allow interference in any manner with aids to navigation without the express written permission of the head of the agency responsible for maintaining the aids to navigation;

"(C) there is reserved to the United States the right to relocate, replace, or add any aid to navigation located at the historic light station as may be necessary for navigation purposes;

"(D) the eligible entity to which the historic light station is conveyed under this section shall maintain the historic light station in accordance with this Act, the Secretary's Standards for the Treatment of Historic Properties, and other applicable laws;

"(E) the eligible entity to which the historic light station is conveyed under this section shall make the historic light station available for education, park, recreation, cultural or historic preservation purposes for the general public at reasonable times and under reasonable conditions; and

"(F) the United States shall have the right, at any time, to enter the historic light station without notice for purposes of maintaining and inspecting aids to navigation and ensuring compliance with paragraph (C), to the extent that it is not possible to provide advance notice.

"(2) The Secretary, the Administrator, and any eligible entity to which a historic light station is conveyed under this section, shall not be required to maintain any active aids to navigation associated with a historic light station.

"(3) In addition to any term or condition established pursuant to this subsection, the conveyance of a historic light station shall include a condition that the historic light station in its existing condition, at the option of the Administrator, revert to the United States if—

"(A) the historic light station or any part of the historic light station ceases to be available for education, park, recreation, cultural, or historic preservation purposes for the general public at reasonable times and under reasonable conditions which shall be set forth in the eligible entity's application;

"(B) the historic light station or any part of the historic light station ceases to be maintained in a manner that ensures its present or future use as an aid to navigation or compliance with this Act, the Secretary's Standards for the Treatment of Historic Properties, and other applicable laws; or

"(C) at least 30 days before the reversion, the Administrator provides written notice to the owner that the historic light station is needed for national security purposes.

"(d) DESCRIPTION OF PROPERTY.—The Administrator shall prepare the legal description of any historic light station conveyed under this section. The Administrator may retain all right, title, and interest of the United States in and to any historical artifact, including any lens or lantern, that is associated with the historic light station and located at the light station at the time of conveyance. All conditions placed with the deed of title to the historic light station shall be construed as covenants running with the land. No submerged lands shall be conveyed to non-Federal entities.

"(e) RESPONSIBILITIES OF CONVEYEES.—Each eligible entity to which a historic light station is conveyed under this section shall use and maintain the historic light station in accordance with this section, and have such conditions recorded with the deed of title to the historic light station.

"(f) DEFINITIONS.—For purposes of this section and sections 309 and 310:

"(1) HISTORIC LIGHT STATION.—The term 'historic light station' includes the light tower, lighthouse, keepers dwelling, garages, storage sheds, oil house, fog signal building, boat house, barn, pumphouse, tramhouse support structures, piers, walkways, and related real property and improvements associated therewith; provided that the light tower or lighthouse shall be included in or eligible for inclusion in the National Register of Historic Places.

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' shall mean—

"(A) any department or agency of the Federal government; or

"(B) any department or agency of the state in which the historic light station is located, the local government of the community in which the historic light station is located, nonprofit corporation, educational agency, or community development organization that—

"(i) has agreed to comply with the conditions set forth in subsection (c) and to have such conditions recorded with the deed of title to the historic light station;

"(ii) is financially able to maintain the historic light station in accordance with the conditions set forth in subsection (c); and

"(iii) can indemnify the Federal government to cover any loss in connection with the historic light station, or any expenses incurred due to reversion.

"(3) ADMINISTRATOR.—The term 'Administrator' means the Administrator of General Services.".

(b) SALE OF EXCESS LIGHT STATIONS.—Title III of the National Historic Preservation Act (16 U.S.C. 470w–470w–6) is amended by adding the following new section after section 308:

"SEC. 309. HISTORIC LIGHT STATION SALES.

"In the event no applicants are approved for the conveyance of a historic light station pursuant to section 308, the historic light station shall be offered for sale. Terms of such sales shall be developed by the Administrator. Conveyance documents shall include all necessary covenants to protect the historical integrity of the historic light station and ensure that any active aids to navigation located at the historic light station are operated and maintained by the United States for as long as needed for that purpose. Net sale proceeds shall be transferred to the National Maritime Heritage Grant Program, established by section 4 of the National Maritime Heritage Act of 1994 (Public Law 103–451; 16 U.S.C. 5403), within the Department of the Interior.".

(c) TRANSFER OF HISTORIC LIGHT STATIONS TO FEDERAL AGENCIES.—Title III of the National Historic Preservation Act (16 U.S.C. 470w–470w–6) is amended by adding the following new section after section 309:

"SEC. 310. TRANSFER OF HISTORIC LIGHT STATIONS TO FEDERAL AGENCIES.

"After the date of enactment of this section, any department or agency of the Federal government, to which a historic light station is conveyed, shall maintain the historic light station in accordance with this Act, the Secretary's Standards for the Treatment of Historic Properties, and other applicable laws.".

(d) FUNDING.—There are hereby authorized to be appropriated to the Secretary of the Interior such sums as may be necessary to carry out this section.

SEC. 403. THOMAS COLE NATIONAL HISTORIC SITE, NEW YORK.

(a) DEFINITIONS.—As used in this section:

(1) The term "historic site" means the Thomas Cole National Historic Site established by subsection (c).

(2) The term "Hudson River artists" means artists who were associated with the Hudson River school of landscape painting.

(3) The term "plan" means the general management plan developed pursuant to subsection (e)(4).

(4) The term "Secretary" means the Secretary of the Interior.

(5) The term "Society" means the Greene County Historical Society of Greene County, New York, which owns the Thomas Cole home, studio, and other property comprising the historic site.

(b) FINDINGS AND PURPOSES.—

(1) FINDINGS.—Congress finds the following:

(A) The Hudson River school of landscape painting was inspired by Thomas Cole and was characterized by a group of 19th century landscape artists who recorded and celebrated the landscape and wilderness of America, particularly in the Hudson River Valley region in the State of New York.

(B) Thomas Cole is recognized as America's most prominent landscape and allegorical painter of the mid-19th century.

(C) Located in Greene County, New York, the Thomas Cole House, also known as Thomas Cole's Cedar Grove, is listed on the National Register of Historic Places and has been designated as a National Historic Landmark.

(D) Within a 15 mile radius of the Thomas Cole House, an area that forms a key part of the rich cultural and natural heritage of the Hudson River Valley region, significant landscapes and scenes painted by Thomas Cole and other Hudson River artists, such as Frederic Church, survive intact.

(E) The State of New York has established the Hudson River Valley Greenway to promote the preservation, public use, and enjoyment of the natural and cultural resources of the Hudson River Valley region.

(F) Establishment of the Thomas Cole National Historic Site will provide opportunities for the illustration and interpretation of cultural themes of the heritage of the United States and unique opportunities for education, public use, and enjoyment.

(2) PURPOSES.—The purposes of this section are—

(A) to preserve and interpret the home and studio of Thomas Cole for the benefit, inspiration, and education of the people of the United States;

(B) to help maintain the integrity of the setting in the Hudson River Valley region that inspired artistic expression;

(C) to coordinate the interpretive, preservation, and recreational efforts of Federal, State, and other entities in the Hudson Valley region in order to enhance opportunities for education, public use, and enjoyment; and

(D) to broaden understanding of the Hudson River Valley region and its role in American history and culture.

(c) ESTABLISHMENT OF THOMAS COLE NATIONAL HISTORIC SITE.—

(1) ESTABLISHMENT.—There is established, as an affiliated area of the National Park System, the Thomas Cole National Historic Site in the State of New York.

(2) DESCRIPTION.—The historic site shall consist of the home and studio of Thomas Cole, comprising approximately 3.4 acres, located at 218 Spring Street, in the village of Catskill, New York, as generally depicted on the boundary map numbered TCH/80002, and dated March 1992.

(d) RETENTION OF OWNERSHIP AND MANAGEMENT OF HISTORIC SITE BY GREENE COUNTY HISTORICAL SOCIETY.—The Greene County Historical Society of Greene County, New York, shall continue to own, manage, and operate the historic site.

(e) ADMINISTRATION OF HISTORIC SITE.—

(1) APPLICABILITY OF NATIONAL PARK SYSTEM LAWS.—The historic site shall be administered by the Society in a manner consistent with this Act and all laws generally applicable to units of the National Park System, including the Act of August 25, 1916 (16 U.S.C. 1 et seq.; commonly known as the National Park Service Organic Act), and the Act of August 21, 1935 (16 U.S.C. 461 et seq.; commonly known as the Historic Sites, Buildings, and Antiquities Act).

(2) COOPERATIVE AGREEMENTS.—

(A) ASSISTANCE TO SOCIETY.—The Secretary may enter into cooperative agreements with the Society to preserve the Thomas Cole House and other structures in the historic site and to assist with education programs and research and interpretation of the Thomas Cole House and associated landscapes.

(B) OTHER ASSISTANCE.—To further the purposes of this section, the Secretary may enter into cooperative agreements with the State of New York, the Society, the Thomas Cole Foundation, and other public and private entities to facilitate public understanding and enjoyment of the lives and works of the Hudson River artists through the provision of assistance to develop, present, and fund art exhibits, resident artist programs, and other appropriate activities related to the preservation, interpretation, and use of the historic site.

(3) ARTIFACTS AND PROPERTY.—

(A) PERSONAL PROPERTY GENERALLY.—The Secretary may acquire personal property associated with, and appropriate for, the interpretation of the historic site.

(B) WORKS OF ART.—The Secretary may acquire works of art associated with Thomas Cole and other Hudson River artists for the purpose of display at the historic site.

(4) GENERAL MANAGEMENT PLAN.—Within two complete fiscal years after the date of the enactment of this Act, the Secretary shall develop a general management plan for the historic site with the cooperation of the Society. Upon the completion of the plan, the Secretary shall provide a copy of the plan to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. The plan shall include recommendations for regional wayside exhibits, to be carried out through cooperative agreements with the State of New York and other public and private entitles. The plan shall be prepared in accordance with section 12(b) of Public Law 91-383 (16 U.S.C. 1a-1 et seq.; commonly known as the National Park System General Authorities Act).

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 404. ADDITION OF THE PAOLI BATTLEFIELD TO THE VALLEY FORGE NATIONAL HISTORICAL PARK.

(a) BOUNDARY MODIFICATION.—Section 2(a) of the Act of July 4, 1976 (Public Law 94-337; 90 Stat. 796; 16 U.S.C. 410aa-1), is amended by adding the following after the first sentence thereof: "The park shall also include the Paoli Battlefield, located in the Borough of Malvern, Pennsylvania, as depicted on the map numbered 001 and dated July 24, 1996 (hereinafter in this Act referred to as the 'Paoli Battlefield Addition')."

(b) ACQUISITION OF LANDS.—Section 4(a) of the Act of July 4, 1976 (Public Law 94-337; 90 Stat. 796; 16 U.S.C. 410aa-3), is amended by adding the following before the period at the end thereof: ", except that there is authorized to be appropriated an additional amount of not more than $2,500,000 for the acquisition of property within the Paoli Battlefield Addition if non-Federal monies in the amount of not less than $1,000,000 are available for the acquisition (and subsequent donation to the National Park Service) of such property".

(c) COOPERATIVE MANAGEMENT.—Section 3 of the Act of July 4, 1976 (Public Law 94-337; 90 Stat. 796; 16 U.S.C. 410aa-2), is amended by adding the following at the end thereof: "The Secretary may enter into a cooperative agreement with the Borough of Malvern for the management by the Borough of the Paoli Battlefield Addition.".

SEC. 405. CASA MALPAIS NATIONAL HISTORIC LANDMARK, ARIZONA.

(a) FINDINGS.—The Congress finds and declares that—

(1) the Casa Malpais National Historic Landmark was occupied by one of the largest and most sophisticated Mogollon communities in the United States;

(2) the landmark includes a 58-room masonry pueblo, including stairways, Great Kiva complex, and fortification walls, a prehistoric trail, and catacomb chambers where the deceased were placed;

(3) the Casa Malpais was designated as a national historic landmark by the Secretary of the Interior in 1964; and

(4) the State of Arizona and the community of Springerville are undertaking a program of interpretation and preservation of the landmark.

(b) PURPOSE.—It is the purpose of this section to assist in the preservation and interpretation of the Casa Malpais National Historic Landmark for the benefit of the public.

(c) COOPERATIVE AGREEMENTS.—

(1) IN GENERAL.—In furtherance of the purpose of this section, the Secretary of the Interior is authorized to enter into cooperative agreements with the State of Arizona and the town of Springerville, Arizona, pursuant to which the Secretary may provide technical assistance to interpret, operate, and maintain the Casa Malpais National Historic Landmark and may also provide financial assistance for planning, staff training, and development of the Casa Malpais National Historic Landmark, but not including other routine operations.

(2) ADDITIONAL PROVISIONS.—Any such agreement may also contain provisions that—

(A) the Secretary, acting through the Director of the National Park Service, shall have right to access at all reasonable times to all public portions of the property covered by such agreement for the purpose of interpreting the landmark; and

(B) no changes or alterations shall be made in the landmark except by mutual agreement between the Secretary and the other parties to all such agreements.

(d) APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to provide financial assistance in accordance with this section.

SEC. 406. LOWER EAST SIDE TENEMENT NATIONAL HISTORIC SITE, NEW YORK.

(a) FINDINGS.—Congress finds that—

(1) immigration, and the resulting diversity of cultural influences, is a key factor in defining American identity; the majority of United States citizens trace their ancestry to persons born in nations other than the United States;

(2) the latter part of the 19th century and the early part of the 20th century marked a period in which the volume of immigrants coming to the United States far exceeded that of any time prior to or since that period;

(3) no single identifiable neighborhood in the United States absorbed a comparable number of immigrants than the Lower East Side neighborhood of Manhattan in New York City;

(4) the Lower East Side Tenement at 97 Orchard Street in New York City is an outstanding survivor of the vast number of humble buildings that housed immigrants to New York City during the greatest wave of immigration in American history;

(5) the Lower East Side Tenement is owned and operated as a museum by the Lower East Side Tenement Museum;

(6) the Lower East Side Tenement Museum is dedicated to interpreting immigrant life within a neighborhood long associated with the immigrant experience in the United States, New York's Lower East Side, and its importance to United States history; and

(7) the National Park Service found the Lower East Side Tenement at 97 Orchard Street to be nationally significant; the Secretary of the Interior declared it a National Historic Landmark on April 19, 1994, and the National Park Service through a special resource study found the Lower East Side Tenement suitable and feasible for inclusion in the National Park System.

(b) PURPOSES.—The purposes of this section are—

(1) to ensure the preservation, maintenance, and interpretation of this site and to interpret at the site the themes of immigration, tenement life in the later half of the 19th century and the first half of the 20th century, the housing reform movement, and tenement architecture in the United States;

(2) to ensure continued interpretation of the nationally significant immigrant phenomenon associated with New York City's Lower East Side and its role in the history of immigration to the United States; and

(3) to enhance the interpretation of the Castle Clinton, Ellis Island, and Statue of Liberty National Monuments.

(c) DEFINITIONS.—As used in this section:

(1) HISTORIC SITE.—The term "historic site" means the Lower East Side Tenement at 97 Orchard Street on Manhattan Island in New York City, New York, and designated as a national historic site by subsection (d)(1).

(2) LOWER EAST SIDE TENEMENT MUSEUM.—The term "Lower East Side Tenement Museum" means the Lower East Side Tenement Museum, a nonprofit organization established in New York City, which owns and operates the tenement building at 97 Orchard Street and manages other properties in the vicinity of 97 Orchard Street as administrative and program support facilities for 97 Orchard Street.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(d) ESTABLISHMENT OF HISTORIC SITE.—

(1) DESIGNATION.—To further the purposes of this section and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 461 et seq.), the Lower East Side Tenement at 97 Orchard Street, in the City of New York, State of New York, is designated a national historic site to be known as "Lower East Side Tenement National Historic Site".

(2) STATUS AS AFFILIATED SITE.—The Lower East Side Tenement National Historic Site shall be an affiliated site of the National Park System. The Secretary shall coordinate the operation and interpretation of the historic site with that of the Lower East Side Tenement Historic Site and the Statue of Liberty, Ellis Island, and Castle Clinton National Monument, as the historic site's story and interpretation of the immigrant experience in the United States is directly related to the themes and purposes of these national monuments.

(3) OWNERSHIP AND OPERATION.—The Lower East Side Tenement National Historic Site shall continue to be owned, operated, and managed by the Lower East Side Tenement Museum.

(e) MANAGEMENT OF HISTORIC SITE.—

(1) COOPERATIVE AGREEMENT.—The Secretary is authorized to enter into a cooperative agreement with the Lower East Side Tenement Museum to ensure the marking, interpretation, and preservation of the historic site.

(2) ASSISTANCE.—The Secretary is authorized to provide technical and financial assistance to the Lower East Side Tenement Museum to mark, interpret, and preserve the historic site, including the making of preservation-related capital improvements and repairs.

(3) MANAGEMENT PLAN.—The Secretary shall, working with the Lower East Side Tenement Museum, develop a general management plan for the historic site to define the National Park Service's roles and responsibilities with regard to the interpretation and the preservation of the historic site. The plan shall also outline how interpretation and programming for the Lower East Side Tenement National Historic Site and the Statue of Liberty, Ellis Island, and Castle Clinton national monuments will be integrated and coordinated so as to enhance the stories at each of the 4 sites. Such plan shall be completed within 2 years after the enactment of this Act.

(4) SAVINGS CLAUSE.—Nothing in this section authorizes the Secretary to acquire the property at 97 Orchard Street or to assume overall financial responsibility for the operation, maintenance, or management of the Lower East Side Tenement National Historic Site.

(f) APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 407. GATEWAY VISITOR CENTER AUTHORIZATION, INDEPENDENCE NATIONAL HISTORICAL PARK.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—The Congress finds the following:

(A) The National Park Service completed and approved in 1997 a general management plan for Independence National Historical Park that establishes goals and priorities for the park's future.

(B) The general management plan for Independence National Historical Park calls for the revitalization of Independence Mall and recommends as a critical component of the Independence Mall's revitalization the development of a new "Gateway Visitor Center".

(C) Such a visitor center would replace the existing park visitor center and would serve as an orientation center for visitors to the park and to city and regional attractions.

(D) Subsequent to the completion of the general management plan, the National Park Service undertook and completed a design project and master plan for Independence Mall which includes the Gateway Visitor Center.

(E) Plans for the Gateway Visitor Center call for it to be developed and managed, in cooperation with the Secretary of the Interior, by a nonprofit organization which represents the various public and civic interests of the greater Philadelphia metropolitan area.

(F) The Gateway Visitor Center Corporation, a nonprofit organization, has been established to raise funds for and cooperate in a program to design, develop, construct, and operate the proposed Gateway Visitor Center.

(2) PURPOSE.—The purpose of this section is to authorize the Secretary of the Interior to enter into a cooperative agreement with the Gateway Visitor Center Corporation to construct and operate a regional visitor center on Independence Mall.

(b) GATEWAY VISITOR CENTER AUTHORIZATION.—

(1) AGREEMENT.—The Secretary of the Interior, in administering the Independence National Historical Park, may enter into an agreement under appropriate terms and conditions with the Gateway Visitor Center Corporation (a nonprofit corporation established under the laws of the State of Pennsylvania) to facilitate the construction and operation of a regional Gateway Visitor Center on Independence Mall.

(2) OPERATIONS OF CENTER.—The Agreement shall authorize the Corporation to operate the Center in cooperation with the Secretary and to provide at the Center information, interpretation, facilities, and services to visitors to Independence National Historical Park, its surrounding historic sites, the city of Philadelphia, and the region, in order to assist in their enjoyment of the historic, cultural, educational, and recreational resources of the greater Philadelphia area.

(3) MANAGEMENT-RELATED ACTIVITIES.—The Agreement shall authorize the Secretary to undertake at the Center activities related to the management of Independence National Historical Park, including, but not limited to, provision of appropriate visitor information and interpretive facilities and programs related to Independence National Historical Park.

(4) ACTIVITIES OF CORPORATION.—The Agreement shall authorize the Corporation, acting as a private nonprofit organization, to engage in activities appropriate for operation of a regional visitor center that may include, but are not limited to, charging fees, conducting events, and selling merchandise, tickets, and food to visitors to the Center.

(5) USE OF REVENUES.—Revenues from activities engaged in by the Corporation shall be used for the operation and administration of the Center.

(6) PROTECTION OF PARK.—Nothing in this section authorizes the Secretary or the Corporation to take any actions in derogation of the preservation and protection of the values and resources of Independence National Historical Park.

(7) DEFINITIONS.—In this subsection:

(A) AGREEMENT.—The term "Agreement" means an agreement under this section between the Secretary and the Corporation.

(B) CENTER.—The term "Center" means a Gateway Visitor Center constructed and operated in accordance with the Agreement.

(C) CORPORATION.—The term "Corporation" means the Gateway Visitor Center Corporation (a nonprofit corporation established under the laws of the State of Pennsylvania).

(D) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

SEC. 408. TUSKEGEE AIRMEN NATIONAL HISTORIC SITE, ALABAMA.

(a) DEFINITIONS.—As used in this section:

(1) HISTORIC SITE.—The term "historic site" means the Tuskegee Airmen National Historic Site as established by subsection (d).

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) TUSKEGEE AIRMEN.—The term "Tuskegee Airmen" means the thousands of men and women who were trained at Tuskegee University's Moton Field to serve in America's African-American Air Force units during World War II and those men and women who participate in the Tuskegee Experience today, who are represented by Tuskegee Airmen, Inc.

(4) TUSKEGEE UNIVERSITY.—The term "Tuskegee University" means the institution of higher education by that name located in the State of Alabama and founded by Booker T. Washington in 1881, formerly named Tuskegee Institute.

(b) FINDINGS.—The Congress finds the following:

(1) The struggle of African-Americans for greater roles in North American military conflicts spans the 17th, 18th, 19th, and 20th centuries. Opportunities for African-American participation in the United States military were always very limited and controversial. Quotas, exclusion, and racial discrimination were based on the prevailing attitude in the United States, particularly on the part of the United States military, that African-Americans did not possess the intellectual capacity, aptitude, and skills to be successful fighters.

(2) As late as the 1940's these perceptions continued within the United States military. Key leaders within the United States Army Air Corps did not believe that African-Americans possessed the capacity to become successful military pilots. After succumbing to pressure exerted by civil rights groups and the black press, the Army decided to train a small number of African-American pilot cadets under special conditions. Although prejudice and discrimination against African-Americans was a national phenomenon, not just a southern trait, it was more intense in the South where it had hardened into rigidly enforced patterns of segregation. Such was the environment where the military chose to locate the training of the Tuskegee Airmen.

(3) The military selected Tuskegee Institute (now known as Tuskegee University) as a civilian contractor for a variety of reasons. These included the school's existing facilities, engineering and technical instructors, and a climate with ideal flying conditions year round. Tuskegee Institute's strong interest in providing aeronautical training for African-American youths was also an important factor. Students from the school's civilian pilot training program had some of the best test scores when compared to other students from programs across the Southeast.

(4) In 1941 the United States Army Air Corps awarded a contract to Tuskegee Institute to operate a primary flight school at Moton Field. Tuskegee Institute (now known as Tuskegee University) chose an African-American contractor who designed and constructed Moton Field, with the assistance of its faculty and students, as the site for its military pilot training program. The field was named for the school's second president, Robert Russa Moton. Consequently, Tuskegee Institute was one of a very few American institutions (and the only African-American institution) to own, develop, and control facilities for military flight instruction.

(5) Moton Field, also known as the Primary Flying Field or Airport Number 2, was the only primary flight training facility for African-American pilot candidates in the United States Army Air Corps during World War II. The facility symbolizes the entrance of African-American pilots into the United States Army Air Corps, although on the basis of a policy of segregation that was mandated by the military and institutionalized in the South. The facility also symbolizes the singular role of Tuskegee Institute (Tuskegee University) in providing leadership as well as economic and educational resources to make that entry possible.

(6) The Tuskegee Airmen were the first African-American soldiers to complete their training successfully and to enter the United States Army Air Corps. Almost 1,000 aviators were trained as America's first African-American military pilots. In addition, more than 10,000 military and civilian African-American men and women served as flight instructors, officers, bombardiers, navigators, radio technicians, mechanics, air traffic controllers, parachute riggers, electrical and communications specialists, medical professionals, laboratory assistants, cooks, musicians, supply, firefighting, and transportation personnel.

(7) Although military leaders were hesitant to use the Tuskegee Airmen in combat, the Airmen eventually saw considerable action in North Africa and Europe. Acceptance from United States Army Air Corps units came slowly, but their courageous and, in many cases, heroic performance earned them increased combat opportunities and respect.

(8) The successes of the Tuskegee Airmen proved to the American public that African-Americans, when given the opportunity, could become effective military leaders and pilots. This helped pave the way for desegregation of the military, beginning with President Harry S. Truman's Executive Order 9981 in 1948. The Tuskegee Airmen's success also helped set the stage for civil rights advocates to continue the struggle to end racial discrimination during the civil rights movement of the 1950's and 1960's.

(9) The story of the Tuskegee Airmen also reflects the struggle of African-Americans to achieve equal rights, not only through legal attacks on the system of segregation, but also through the techniques of nonviolent direct action. The members of the 477th Bombardment Group, who staged a nonviolent demonstration to desegregate the officer's club at Freeman Field, Indiana, helped set the pattern for direct action protests popularized by civil rights activists in later decades.

(c) PURPOSES.—The purposes of this section are the following:

(1) To inspire present and future generations to strive for excellence by understanding and appreciating the heroic legacy of the Tuskegee Airmen, through interpretation and education, and the preservation of cultural resources at Moton Field, which was the site of primary flight training.

(2) To commemorate and interpret—

(A) the impact of the Tuskegee Airmen during World War II;

(B) the training process for the Tuskegee Airmen, including the roles played by Moton Field, other training facilities, and related sites;

(C) the African-American struggle for greater participation in the United States Armed Forces and more significant roles in defending their country;

(D) the significance of successes of the Tuskegee Airmen in leading to desegregation of the United States Armed Forces shortly after World War II; and

(E) the impacts of Tuskegee Airmen accomplishments on subsequent civil rights advances of the 1950's and 1960's.

(3) To recognize the strategic role of Tuskegee Institute (now Tuskegee University) in training the airmen and commemorating them at this historic site.

(d) ESTABLISHMENT OF THE TUSKEGEE AIRMEN NATIONAL HISTORIC SITE.—In order to commemorate and interpret, in association with Tuskegee University, the heroic actions of the Tuskegee Airmen during World War II, there is hereby established as a unit of the National Park System the Tuskegee Airmen National Historic Site in the State of Alabama.

(e) DESCRIPTION OF HISTORIC SITE.—

(1) INITIAL PARCEL.—The historic site shall consist of approximately 44 acres, including approximately 35 acres owned by Tuskegee University and approximately 9 acres owned by the City of Tuskegee, known as Moton Field, in Macon County, Alabama, as generally depicted on a map entitled "Tuskegee Airmen National Historic Site Boundary Map", numbered NHS–TA–80,000, and dated September 1998. Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(2) SUBSEQUENT EXPANSION.—Upon completion of agreements regarding the development and operation of the Tuskegee Airmen National Center as described in subsection (i), the Secretary is authorized to acquire approximately 46 additional acres owned by Tuskegee University as generally depicted on the map referenced in paragraph (1). Lands acquired by the Secretary pursuant to this paragraph shall be administered by the Secretary as part of the historic site.

(f) PROPERTY ACQUISITION.—The Secretary may acquire by donation, exchange, or purchase with donated or appropriated funds the real property described in subsection (e), except that any property owned by the State of Alabama, any political subdivision thereof, or Tuskegee University may be acquired only by donation. Property donated by Tuskegee University shall be used only for purposes consistent with the purposes of this section. The Secretary may also acquire by the same methods personal property associated with, and appropriate for, the interpretation of the historic site.

(g) ADMINISTRATION OF HISTORIC SITE.—

(1) IN GENERAL.—The Secretary shall administer the historic site in accordance with this section and the laws generally applicable to units of the National Park System, including the Act of August 25, 1916 (commonly known as the National Park Service Organic Act; 16 U.S.C. 1 et seq.), and the Act of August 21, 1935 (commonly known as the Historic Sites, Buildings, and Antiquities Act; 16 U.S.C. 461 et seq.).

(2) ROLE OF TUSKEGEE UNIVERSITY.—The Secretary shall consult with Tuskegee University as its principal partner in determining the organizational structure, developing the ongoing interpretive themes, and establishing policies for the wise management, use and development of the historic site. With the agreement of Tuskegee University, the Secretary shall engage appropriate departments, and individual members

of the University's staff, faculty, and students in the continuing work of helping to identify, research, explicate, interpret, and format materials for the historic site. Through the President of the University, or with the approval of the President of the University, the Secretary shall seek to engage Tuskegee alumni in the task of providing artifacts and historical information for the historic site.

(3) ROLE OF TUSKEGEE AIRMEN.—The Secretary, in cooperation with Tuskegee University, shall work with the Tuskegee Airmen to facilitate the acquisition of artifacts, memorabilia, and historical research for interpretive exhibits, and to support their efforts to raise funds for the development of visitor facilities and programs at the historic site.

(4) DEVELOPMENT.—Operation and development of the historic site shall reflect Alternative C, Living History: The Tuskegee Airmen Experience, as expressed in the final special resource study entitled "Moton Field/Tuskegee Airmen Special Resource Study", dated September 1998. Subsequent development of the historic site shall reflect Alternative D after an agreement is reached with Tuskegee University on the development of the Tuskegee Airmen National Center as described in subsection (i).

(h) COOPERATIVE AGREEMENTS GENERALLY.—The Secretary may enter into cooperative agreements with Tuskegee University, other educational institutions, the Tuskegee Airmen, individuals, private and public organizations, and other Federal agencies in furtherance of the purposes of this section. The Secretary shall consult with Tuskegee University in the formulation of any major cooperative agreements with other universities or federal agencies that may affect Tuskegee University's interests in the historic site. To every extent possible, the Secretary shall seek to complete cooperative agreements requiring the use of higher educational institutions with and through Tuskegee University.

(i) TUSKEGEE AIRMEN NATIONAL CENTER.—

(1) COOPERATIVE AGREEMENT FOR DEVELOPMENT.—The Secretary shall enter into a cooperative agreement with Tuskegee University to define the partnership needed to develop the Tuskegee Airmen National Center on the grounds of the historic site.

(2) PURPOSE OF CENTER.—The purpose of the Tuskegee Airmen National Center shall be to extend the ability to relate more fully the story of the Tuskegee Airmen at Moton Field. The center shall provide for a Tuskegee Airmen Memorial, shall provide large exhibit space for the display of period aircraft and equipment used by the Tuskegee Airmen, and shall house a Tuskegee University Department of Aviation Science. The Secretary shall insure that interpretive programs for visitors benefit from the University's active pilot training instruction program, and the historical continuum of flight training in the tradition of the Tuskegee Airmen. The Secretary is authorized to permit the Tuskegee University Department of Aviation Science to occupy historic buildings within the Moton Field complex until the Tuskegee Airmen National Center has been completed.

(3) REPORT.—Within 1 year after the date of the enactment of this Act, the Secretary, in consultation with Tuskegee University and the Tuskegee Airmen, shall prepare a report on the partnership needed to develop the Tuskegee Airmen National Center, and submit the report to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(4) TIME FOR AGREEMENT.—Sixty days after the report required by paragraph (3) is submitted to Congress, the Secretary may enter into the cooperative agreement under this subsection with Tuskegee University, and other interested partners, to implement the development and operation of the Tuskegee Airmen National Center.

(j) GENERAL MANAGEMENT PLAN.—Within 2 complete fiscal years after funds are first made available to carry out this section, the Secretary shall prepare, in consultation with Tuskegee University, a general management plan for the historic site and shall submit the plan to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $29,114,000.

SEC. 409. LITTLE ROCK CENTRAL HIGH SCHOOL NATIONAL HISTORIC SITE, ARKANSAS.

(a) FINDINGS.—The Congress finds the following:

(1) The 1954 United States Supreme Court decision of Brown v. Board of Education, which mandated an end to the segregation of public schools, was one of the most significant court decisions in the history of the United States.

(2) The admission of nine African-American students, known as the "Little Rock Nine", to Central High School in Little Rock, Arkansas, as a result of the Brown decision, was the most prominent national example of the implementation of the Brown decision, and served as a catalyst for the integration of other, previously segregated public schools in the United States.

(3) 1997 marked the 70th anniversary of the construction of Central High School, which has been named by the American Institute of Architects as the most beautiful high school building in America.

(4) Central High School was included on the National Register of Historic Places in 1977 and designated by the Secretary of the Interior as a National Historic Landmark in 1982 in recognition of its national significance in the development of the civil rights movement in the United States.

(5) The designation of Little Rock Central High School as a unit of the National Park System will recognize the significant role the school played in the desegregation of public schools in the South and will interpret for future generations the events associated with early desegregation of southern schools.

(b) PURPOSE.—The purpose of this section is to preserve, protect, and interpret for the benefit, education, and inspiration of present and future generations, Central High School in Little Rock, Arkansas, and its role in the integration of public schools and the development of the civil rights movement in the United States.

(c) ESTABLISHMENT AS NATIONAL HISTORIC SITE.—The Little Rock Central High School National Historic Site in the State of Arkansas (referred to in this section as the "historic site") is hereby established as a unit of the National Park System. The historic site shall consist of lands and interests therein comprising the Central High School campus and adjacent properties in Little Rock, Arkansas, as generally depicted on a map entitled "Proposed Little Rock Central High School National Historic Site", numbered LIRO-20,000, and dated July 1998. Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(d) ADMINISTRATION OF HISTORIC SITE.—The Secretary of the Interior (referred to in this section as the "Secretary") shall administer the historic site in accordance with this section. Only those lands under the direct jurisdiction of the Secretary shall be administered in accordance with the provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (16 U.S.C. 1 et seq.; commonly known as the National Park Service Organic Act), and the Act of August 21, 1935 (16 U.S.C. 461 et seq.; commonly known as the Historic Sites, Buildings, and Antiquities Act). Nothing in this section shall affect the authority of the Little Rock School District to administer Little Rock Central High School nor shall this section affect the authorities of the City of Little Rock in the neighborhood surrounding the school.

(e) COOPERATIVE AGREEMENTS.—

(1) AUTHORITY.—The Secretary may enter into cooperative agreements with appropriate public and private agencies, organizations, and institutions (including, but not limited to, the State of Arkansas, the City of Little Rock, the Little Rock School District, Central High Museum, Inc., Central High Neighborhood, Inc., or the University of Arkansas) in furtherance of the purposes of this section.

(2) COORDINATION.—The Secretary shall coordinate visitor interpretation of the historic site with the Little Rock School District and the Central High School Museum, Inc.

(f) GENERAL MANAGEMENT PLAN.—Within three years after the date funds are made available, the Secretary shall prepare a general management plan for the historic site. The plan shall be prepared in consultation and coordination with the Little Rock School District, the City of Little Rock, Central High Museum, Inc., and with other appropriate organizations and agencies. The plan shall identify specific roles and responsibilities for the National Park Service in administering the historic site, and shall identify lands or property, if any, that might be necessary for the National Park Service to acquire in order to carry out its responsibilities. The plan shall also identify the roles and responsibilities of other entities in administering the historic site and its programs. The plan shall include a management framework that ensures the administration of the historic site does not interfere with the continuing use of Central High School as an educational institution.

(g) ACQUISITION OF PROPERTY.—

(1) METHOD OF ACQUISITION.—Subject to paragraph (2), the Secretary is authorized to acquire, by purchase with donated or appropriated funds, by exchange, or by donation, the lands and interests therein located within the boundaries of the historic site.

(2) CONDITIONS.—The Secretary may acquire lands or interests therein under paragraph (1) only with the consent of the owner thereof. Lands or interests therein owned by the State of Arkansas or a political subdivision thereof may be acquired under paragraph (1) only by donation or exchange.

(h) DESEGREGATION IN PUBLIC EDUCATION THEME STUDY.—

(1) THEME STUDY.—Within two years after the date funds are made available, the Secretary shall prepare and transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives a

National Historic Landmark Theme Study (referred to in this subsection as the "theme study") on the history of desegregation in public education. The purpose of the theme study shall be to identify sites, districts, buildings, structures, and landscapes that best illustrate or commemorate key events or decisions in the historical movement to provide for racial desegregation in public education. On the basis of the theme study, the Secretary shall identify possible new national historic landmarks appropriate to this theme and prepare a list in order of importance or merit of the most appropriate sites for national historic landmark designation.

(2) OPPORTUNITIES FOR EDUCATION AND RESEARCH.—The theme study shall identify appropriate means to establish linkages between sites identified in paragraph (1) and between those sites and the historic site and with other existing units of the National Park System to maximize opportunities for public education and scholarly research on desegregation in public education. The theme study also shall recommend opportunities for cooperative arrangements with State and local governments, educational institutions, local historical organizations, and other appropriate entities to preserve and interpret key sites in the history of desegregation in public education.

(3) COOPERATIVE AGREEMENTS.—The Secretary may enter into cooperative agreements with one or more educational institutions, public history organizations, or civil rights organizations knowledgeable about desegregation in public education to prepare the theme study and to ensure that the theme study meets scholarly standards.

(4) THEME STUDY COORDINATION WITH GENERAL MANAGEMENT PLAN.—The theme study shall be prepared as part of the preparation and development of the general management plan for the historic site.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 410. WEIR FARM NATIONAL HISTORIC SITE, CONNECTICUT.

(a) ACQUISITION OF LAND FOR VISITOR AND ADMINISTRATIVE FACILITIES.—Section 4 of the Weir Farm National Historic Site Establishment Act of 1990 (Public Law 101–485; 104 Stat. 1171; 16 U.S.C. 461 note) is amended by adding at the end the following new subsection:

"(d) ACQUISITION OF LAND FOR VISITOR AND ADMINISTRATIVE FACILITIES; LIMITATIONS.—(1) In order to preserve and maintain the historic setting and character of the historic site, the Secretary may acquire not more than 15 additional acres for the development of visitor and administrative facilities for the historic site. The property acquired under the authority of this paragraph may be contiguous or in close proximity to the parcels described in subsection (b). The acquired property shall be included within the boundaries of the historic site and shall be operated and maintained as part of the historic site.

"(2) The Secretary shall keep development of the property acquired under paragraph (1) to a minimum so that the character of the acquired property is similar to the natural and undeveloped landscape of the parcels described in subsection (b). Any parking area for the resulting visitor and administrative facilities shall not exceed 30 spaces. Items sold in the visitor facilities shall be limited to educational and interpretive materials related to the purpose of the historic site and shall not include food.

"(3) Prior to and as a prerequisite to any development of visitor and administrative facilities on the property acquired under paragraph (1), the Secretary shall enter into one or more agreements with the appropriate zoning authority of the town of Ridgefield and the town of Wilton for the purposes of—

"(A) developing the parking, visitor, and administrative facilities for the historic site; and

"(B) managing bus traffic to the historic site, which will include limiting parking for large tour buses to an offsite location.".

(b) INCREASE IN MAXIMUM ACQUISITION AUTHORITY.—Section 7 of such Act (104 Stat. 1173) is amended by striking "$1,500,000" and inserting "$4,000,000".

SEC. 411. KATE MULLANY NATIONAL HISTORIC SITE, NEW YORK.

(a) DEFINITIONS.—As used in this section:

(1) The term "historic site" means the Kate Mullany National Historic Site established by subsection (d).

(2) The term "plan" means the general management plan developed pursuant to subsection (h).

(3) The term "Secretary" means the Secretary of the Interior.

(b) FINDINGS.—Congress finds the following:

(1) The Kate Mullany House in Troy, New York, is listed on the National Register of Historic Places and has been designated as a National Historic Landmark.

(2) The National Historic Landmark Theme Study on American Labor History concluded that the Kate Mullany House appears to meet the criteria of national significance, suitability, and feasibility for inclusion in the National Park System.

(3) The city of Troy, New York—

(A) played an important role in the development of the collar and cuff industry and the iron industry in the 19th century, and in the development of early men's and women's worker and cooperative organizations; and

(B) was the home of the first women's labor union, led by Irish immigrant Kate Mullany.

(4) The city of Troy, New York, with 6 neighboring cities, towns, and villages, entered into a cooperative arrangement to create the Hudson-Mohawk Urban Cultural Park Commission to manage their valuable historic resources and the area within these municipalities has been designated by the State of New York as a heritage area to represent industrial development and labor themes in the State's development.

(5) This area, known as the Hudson-Mohawk Urban Cultural Park or RiverSpark, has been a pioneer in the development of partnership parks where intergovernmental and public and private partnerships bring abut the conservation of our heritage and the attainment of goals for preservation, education, recreation, and economic development.

(6) Establishment of the Kate Mullany National Historic Site and cooperative efforts between the National Park Service and the Hudson-Mohawk Urban Cultural Park Commission will provide opportunities for the illustration and interpretation of important themes of the heritage of the United States, and will provide unique opportunities for education, public use, and enjoyment.

(c) PURPOSES.—The purposes of this section are—

(1) to preserve and interpret the nationally significant home of Kate Mullany for the benefit, inspiration, and education of the people of the United States; and

(2) to interpret the connection between immigration and the industrialization of the Nation, including the history of Irish immigration, women's history, and worker history.

(d) ESTABLISHMENT OF HISTORIC SITE.—There is established, as a unit of the National Park System, the Kate Mullany National Historic Site in the State of New York. The historic site shall consist of the home of Kate Mullany, comprising approximately .05739 acre, located at 350 Eighth Street in Troy, New York, as generally depicted on the map entitled "Kate Mullany House, Troy, New York", numbered 101.23, and dated December 10, 1976 (as revised September 16, 1997).

(e) ACQUISITION OF PROPERTY.—

(1) REAL PROPERTY.—The Secretary may acquire lands and interests therein within the boundaries of the historic site and ancillary real property for parking or interpretation, as necessary and appropriate for management of the historic site. Such acquisitions may be by donation, purchase from willing sellers with donated or appropriated funds, or exchange.

(2) PERSONAL PROPERTY.—The Secretary may acquire personal property associated with, and appropriate for, the interpretation of the historic site using the methods provided in paragraph (1).

(f) ADMINISTRATION OF HISTORIC SITE.—

(1) IN GENERAL.—The Secretary shall administer the historic site in accordance with this section and all laws generally applicable to units of the National Park System, including the Act of August 25, 1916 (16 U.S.C. 1 et seq.; commonly known as the National Park Service Organic Act), and the Act of August 21, 1935 (16 U.S.C. 461 et seq.; commonly known as the Historic Sites, Buildings, and Antiquities Act).

(2) COOPERATIVE AGREEMENTS.—To further the purposes of this section, the Secretary may consult with and enter into cooperative agreements with the State of New York and the Hudson-Mohawk Urban Cultural Park Commission, and other public and private entities to facilitate public understanding and enjoyment of the life and work of Kate Mullany through the development, presentation, and funding of exhibits and other appropriate activities related to the preservation, interpretation, and use of the historic site and related historic resources.

(g) EXHIBITS.—The Secretary may display, and accept for the purposes of display, items associated with Kate Mullany, as may be necessary for the interpretation of the historic site.

(h) GENERAL MANAGEMENT PLAN.—Not later than two complete fiscal years after the date of the enactment of this Act, the Secretary shall develop a general management plan for the historic site. Upon its completion, the Secretary shall submit the plan to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives. The plan shall include recommendations for regional wayside exhibits, to be carried out through cooperative agreements with the State of New York and other public and private entitles. The plan shall be prepared in accordance with section 12(b) of Public Law 91–383 (16 U.S.C. 1a–1 et seq.; commonly known as the National Park System General Authorities Act).

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 412. ROUTE 66 NATIONAL HISTORIC HIGHWAY.

(a) DEFINITIONS.—In this section:

(1) ROUTE 66.—The term "Route 66" means—

(A) portions of the highway formerly designated as United States Route 66 that remain in existence as of the date of enactment of this Act;

(B) public lands in the immediate vicinity of the highway; and

(C) private lands in the immediate vicinity of the highway owned by persons who are willing to participate in the programs authorized by this section.

(2) CULTURAL RESOURCE PROGRAMS.—The term "Cultural Resource Programs" means the programs established and administered by the National Park Service for the benefit of and in support of cultural resources related to Route 66, either directly or indirectly.

(3) PRESERVATION OF ROUTE 66.—The term "preservation of Route 66" means the preservation or restoration of portions of the highway, businesses and sites of interest and other contributing resources along the highway commemorating Route 66 during its period of outstanding historic significance (principally between 1933 and 1970), as defined by the July 1995 National Park Service "Special Resource Study of Route 66".

(4) SECRETARY.—The term "Secretary" means the Secretary of the Interior, acting through the Cultural Resource Programs at the National Park Service.

(5) STATE.—The term "State" means a State in which a portion of Route 66 is located.

(b) DESIGNATION OF HISTORIC HIGHWAY.—Route 66 is designated as "Route 66 National Historic Highway".

(c) GENERAL MANAGEMENT.—The Secretary, in collaboration with the entities described in subsection (d), shall facilitate the development of guidelines and a program of technical assistance and grants that will set priorities for the preservation of Route 66. The Secretary shall designate officials of the National Park Service stationed at locations convenient to the States to perform the functions of the Cultural Resource Programs under this section.

(d) GENERAL FUNCTIONS.—The Secretary shall—

(1) support efforts of State and local public and private persons, nonprofit Route 66 preservation entities, Indian Tribes, State Historic Preservation Offices, and entities in the States to preserve Route 66 by providing technical assistance, participating in cost-sharing programs, and making grants;

(2) act as a clearinghouse for communication among Federal, State, and local agencies, nonprofit Route 66 preservation entities, Indian Tribes, State historic Preservation Offices, and private persons and entities interested in the preservation of Route 66; and

(3) assist the States in determining the appropriate form of and establishing and supporting a non-Federal entity or entities to perform the functions of the Cultural Resource Programs after those programs are terminated.

(e) OTHER AUTHORITIES.—In carrying out this section, the Secretary may—

(1) collaborate with the Secretary of Transportation to—

(A) address transportation factors that may conflict with preservation efforts in such a way as to ensure ongoing preservation, interpretation and management of Route 66 National Historic Highway; and

(B) take advantage, to the maximum extent possible, of existing programs, such as the Scenic Byways program under section 162 of title 23, United States Code.

(2) enter into cooperative agreements, including, but not limited to study, planning, preservation, rehabilitation and restoration;

(3) accept donations;

(4) provide cost-share grants and information;

(5) provide technical assistance in historic preservation; and

(6) conduct research.

(f) ROAD SIGNS.—The Secretary may sponsor a road sign program on Route 66 to be implemented on a cost-sharing basis with State and local organizations.

(g) PRESERVATION ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall provide assistance in the preservation of Route 66 in a manner that is compatible with the idiosyncratic nature of the highway.

(2) PLANNING.—The Secretary shall not prepare or require preparation of an overall management plan for Route 66, but shall cooperate with the States and local public and private persons and entities, State Historic Preservation Offices, nonprofit Route 66 preservation entities, and Indian Tribes in developing local preservation plans to guide efforts to protect the most important or representative resources of Route 66.

(h) TECHNICAL ASSISTANCE PROGRAM.—

(1) IN GENERAL.—The Secretary shall develop a program of technical assistance in the preservation of Route 66.

(2) GUIDELINES FOR PRESERVATION NEEDS.—

(A) IN GENERAL.—As part of the program under paragraph (1), the Secretary shall establish guidelines for setting priorities for preservation needs.

(B) BASIS.—The guidelines under subparagraph (A) may be based on national register standards, modified as appropriate to meet the needs of Route 66 so as to allow for the preservation of Route 66.

(i) PROGRAM FOR COORDINATION OF ACTIVITIES.—

(1) IN GENERAL.—The Secretary shall coordinate a program of historic research, curation, preservation strategies, and the collection of oral and video histories of Route 66.

(2) DESIGN.—The program under paragraph (1) shall be designed for continuing use and implementation by other organizations after the Cultural Resource Programs are terminated.

(j) GRANTS.—The Secretary shall—

(1) make cost-share grants for preservation of Route 66 available for resources that meet the guidelines under subsection (h); and

(2) provide information about existing cost-share opportunities.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for the period of fiscal years 2000 through 2009 to carry out the purposes of this section.

SEC. 413. VALLEY FORGE MUSEUM OF THE AMERICAN REVOLUTION AT VALLEY FORGE NATIONAL HISTORICAL PARK, PENNSYLVANIA.

The Act of July 4, 1976 (Public Law 94-337; 90 Stat. 796; 16 U.S.C. 410aa et seq.), is amended by adding at the end the following new section:

"SEC. 5. VALLEY FORGE MUSEUM OF THE AMERICAN REVOLUTION.

"(a) MUSEUM AUTHORIZED.—In administering the park, the Secretary may enter into an agreement pursuant to this section with the Valley Forge Historical Society (hereinafter referred to as the 'Society') to facilitate the planning, construction, and operation of a museum on Federal land within the boundaries of the park to be known as the 'Valley Forge Museum of the American Revolution'.

"(b) PURPOSE OF MUSEUM.—

"(1) ACTIVITIES OF SOCIETY.—The agreement shall authorize the Society to construct and operate the museum in cooperation with the Secretary and to provide at the museum programs and services to visitors to the park related to the story of Valley Forge and the American Revolution. The Society, acting as a private nonprofit organization, may engage in activities appropriate for operation of the museum, including charging fees, conducting events, and selling merchandise, tickets, and food to visitors to the museum.

"(2) ACTIVITIES OF SECRETARY.—The agreement shall authorize the Secretary to undertake at the museum activities related to the management of the park, including the provision of appropriate visitor information and interpretive facilities and programs related to the park.

"(c) USE OF REVENUES.—The agreement shall require that revenues derived by the Society from the museum's facilities and services be used to offset the expenses of the museum's operation and maintenance.

"(d) TERM OF OCCUPANCY.—The agreement shall authorize the Society to occupy any structure constructed pursuant to the agreement for such a term as the parties may specify in the agreement.

"(e) CONDITIONS.—The agreement shall be subject to the following terms and conditions:

"(1) The conveyance by the Society to the United States of all right, title, and interest in any structure constructed at the park pursuant to the agreement.

"(2) The authority of the Society to occupy and use any such structure shall be for the exhibition, preservation, and interpretation of artifacts associated with the Valley Forge story and the American Revolution to enhance the visitor experience to the park and to conduct appropriately related activities of the Society consistent with its mission. Such authority shall not be transferred or conveyed without the express consent of the Secretary.

(3) Such other terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

"(f) RELATION TO OTHER PARK VALUES.—Nothing in this section shall authorize the Secretary or the Society to take any actions in derogation of the preservation and protection of the values and resources of the park.".

TITLE V—SAN RAFAEL SWELL

SEC. 501. SHORT TITLE.

This title may be cited as the "San Rafael Swell National Heritage and Conservation Act".

SEC. 502. DEFINITIONS.

In this title:

(1) ADVISORY COUNCIL.—The term "Advisory Council" means the San Rafael Swell National Conservation Area Advisory Council established under section 525.

(2) CONSERVATION AREA.—The term "conservation area" means the San Rafael Swell National Conservation Area established by section 522.

(3) DIRECTOR.—The term "Director" means the Director of the Bureau of Land Management.

(4) NATIONAL HERITAGE AREA.—The term "national heritage area" means the San Rafael Swell National Heritage Area established by section 513.

(5) SECRETARY.—The term "Secretary" means the Secretary of the Interior, acting through the Director of the Bureau of Land Management.

(6) SEMI-PRIMITIVE AREA.—The term "semi-primitive area" means any area designated as a semi-primitive nonmotorized use area under section 542.

Subtitle A—San Rafael Swell National Heritage Area

SEC. 511. SHORT TITLE; FINDINGS; PURPOSES.

(a) SHORT TITLE.—This subtitle may be cited as the "San Rafael Swell National Heritage Area Act".

(b) FINDINGS.—Congress finds the following:

(1) The history of the American West is one of the most significant chapters of United States history, and the major themes and images of the history of the American West provide a legacy that has done much to shape the contemporary culture, attitudes, and values of the American West and the United States.

(2) The San Rafael Swell region of the State of Utah was one of the country's last frontiers and possesses important historical, cultural, and natural resources that are representative of the central themes associated with the history of the American West, including themes of pre-Columbian and Native American culture, exploration, pioneering, settlement, ranching, outlaws, prospecting and mining, water development and irrigation, railroad building, industrial development, and the utilization and conservation of natural resources.

(3) The San Rafael Swell region contains important historical sites, including sections of the Old Spanish Trail, the Outlaw Trail, the Green River Crossing, and numerous sites associated with cowboy, pioneer, and mining history.

(4) The heritage of the San Rafael Swell region includes the activities of many prominent historical figures of the old American West, such as Chief Walker, John Wesley Powell, Kit Carson, John C. Fremont, John W. Gunnison, Butch Cassidy, John W. Taylor, and the Swasey brothers.

(5) The San Rafael Swell region has a notable history of coal and uranium mining, and a rich cultural heritage of activities associated with mining, such as prospecting, railroad building, immigrant workers, coal camps, labor union movements, and mining disasters.

(6) The San Rafael Swell region is widely recognized for its significant paleontological resources and dinosaur bone quarries, including the Cleveland Lloyd Dinosaur Quarry which was designated as a National Natural Landmark in 1966.

(7) The beautiful rural landscapes, historic and cultural landscapes, and spectacular scenic vistas of the San Rafael Swell region contain significant undeveloped recreational opportunities for people throughout the United States.

(8) Museums and visitor centers have already been constructed in the San Rafael Swell region, including the John Wesley Powell River History Museum, the College of Eastern Utah Prehistoric Museum, the Museum of the San Rafael, the Western Mining and Railroad Museum, the Emery County Pioneer Museum, and the Cleveland Lloyd Dinosaur Quarry, and these museums are available to interpret the themes of the national heritage area established by this title and to coordinate the interpretive and preservation activities of the area.

(9) Despite the efforts of the State of Utah, political subdivisions of the State, volunteer organizations, and private businesses, the cultural, historical, natural, and recreational resources of the San Rafael Swell region have not realized their full potential and may be lost without assistance from the Federal Government.

(10) Many of the historical, cultural, and scientific sites of the San Rafael Swell region are located on lands owned by the Federal Government and are managed by the Bureau of Land Management or the United States Forest Service.

(11) The preservation of the cultural, historical, natural, and recreational resources of the San Rafael Swell region within a regional framework requires cooperation among local property owners and Federal, State, and local government entities.

(12) Partnerships between Federal, State, and local governments, local and regional entities of these governments, and the private sector offer the most effective opportunities for the enhancement and management of the cultural, historical, natural, and recreational resources of the San Rafael Swell region.

(c) PURPOSES.—The purposes of this subtitle are—

(1) to establish the San Rafael Swell National Heritage Area to promote the preservation, conservation, interpretation, and development of the historical, cultural, natural, and recreational resources related to the historical, cultural, and industrial heritage of the San Rafael Swell region of the State of Utah, which includes the counties of Carbon and Emery, and portions of the county of Sanpete;

(2) to encourage within the national heritage area a broad range of economic and recreational opportunities to enhance the quality of life for present and future generations;

(3) to assist the State of Utah, political subdivisions of the State and their local and regional entities, and nonprofit organizations, or combinations thereof, in preparing and implementing a heritage plan for the national heritage area and in developing policies and programs that will preserve, enhance, and interpret the cultural, historical, natural, recreational, and scenic resources of the heritage area; and

(4) to authorize the Secretary of the Interior to provide financial assistance and technical assistance to support the preparation and implementation of the heritage plan for the national heritage area.

SEC. 512. DESIGNATION.

There is hereby designated the San Rafael Swell National Heritage Area.

SEC. 513. DEFINITIONS.

For purposes of this subtitle:

(1) COMPACT.—The term "compact" means an agreement described in section 515(a).

(2) FINANCIAL ASSISTANCE.—The term "financial assistance" means funds appropriated by the Congress and made available to the Heritage Council for the purposes of preparing and implementing a heritage plan.

(3) HERITAGE AREA.—The term "Heritage Area" means the San Rafael Swell National Heritage Area established by this subtitle.

(4) HERITAGE PLAN.—The term "heritage plan" means a plan described in section 515(b).

(5) HERITAGE COUNCIL.—The term "Heritage Council" means the entity designated in the compact for a National Heritage Area and described in section 516(a).

(6) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(7) TECHNICAL ASSISTANCE.—The term "technical assistance" includes—

(A) assistance by the Secretary in the preparation of any heritage plan, compact, or resource inventory; and

(B) professional guidance provided by the Secretary.

(8) UNIT OF GOVERNMENT.—The term "unit of government" means the government of a State, a political subdivision of a State, or an Indian tribe.

SEC. 514. GRANTS, TECHNICAL ASSISTANCE, AND OTHER DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.

(a) GRANTS.—

(1) IN GENERAL.—The Secretary may make grants for the purposes of this subtitle to any unit of government or to the Heritage Council.

(2) PERMITTED AND PROHIBITED USES OF GRANTS.—

(A) PERMITTED USES.—Grants made under this section may be used for reports, studies, interpretive exhibits, historic preservation projects, construction of cultural, recreational, and interpretive facilities that are open to the public, and such other expenditures as are consistent with this subtitle.

(B) PROHIBITED USES.—Grants made under this section may not be used for acquisition of real property or any interest in real property.

(3) APPLICABILITY OF RESTRICTIONS TO SUBGRANTS.—For purposes of paragraph (2), any subgrant made from funds received as a grant (or subgrant) made under this section shall be treated as a grant made under this section.

(4) PROTECTION OF FEDERAL INVESTMENT.—Any grant made under this section shall be subject to an agreement that conversion, use, or disposal of the project so assisted for purposes contrary to the purposes of this subtitle, as determined by the Secretary, shall result in a right of the United States to compensation equal to the greater of—

(A) all Federal funds made available to such project under this subtitle; or

(B) the proportion of the increased value of the project attributable to such funds, as determined at the time of such conversion, use, or disposal.

(b) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance with respect to this subtitle.

(c) DURATION OF ELIGIBILITY FOR GRANTS AND TECHNICAL ASSISTANCE.—The Secretary may not provide any grant, and may provide only limited technical assistance, under this subtitle after the expiration of the 10-year period beginning on the date of the designation of the National Heritage Area.

(d) DISQUALIFICATION FOR FEDERAL FUNDING.—If a heritage plan meeting the requirements of section 515(b) is not forwarded to the Secretary as required under section 516(b)(1) within the time specified in section 516(b)(1), the Secretary may not, after such time, provide technical assistance or grants under this subtitle until such a heritage plan for the National Heritage Area is developed and forwarded to the Secretary.

(e) OTHER DUTIES AND AUTHORITIES OF SECRETARY.—

(1) SIGNING OF COMPACT.—The Secretary shall sign or withhold signature on any proposed compact submitted under this subtitle not later than 90 days after receiving the proposed compact. If the Secretary withholds signature on the proposed compact, the Secretary shall advise the submitter, in writing, of the reasons. The Secretary shall sign or withhold signature on each proposed revision to the proposed compact not later than 90 days after receiving the proposed revision. A submitter shall hold a public meeting in the immediate vicinity of the proposed National Heritage Area before making any major revisions in any proposed compact submitted under this subtitle.

(2) MONITORING OF NATIONAL HERITAGE AREA.—The Secretary shall monitor the National Heritage Area. Monitoring of the National Heritage Area shall include monitoring to ensure compliance with the terms of the compact for the area.

(f) DUTIES OF FEDERAL ENTITIES.—Any Federal entity conducting or supporting activities within the National Heritage Area, and any unit of government acting pursuant to a grant of Federal funds or a Federal permit or agreement and conducting or supporting such activities, shall, to the maximum extent practicable—

(1) consult with the Secretary and the Heritage Council for the National Heritage Area with respect to such activities; and

(2) cooperate with the Secretary and the Heritage Council in the carrying out of the duties of the Secretary and the Heritage Council under this subtitle, and coordinate such activities to minimize any real or potential adverse impact on the National Heritage Area.

(g) PROHIBITION OF CERTAIN REQUIREMENTS.—The Secretary may not, as a condition of the award of technical assistance or financial assistance under this section, require any recipient of such assistance to enact or modify land use restrictions.

SEC. 515. COMPACT AND HERITAGE PLAN.

(a) COMPACT.—

(1) IN GENERAL.—The compact submitted under this subtitle with respect to the National Heritage Area shall consist of an agreement entered into by the Secretary, the Secretary of Agriculture, and the Governor of Utah or a designee of the Governor, in coordination with the Heritage Council. Such agreement shall define the area, describe anticipated programs for the area, and include information relating to the objectives and management of the area. Such information shall include, but need not be limited to, each of the following:

(A) BOUNDARIES.—A delineation of the boundaries of the National Heritage Area. Such boundaries shall include the land generally depicted on the map entitled San Rafael Swell National Heritage-Conservation Area Proposed, dated June 12, 1998, which shall be on file and available for public inspection in the office of the Director of the Bureau of Land Management.

(B) MANAGEMENT ENTITY.—An identification and description of the Heritage Council.

(C) NON-FEDERAL PARTICIPANTS.—A list of the initial participants to be involved in developing and implementing the heritage plan and a statement of the financial commitment of those participants.

(D) GOALS, OBJECTIVES, AND CONCEPTUAL FRAMEWORK.—A discussion of the goals, objectives, and cost of the National Heritage Area, including an explanation of—

(i) the conceptual framework, proposed by the partners referred to in subparagraph (C), for development and implementation of the heritage plan for the National Heritage Area; and

(ii) the costs associated with the conceptual framework.

(E) ROLE OF STATE.—A description of the role of the State of Utah.

(2) CONSISTENCY WITH ECONOMIC VIABILITY.—The compact submitted under this subtitle shall be consistent with continued economic viability in the communities within the National Heritage Area.

(3) INITIATION OF ACTIONS.—Actions called for in the compact shall be initiated within a reasonable time after designation of the National Heritage Area and shall ensure effective implementation of the State and local aspects of the compact.

(b) HERITAGE PLAN.—

(1) IN GENERAL.—The heritage plan forwarded to the Secretary under this subtitle shall be a plan which sets forth the strategy to implement the goals and objectives of the National Heritage Area. The heritage plan shall—

(A) present comprehensive recommendations for the conservation, funding, management, and development of the area;

(B) be prepared with public participation;

(C) take into consideration existing Federal, State, county, and local plans and involve residents, private property owners, public agencies, and private organizations in the area;

(D) include a description of actions that units of government and private organizations could take to protect the resources of the area; and

(E) specify existing and potential sources of funding for the conservation, management, and development of the area.

(2) ADDITIONAL INFORMATION.—The heritage plan forwarded to the Secretary under this subtitle also shall include the following, as appropriate:

(A) INVENTORY OF RESOURCES.—An inventory of important natural, cultural, or historic resources which illustrate the themes of the National Heritage Area.

(B) RECOMMENDATIONS FOR MANAGEMENT.—A recommendation of policies for management of the historical, cultural, and natural resources and the recreational and educational opportunities of the area in a manner consistent with the support of appropriate and compatible economic viability.

(C) PROGRAM AND COMMITMENTS.—A program for implementation of the heritage plan by the Heritage Council and specific commitments, for the first 5 years of operation of the heritage plan, by the partners identified in the compact.

(D) ANALYSIS OF COORDINATION.—An analysis of means by which Federal, State, and local programs may best be coordinated to promote the purposes of this subtitle.

(E) INTERPRETIVE PLAN.—An interpretive plan for the National Heritage Area.

(3) RELATIONSHIP TO CONSERVATION AREA MANAGEMENT PLAN.—The heritage plan and the conservation area management plan shall not be inconsistent. However, nothing in the heritage plan may supersede the management plan for the conservation area under section 533, with respect to the application of the management plan to the conservation area.

SEC. 516. HERITAGE COUNCIL.

(a) IN GENERAL.—The management entity for the National Heritage Area shall be known as the "Heritage Council". The Heritage Council shall be an entity that reflects a broad cross-section of interests within the National Heritage Area and shall include—

(1) at least 1 representative of one or more units of government in the State of Utah;

(2) representatives of interested or affected groups; and

(3) private property owners who reside within the National Heritage Area.

(b) DUTIES.—The Heritage Council shall fulfill each of the following requirements:

(1) HERITAGE PLAN.—Not later than 3 years after the date of the designation of the National Heritage Area, the Heritage Council shall develop and forward to the Secretary and to the Governor of Utah a heritage plan in accordance with the compact under subsection (a).

(2) PRIORITIES.—The Heritage Council shall give priority to the implementation of actions, goals, and policies set forth in the compact and heritage plan for the National Heritage Area, including assisting units of government and others in—

(A) carrying out programs which recognize important resource values within the National Heritage Area;

(B) encouraging economic viability in the affected communities;

(C) establishing and maintaining interpretive exhibits in the area;

(D) developing recreational and educational opportunities in the area;

(E) increasing public awareness of and appreciation for the natural, historical, and cultural resources of the area;

(F) restoring historic buildings that are located within the boundaries of the area and relate to the theme of the area; and

(G) ensuring that clear, consistent, and appropriate signs identifying public access points and sites of interest are put in place throughout the area.

(3) CONSIDERATION OF INTERESTS OF LOCAL GROUPS.—The Heritage Council shall, in developing and implementing the heritage plan for the National Heritage Area, consider the interests of diverse units of government, businesses, private property owners, and nonprofit groups within the geographic area.

(4) PUBLIC MEETINGS.—The Heritage Council shall conduct public meetings at least annually regarding the implementation of the heritage plan for the National Heritage Area. The Heritage Council shall place a notice of each such meeting in a newspaper of general circulation in the area and shall make the minutes of the meeting available to the public.

SEC. 517. LACK OF EFFECT ON LAND USE REGULATION.

(a) LACK OF EFFECT ON AUTHORITY OF GOVERNMENTS.—Nothing in this subtitle shall be construed to modify, enlarge, or diminish any authority of Federal, State, and local governments to regulate any use of land as provided for by law or regulation.

(b) LACK OF ZONING OR LAND USE POWERS OF ENTITY.—Nothing in this subtitle shall be construed to grant powers of zoning or land use to the management entity for the National Heritage Area.

(c) BLM AUTHORITY.—

(1) IN GENERAL.—Nothing in this subtitle shall be construed to modify, enlarge, or diminish the authority of the Secretary or the Bureau of Land Management with respect to lands under the administrative jurisdiction of the Bureau.

(2) COOPERATION.—In carrying out this subtitle, the Secretary shall work cooperatively under the Federal Land Policy and Management Act of 1976 with the Forest Service, the Heritage Council under section 516, State and local governments, and private entities.

SEC. 518. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for grants made and technical assistance provided under subsections (a) and (b), respectively, of section 514, and the administration of such grants and assistance, not more than $1,000,000 annually, to remain available until expended.

(b) ANNUAL ALLOCATION FOR GRANTS.—In any fiscal year, not less than 70 percent of the funds obligated under this subtitle shall be used for grants made under section 514(a).

(c) LIMITATION ON PERCENT OF COST.—

(1) IN GENERAL.—Federal funding provided under this subtitle, after the designation of the National Heritage Area, for any technical assistance or grant with respect to the area may not exceed 50 percent of the total cost of the assistance or grant. Federal funding provided under this subtitle with respect

to an area before the designation of the area as the National Heritage Area may not exceed an amount proportionate to the level of local support of and commitment to the designation of the area.

(2) TREATMENT OF DONATIONS.—The value of property or services donated by non-Federal sources and used for management of the National Heritage Area shall be treated as non-Federal funding for purposes of paragraph (1).

(d) LIMITATION ON TOTAL FUNDING.—Not more than a total of $10,000,000 may be made available under this section with respect to the National Heritage Area.

(e) ALLOCATION OF APPROPRIATIONS.—Notwithstanding any other provision of law, no funds appropriated or otherwise made available to the Secretary to carry out this subtitle—

(1) may be obligated or expended by any person unless the appropriation of such funds has been allocated in the manner prescribed by this subtitle; or

(2) may be obligated or expended by any person in excess of the amount prescribed by this subtitle.

Subtitle B—San Rafael Swell National Conservation Area

SEC. 521. DEFINITION OF PLAN.

In this subtitle, the term "plan" means the comprehensive management plan developed for the national conservation area under section 523, including such revisions thereto as may be required in order to implement this subtitle.

SEC. 522. ESTABLISHMENT OF NATIONAL CONSERVATION AREA.

(a) ESTABLISHMENT.—In order to preserve and maintain heritage, tourism, recreational, historical, scenic, archaeological, paleontological, biological, cultural, scientific, educational, and economic resources, there is hereby established the San Rafael Swell National Conservation Area.

(b) AREA INCLUDED.—The conservation area shall consist of all public lands within the exterior boundaries of the conservation area, comprised of approximately 630,000 acres, as generally depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998, including areas depicted within those boundaries on that map as "Proposed Wilderness", "Proposed Bighorn Sheep Management Area", "Scenic Visual Area of Critical Environmental Concern", and "Semi-Primitive Non-Motorized Use Areas".

(c) MAP AND LEGAL DESCRIPTION.—As soon as is practicable after enactment of this Act, the map referred to in subsection (b) and a legal description of the conservation area shall be filed by the Secretary with the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Such map and description shall have the same force and effect as if included in this title, except that the Secretary may correct clerical and typographical errors in such map and legal description. Such map and description shall be on file and available for public inspection in the office of the Director and the Utah State Director of the Bureau of Land Management of the Department of the Interior.

(d) WITHDRAWALS.—Subject to valid existing rights, the Federal lands within the conservation area are hereby withdrawn from all forms of entry, appropriation, or disposal under the public land laws; and from entry, application, and selection under the Act of March 3, 1877 (Ch. 107, 19 Stat. 377, 43 U.S.C. 321 et seq.; commonly referred to as the "Desert Lands Act"), section 4 of the Act of August 18, 1894 (Ch. 301, 28 Stat. 422; 43 U.S.C. 641; commonly referred to as the "Carey Act"), section 2275 of the Revised Statutes, as amended (43 U.S.C. 851), and section 2276 of the Revised Statutes (43 U.S.C. 852). The Secretary shall return to the applicants any such applications pending on the date of enactment of this Act, without further action. Subject to valid existing rights, as of the date of enactment of this Act, lands within the conservation area are withdrawn from location under the general mining laws, the operation of the mineral and geothermal leasing laws, and the mineral material disposal laws, except that mineral materials subject to disposal may be made available from existing sites to the extent compatible with the purposes for which the conservation area is established. All minerals located within an area designated as wilderness by this title shall be administered in accordance with the Wilderness Act (16 U.S.C. 1131 et seq.).

(e) CLOSURE TO FORESTRY.—The Secretary shall prohibit all commercial sale of trees, portions of trees, and forest products located in the conservation area.

SEC. 523. MANAGEMENT.

(a) IN GENERAL.—The Secretary shall, in consultation with the Advisory Council and subject to valid existing rights, manage the conservation area to conserve, protect, and enhance the resources of the conservation area referred to in section 522(a), the Federal Land Policy and Management Act of 1976, and other applicable laws.

(b) USES.—The Secretary shall allow such uses of the conservation area as are specified in the management plan developed under subsection (b) and that the Secretary finds will further the conservation, protection, enhancement, public use, and enjoyment of the resource values referred to in section 522(a). Except when needed for administrative and emergency purposes, the uses of motorized vehicles in the conservation area shall be permitted only on roads and trails specifically designated for such use as part of the management plan prepared pursuant to subsection (c).

(c) MANAGEMENT PLAN.—No later than 3 years after the date of enactment of this Act, the Secretary, in cooperation with the Advisory Council, shall develop a comprehensive plan for the long-range management and protection of the conservation area. The plan shall be developed with full opportunity for public participation and comment, and shall contain provisions designed to assure access to an protection of the heritage, tourism, recreational, historical, scenic, archaeological, paleontological, biological, cultural, scientific, educational, and economic resources and values of the conservation area.

(d) VISITORS.—

(1) VISITORS CENTER.—The Secretary may establish, in cooperation with the Advisory Council and other public or private entities as the Secretary considers appropriate, a visitors center designed to interpret the history and the geological, ecological, natural, cultural, and other resources of the conservation area.

(2) VISITORS USE OF AREA.—In addition to the Visitors Center, the Secretary may provide for visitor use of the public lands in the conservation area to such extent and in such manner as the Secretary considers consistent with the purposes for which the conservation area is established. To the extent practicable, the Secretary shall make available to visitors and other members of the public a map of the conservation area and such other educational and interpretive materials as may be appropriate.

(e) COOPERATIVE AGREEMENTS.—The Secretary may provide technical assistance to, and enter into such cooperative agreements and contracts with, the State of Utah and with local governments and private entities as the Secretary deems necessary or desirable to carry out the purposes and policies of this subtitle.

SEC. 524. ADDITIONS.

(a) ADDITION TO CONSERVATION AREA.—Any lands located within the boundaries of the conservation area that are acquired by the United States on or after the date of enactment of this Act shall become a part of the conservation area and shall be subject to this subtitle.

(b) LAND EXCHANGES TO RESOLVE CONFLICTS.—The Secretary shall, within 4 years after the date of enactment of this Act, study, identify, and initiate voluntary land exchanges which would resolve ownership-related land use conflicts within the conservation area. Lands may be acquired under this subsection only from willing sellers.

SEC. 525. ADVISORY COUNCIL.

(a) ESTABLISHMENT.—There is established the San Rafael Swell National Conservation Area Advisory Council. The Advisory Council shall advise the Secretary regarding management of the conservation area.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Advisory Council shall consist of 11 members appointed by the Secretary from among persons who are representative of the various major citizen's interests concerned with the management of the public lands located in the conservation area. Of the members—

(A) 2 shall be appointed from individuals recommended by the Governor of the State of Utah;

(B) 4 shall be appointed from individuals recommended by the Board of Commissioners of Emery County, Utah, and shall include a representative of each of the Emery County Public Lands Council and the San Rafael Regional Heritage Council recognized under section 514(a);

(C) 1 shall be the Director of the Bureau of Land Management in the State of Utah, or his or her designee; and

(D) 4 shall be selected by the Secretary.

(2) APPOINTMENT PROCESS.—The Secretary shall appoint the members of the Advisory Council in accordance with rules prescribed by the Secretary.

(3) TERMS.—(A) The term of members of the Advisory Council shall be a period established by the Secretary, which may not exceed 4 years and which, except as provided by subparagraph (B), shall be the same for all members.

(B) In appointing the initial members of the Advisory Council, the Secretary shall, for a portion of the members, specify terms that are shorter than the period established under subparagraph (A), as necessary to achieve staggering of terms.

(c) CHAIRPERSON.—The Advisory Council shall have a Chairperson, who shall be selected by the Advisory Council from among its members.

(d) MEETINGS.—The Advisory Council shall meet at least twice each year, at the call of the Secretary or the Chairperson.

(e) PAY AND EXPENSES.—Members of the Advisory Council shall serve without pay, except travel and per diem shall be paid to each member for meetings called by the Secretary or the Chairperson.

(f) FURNISHING ADVICE.—The Advisory Council may furnish advice to the Secretary

with respect to the planning and management of the public lands within the conservation area and such other matters as may be referred to it by the Secretary.

(g) TERMINATION.—The Advisory Council shall terminate 10 years after the date of the enactment of this Act, unless otherwise extended by law.

SEC. 526. RELATIONSHIP TO OTHER LAWS AND ADMINISTRATIVE PROVISIONS.

(a) PUBLIC LAND LAWS.—Except as otherwise specifically provided in this title, nothing in this subtitle shall be construed as limiting the applicability to lands in the conservation area of laws applicable to public lands generally, including but not limited to the National Historic Preservation Act (16 U.S.C. 470 et seq.), the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470aa et seq.), or the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.).

(b) NON-BLM LAND.—Nothing in this subtitle shall be construed as by itself altering the status of any lands that on the date of enactment of this Act were not managed by the Bureau of Land Management.

SEC. 527. COMMUNICATIONS EQUIPMENT.

Nothing in this title shall be construed to prohibit the Secretary from authorizing the installation of communications equipment in the conservation area for public safety purposes, other than within areas designated as wilderness, to the highest practicable degree consistent with requirements and restrictions otherwise applicable to the conservation area.

Subtitle C—Wilderness Areas Within Conservation Area

SEC. 531. DESIGNATION OF WILDERNESS.

(a) DESIGNATION.—In furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131 et seq.), the following lands in the conservation area, as generally depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998, are hereby designated as wilderness and therefore as components of the National Wilderness Preservation System:

(1) Crack Canyon Wilderness Area, consisting of approximately 25,624 acres.

(2) Mexican Mountain Wilderness Area, consisting of approximately 27,257 acres.

(3) Muddy Creek Wilderness Area, consisting of approximately 39,348 acres.

(4) San Rafael Reef Wilderness Area, consisting of approximately 48,227 acres.

(b) MAP AND DESCRIPTION.—As soon as practicable after the date of the enactment of this Act, the Secretary shall file a map and a legal description of each area designated as wilderness by subsection (a) with the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Each map and description shall have the same force and effect as if included in this title, except that the Secretary may correct clerical and typographical errors in such maps and legal descriptions. Each map and legal description shall be on file and available for public inspection in the office of the Director of the Bureau of Land Management, and the office of the State Director of the Bureau of Land Management in the State of Utah, Department of the Interior.

SEC. 532. ADMINISTRATION OF WILDERNESS AREAS.

(a) IN GENERAL.—Subject to valid existing rights, each area designated as wilderness by this title shall be administered by the Secretary in accordance with this title and the Wilderness Act (16 U.S.C. 1131 et seq.).

(b) INCORPORATION OF ACQUIRED LANDS AND INTERESTS.—Any lands or interest in lands within the boundaries of an area designated as wilderness by this title that is acquired by the United States after the date of the enactment of this Act shall be added to and administered as part of the wilderness area within which the acquired lands or interest in lands are located.

(c) MANAGEMENT PLANS.—As soon as possible after the date of the enactment of this Act, the Secretary, in cooperation with the Advisory Council, shall prepare plans in accordance with section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) to manage the areas designated as wilderness by this title.

SEC. 533. LIVESTOCK.

Grazing of livestock in areas designated as wilderness by this title, where such grazing was established before the date of the enactment of this Act—

(1) may not be reduced, increased, or withdrawn, except in accordance with the laws and regulations that apply to grazing on lands managed by the Bureau of Land Management; and

(2) shall be administered in accordance with section 4(d)(4) of the Wilderness Act (16 U.S.C. 1133(d)(4)) and the guidelines set forth in House Report 96–1126.

SEC. 534. WILDERNESS RELEASE.

(a) FINDING.—The Congress finds and directs that public lands administered by the Bureau of Land Management within the conservation area in the County of Emery, Utah, that are depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998, have been adequately studied for wilderness designation pursuant to section 603 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782).

(b) RELEASE.—Any public lands administered by the Bureau of Land Management within the conservation area in the County of Emery, Utah, that are depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998, and that are not designated as wilderness by this title are no longer subject to section 603(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782(c)). Such lands shall be managed for public uses as defined in section 103(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(c)) and in accordance with land management plans adopted pursuant to section 202 of such Act (43 U.S.C. 1712) and this title.

Subtitle D—Other Special Management Areas Within Conservation Area

SEC. 541. SAN RAFAEL SWELL DESERT BIGHORN SHEEP MANAGEMENT AREA.

(a) ESTABLISHMENT AND PURPOSES.—

(1) ESTABLISHMENT.—There is hereby established in the conservation area the San Rafael Swell Desert Bighorn Sheep Management Area (in this section referred to as the "management area").

(2) PURPOSES.—The purposes of the management area are the following:

(A) To provide for the prudent management of Desert Bighorn Sheep and their habitat in the Sid's Mountain area of the conservation area.

(B) To provide opportunities for watchable wildlife, hunting, and scientific study of Desert Bighorn Sheep and their habitat.

(C) To provide a seed source for other Desert Bighorn Sheep herds, and a gene pool to protect genetic diversity within the Desert Bighorn Sheep species.

(D) To provide educational opportunities to the public regarding Desert Big Horn Sheep and their environs.

(E) To maintain the natural qualities of the lands and habitat of the management area to the extent practicable with prudent management of desert bighorn sheep.

(b) AREA INCLUDED.—The management area shall consist of approximately 73,909 acres of federally owned lands and interests therein managed by the Bureau of Land Management as generally depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998.

(c) MANAGEMENT AND USE.—

(1) IN GENERAL.—Except as otherwise provided in this section, the management area and use of the management area shall be subject to all requirements and restrictions that apply to the conservation area.

(2) MECHANIZED TRAVEL.—The Secretary shall not allow any mechanized travel in the management area, except—

(A) mechanized travel that is in accordance with the plan; and

(B) mechanized travel by personnel of the Utah Division of Wildlife Resources and the Bureau of Land Management, including landings of helicopters, may be allowed as needed to manage the Desert Bighorn Sheep and their habitat.

(3) DESERT BIGHORN SHEEP MANAGEMENT.—The Secretary and the Utah Division of Wildlife Resources may use such management tools as are needed to provide for the sustainability of the Desert Bighorn Sheep herd and the range resource of the management area, including animal transplanting (both into and out of the management area), hunting, water development, fencing, surveys, prescribed fire, control of noxious or invading weeds, and predator control.

(4) WILDLIFE VIEWING.—The Secretary, in cooperation with the State of Utah and the Advisory Council, shall manage the management area to provide opportunities for the public to view Desert Bighorn Sheep in their natural habitat. However, the Secretary may restrict mechanized and nonmechanized visitation to sensitive areas during critical seasons as needed to provide for the proper management of the Desert Bighorn Sheep herd of the management area.

(d) MANAGEMENT PLAN.—

(1) IN GENERAL.—The Secretary shall include a management plan for the management area in the management plan for the conservation area under section 523.

(2) CONTENTS.—The management plan for the management area shall establish goals and management steps to be taken within the management area to achieve the purposes of the management area under subsection (a)(2).

(3) PARTICIPATION.—The Secretary shall cooperate with the Utah Division of Wildlife Resources and the Advisory Council in developing the management plan for the management area.

(e) FACILITIES.—

(1) IN GENERAL.—The Secretary may establish, operate, and maintain in the management area such facilities as are needed to provide for the management and safety of recreational users of the management area.

(2) VIEWING SITES.—Facilities under this subsection may include improved sheep viewing sites around the periphery of the management area, if such sites do not interfere with the proper management of the sheep and their habitat.

(f) DEVELOPMENT OF HERITAGE SITES.—This section shall not be construed to preclude

the utilization, enhancement, and maintenance of national heritage area sites in the management area, if such activities do not conflict with the purposes of the management area under subsection (a).

SEC. 542. SEMI-PRIMITIVE NONMOTORIZED USE AREAS.

(a) DESIGNATION AND PURPOSES.—The Secretary shall designate areas in the conservation area as semi-primitive nonmotorized use areas. The purposes of the semi-primitive areas are the following:

(1) To provide opportunities for isolation from the sights and sounds of man.

(2) To provide opportunities to have a high degree of interaction with the natural environment.

(3) To provide opportunities for recreational users to practice outdoor skills in settings that present moderate challenge and risk.

(b) AREA INCLUDED.—The semi-primitive areas shall consist generally of approximately 120,695 acres of federally owned lands and interests therein located in the conservation area that are managed by the Bureau of Land Management, as generally depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998.

(c) MANAGEMENT AND USE.—Except as otherwise provided in this section, semi-primitive areas shall be subject to all requirements and restrictions that apply to the conservation area.

(d) MANAGEMENT PLAN.—

(1) IN GENERAL.—The Secretary shall include a management plan for the semi-primitive areas in the management plan for the conservation area under section 523.

(2) CONTENTS.—The management plans for the semi-primitive areas shall establish goals and management steps to be taken within the semi-primitive areas to achieve the purposes under subsection (a).

(e) DEVELOPMENT OF HERITAGE SITES.—This section shall not be construed to preclude the utilization, enhancement, and maintenance of national heritage area sites in any semi-primitive area, if such activities do not conflict with the purposes of the semi-primitive areas under subsection (a).

SEC. 543. SCENIC VISUAL AREA OF CRITICAL ENVIRONMENTAL CONCERN.

(a) DESIGNATION AND PURPOSE.—The Secretary shall designate areas in the conservation area as a scenic visual area of critical environmental concern (in this section referred to as the "scenic visual ACEC"). The purpose of the scenic visual ACEC is to preserve the scenic value of the Interstate Route 70 corridor within the conservation area.

(b) AREA INCLUDED.—The scenic visual ACEC shall consist generally of approximately 27,670 acres of lands and interests therein located in the conservation area bordering Interstate Route 70 that are managed by the Bureau of Land Management, as generally depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998.

(c) MANAGEMENT AND USE.—Except as otherwise provided in this section, the scenic visual ACEC shall be subject to all requirements and restrictions that apply to the conservation area, and shall be managed to protect scenic values in accordance with the Bureau of Land Management document entitled "San Rafael Resource Management Plan, Utah, Moab District, San Rafael Resource Area, 1991".

Subtitle E—General Management Provisions

SEC. 551. LIVESTOCK GRAZING.

(a) AREAS OTHER THAN WILDERNESS.—

(1) IN GENERAL.—Except as provided in subsection (b), the Secretary shall permit domestic livestock grazing in areas of the conservation area where grazing was established before the enactment of this Act. Grazing in such areas may not be reduced, increased, or withdrawn, except in accordance with the laws and regulations that apply to grazing on lands managed by the Bureau of Land Management.

(2) COMPLIANCE WITH APPLICABLE REQUIREMENTS.—Except as provided in subsection (b), any livestock grazing on public lands within the conservation area and activities the Secretary determines necessary to carry out proper and practical grazing management programs on such public lands (such as animal damage control activities), shall be managed in accordance with the Act of June 28, 1934 (43 U.S.C. 315 et seq.; commonly referred to as the "Taylor Grazing Act"), section 402 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1752), other laws governing the management of public lands, and the management plan for the conservation area.

(3) CERTAIN WATER FACILITIES NOT AFFECTED.—Nothing in this title shall affect the maintenance, repair, or equivalent replacement of, or ingress to or egress from, water catchment, storage, and conveyance facilities in existence before the date of the enactment of this Act that are associated with livestock or wildlife purposes, whether located within or outside of the boundaries of areas designated as part of the conservation area under this title.

(b) WILDERNESS.—Subsection (a) shall not apply to any wilderness designated by this title.

SEC. 552. CULTURAL AND PALEONTOLOGICAL RESOURCES.

The Secretary shall allow for the discovery of, shall protect, and may interpret, cultural or paleontological resources located within areas designated as part of the conservation area, to the extent consistent with the other provisions of this title governing management of those areas.

SEC. 553. LAND EXCHANGES RELATING TO SCHOOL AND INSTITUTIONAL TRUST LANDS.

(a) EXCHANGE AUTHORIZED.—

(1) IDENTIFICATION OF LANDS AND INTERESTS BY STATE.—Not later than 1 year after the date of enactment of this Act, the Governor of the State of Utah may identify, describe, and notify the Secretary of any school and institutional trust lands the value or economic potential of which may be diminished by establishment of the conservation area under this title, and that the State would like to exchange for other Federal lands or interests in land within the State of Utah.

(2) OFFER BY SECRETARY.—Not later than 1 year after the date of receipt of notification under subsection (a), and after seeking the advice of the Governor of the State of Utah on potential lands for exchange, the Secretary shall transmit to the Governor a list of Federal lands or interests in lands within the State of Utah that the Secretary believes are approximately equivalent in value to the lands described in subsection (a) of this section, and shall offer such lands for exchange to the State for the lands described in subsection (a).

(b) ENSURING EQUIVALENT VALUE.—

(1) IN GENERAL.—In preparing the list under subsection (a)(2), the Secretary shall take all steps as are necessary and reasonable to ensure that the State of Utah agrees that the lands offered by the Secretary are approximately equivalent in value to the lands identified and described by the State under subsection (a)(1).

(2) ACCOUNTING FOR REVENUE SHARING.—If the State of Utah shares revenue from the properties to be acquired by the State under this section, the value of such properties shall be the value otherwise established under this section, reduced by a percentage that represents the Federal revenue sharing obligation. The amount of such reduction shall not be considered a property right of the State of Utah.

(c) PUBLIC INTEREST.—The exchange of lands included in the list prepared under subsection (a)(2) shall be construed as satisfying the provisions of section 206(a) of the Federal Land Policy and Management Act of 1976 requiring that exchanges of lands be in the public interest.

(d) DEFINITIONS.—As used in this section:

(1) SCHOOL AND INSTITUTIONAL TRUST LANDS.—The term "school and institutional trust lands" means those properties granted by the United States in the Utah Enabling Act to the State of Utah in trust, and other lands that under State law must be managed for the benefit of the public school system or the institutions of the State that are designated by the Utah Enabling Act, that are located in the conservation area.

(2) UTAH ENABLING ACT.—The term "Utah Enabling Act" means the Act entitled "An Act to enable the people of Utah to form a constitution and State government, and to be admitted into the Union on an equal footing with the original States", approved July 16, 1894 (chapter 138; 28 Stat. 107).

SEC. 554. WATER RIGHTS.

(a) FINDINGS.—The Congress finds the following:

(1) The San Rafael Swell region of Utah is a high desert climate with little annual precipitation and scarce water resources.

(2) In order to preserve the limited amount of water available to wildlife, the State of Utah has granted to the Division of Wildlife Resources an in-stream flow right in the San Rafael River.

(3) This preserved right will guarantee that wetland and riparian habitats within the San Rafael region will be protected for designations such as wilderness, semi-primitive areas, bighorn sheep, and other Federal land needs within the San Rafael Swell region.

(b) NO FEDERAL RESERVATION.—Nothing in this title or any other Act of Congress shall constitute or be construed to constitute either an express or implied Federal reservation of water or water rights for any purpose arising from the designation of areas as part of the conservation area or as a wilderness or semi-primitive area under this title.

(c) ACQUISITION AND EXERCISE OF WATER RIGHTS UNDER UTAH LAW.—The United States may acquire and exercise such water rights as it deems necessary to carry out its responsibilities on any lands designated as part of the conservation area under this title pursuant to the substantive and procedural requirements of the State of Utah. Nothing in this title shall be construed to authorize the use of eminent domain by the United States to acquire water rights for such lands. Within areas designated as part of the conservation area under this title, all rights to water granted under the laws of the State of Utah may be exercised in accordance with the substantive and procedural requirements of the State of Utah.

(d) EXERCISE OF WATER RIGHTS GENERALLY UNDER UTAH LAWS.—Nothing in this title shall be construed to limit the exercise of water rights as provided under the laws of the State of Utah.

(e) COLORADO RIVER.—Nothing in this title shall be construed to affect the operation of any existing private, local, State, or federally owned dam, reservoir, or other water works on the Colorado River or its tributaries. Nothing in this title shall alter, amend, construe, supersede, or preempt any local, State, or Federal law; any existing private, local, or State agreement; or any interstate compact or international treaty pertaining to the waters of the Colorado River or its tributaries.

SEC. 555. MISCELLANEOUS.

(a) STATE FISH AND WILDLIFE MANAGEMENT.—In accordance with section 4(d)(7) of the Wilderness Act (16 U.S.C. 1131(d)(7)), nothing in this title shall be construed as affecting the jurisdiction or responsibilities of the State of Utah with respect to fish and wildlife management activities, including water development, predator control, transplanting animals, stocking fish, hunting, fishing, and trapping.

(b) PROHIBITION OF BUFFER ZONES.—The Congress does not intend that the designation of an area by this title as part of the conservation area or a wilderness or semi-primitive area lead to the creation of protective perimeters or buffer zones around the area. It is the intention of the Congress that any protective perimeter or buffer zone be located wholly within such an area. The fact that nonconforming activities or uses can be seen or heard from land within such an area shall not, of itself, preclude such activities or uses up to the boundary of the area. Nonconforming activities that occur outside of the boundaries of such an area designated by this title shall not be taken into account in assessing unnecessary and undue degradation of such an area.

(c) ADJUSTMENT OF CERTAIN BOUNDARIES ALONG ROADS.—

(1) ADJUSTMENT AUTHORIZED.—The Secretary may adjust a boundary described in paragraph (2) that runs along a road as necessary to ensure that the boundary is set back from the center line of the road, as follows:

(A) In the case of Interstate 70, a setback that corresponds with the boundary of the right-of-way for Interstate 70.

(B) In the case of any high standard road, 150 feet.

(C) In the case of any road classified as a County Class B road, 100 feet.

(D) In the case of any road that is equivalent to County Class D roads, 50 feet.

(2) BOUNDARIES DESCRIBED.—A boundary referred to in paragraph (1) is any boundary of a wilderness or semi-primitive area designated by this title, or of the San Rafael Swell Desert Bighorn Sheep Management Area established by section 541, that is depicted on a map referred to in this title.

(d) ACCESS.—

(1) REASONABLE ACCESS ALLOWED.—Subject to valid existing rights, the holder of any permit authorizing use of an existing improvement, structure, or facility (including those related to water and grazing resources) that is located within the conservation area or a wilderness or semi-primitive area designated under this title, whether located on Federal or non-Federal lands, shall be allowed reasonable access to such improvement, structure, or facility in order that it may be operated, maintained, repaired, or equivalently replaced as necessary.

(2) REASONABLE ACCESS DEFINED.—For the purposes of this subsection, the term "reasonable access"—

(A) means the right of ingress and egress; and

(B) includes access by motorized transport on routes in existence as of the date of the enactment of this Act, unless the Secretary determines that transport—

(i) is not necessary or customary; or

(ii) was not historically employed.

(e) LAND ACQUISITION BY EXCHANGE OR PURCHASE.—The Secretary shall offer to acquire from non-governmental entities lands and interests in lands located within or adjacent to the conservation area or a wilderness or semi-primitive area designated under this title. Lands may be acquired under this subsection only by exchange or purchase from willing sellers.

(f) RIGHTS-OF-WAY.—Nothing in this title, including any reference to, or depiction or lack of a depiction on, the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998, affects any right-of-way claim that arose under section 2477 of the Revised Statutes (43 U.S.C. 932).

TITLE VI—NATIONAL PARKS

SEC. 601. PROVISION FOR ROADS IN PICTURED ROCKS NATIONAL LAKESHORE.

Section 6 of the Act of October 15, 1966, entitled "An Act to establish in the State of Michigan the Pictured Rocks National Lakeshore, and for other purposes" (16 U.S.C. 460s-5), is amended as follows:

(1) In subsection (b)(1) by striking "including a scenic shoreline drive" and inserting "including appropriate improvements to Alger County Road H-58".

(2) By adding at the end the following new subsection:

"(c) PROHIBITION OF CERTAIN CONSTRUCTION.—A scenic shoreline drive may not be constructed in the Pictured Rocks National Lakeshore.".

SEC. 602. EXPANSION OF ARCHES NATIONAL PARK, UTAH.

(a) IN GENERAL.—

(1) BOUNDARY EXPANSION.—Subsection (a) of the first section of Public Law 92-155 (16 U.S.C. 272; 85 Stat. 422) is amended as follows:

(A) By inserting after the first sentence the following new sentence: "Effective on the date of the enactment of this sentence, the boundary of the park shall also include the area consisting of approximately 3,140 acres and known as the 'Lost Spring Canyon Addition', as depicted on the map entitled 'Boundary Map, Arches National Park, Lost Spring Canyon Addition', numbered 138/60,000-B, and dated April 1997.".

(B) In the last sentence, by striking "Such map" and inserting "Such maps".

(2) INCLUSION OF LAND IN PARK.—Section 2 of Public Law 92-155 (16 U.S.C. 272a) is amended by adding at the end the following new sentences: "As soon as possible after the date of the enactment of this sentence, the Secretary of the Interior shall transfer jurisdiction over the Federal lands contained in the Lost Spring Canyon Addition from the Bureau of Land Management to the National Park Service. The Lost Spring Canyon addition shall be administered in accordance with the laws and regulations applicable to the park.".

(3) PROTECTION OF EXISTING GRAZING PERMIT.—Section 3 of Public Law 92-155 (16 U.S.C. 272b) is amended as follows:

(A) By inserting "(a) IN GENERAL.—" before "Where".

(B) By adding at the end the following new subsection:

"(b) EXISTING LEASES, PERMITS, OR LICENSES.—(1) In the case of any grazing lease, permit, or license with respect to lands within the Lost Spring Canyon Addition that was issued before the date of the enactment of this subsection, the Secretary of the Interior shall, subject to periodic renewal, continue such lease, permit, or license for a period of time equal to the lifetime of the permittee as of that date and any direct descendants of the permittee born before that date. Any such grazing lease, permit, or license shall be permanently retired at the end of such period. Pending the expiration of such period, the permittee (or a descendant of the permittee who holds the lease, permit, or license) shall be entitled to periodically renew the lease, permit, or license, subject to such limitations, conditions, or regulations as the Secretary may prescribe.

"(2) Any such grazing lease, permit, or license may be sold during the period specified in paragraph (1) only on the condition that the purchaser shall, immediately upon such acquisition, permanently retire such lease, permit, or license. Nothing in this subsection shall affect other provisions concerning leases, permits, or licenses under the Taylor Grazing Act.

"(3) Any portion of any grazing lease, permit, or license with respect to lands within the Lost Spring Canyon Addition shall be administered by the National Park Service.".

(4) WITHDRAWAL FROM MINERAL ENTRY AND LEASING; PIPELINE MANAGEMENT.—Section 5 of Public Law 92-155 (16 U.S.C. 272d) is amended by adding at the end the following new subsection:

"(c) WITHDRAWAL FROM MINERAL ENTRY AND LEASING; PIPELINE MANAGEMENT.—(1) Subject to valid existing rights, Federal lands within the Lost Spring Canyon Addition are hereby appropriated and withdrawn from entry, location, selection, leasing, or other disposition under the public land laws, including the mineral leasing laws.

"(2) The inclusion of the Lost Spring Canyon Addition in the park shall not affect the right of the Northwest Pipeline Corporation (or its successors or assigns) to operate the natural gas pipeline located within the park and the Addition on the date of the enactment of this subsection and to maintain the pipeline and related facilities in a manner consistent with the requirments of the natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 60201 and following).".

(5) EFFECT ON SCHOOL TRUST LANDS.—

(A) FINDINGS.—The Congress finds the following:

(i) A parcel of State school trust lands, more specifically described as section 16, township 23 south, range 22 east, of the Salt Lake base and meridian, is partially contained within the Lost Spring Canyon Addition included within the boundaries of Arches National Park by the amendment by subsection (a).

(ii) The parcel was originally granted to the State of Utah for the purpose of generating revenue for the public schools through the development of natural and other resources located on the parcel.

(iii) It is in the interest of the State of Utah and the United States for the parcel to be exchanged for Federal lands of equivalent value outside the Lost Spring Canyon Addition, in order to permit Federal management of all lands within the Lost Spring Canyon Addition.

(B) LAND EXCHANGE.—Public Law 92-155 is amended by adding at the end the following new section:

"SEC. 8. LAND EXCHANGE INVOLVING SCHOOL TRUST LANDS.

"(a) EXCHANGE REQUIREMENT.—If, not later than one year after the date of the enactment of this section, and in accordance with

this section, the State of Utah offers to transfer all right, title and interest of the State in and to the parcel of school trust lands described in subsection (b)(1) to the United States, the Secretary of the Interior shall accept the offer on behalf of the United States and, within 180 days after the date of such acceptance, transfer to the State of Utah all right, title and interest of the United States in and to the parcel of land described in subsection (b)(2). Title to the State lands shall be transferred at the same time as conveyance of title to the Federal lands by the Secretary of the Interior. The exchange of lands under this section shall be subject to valid existing rights, and each party shall succeed to the rights and obligations of the other party with respect to any lease, right-of-way, or permit encumbering the exchanged lands.

"(b) DESCRIPTION OF PARCELS.—

"(1) STATE CONVEYANCE.—The parcel of school trust lands to be conveyed by the State of Utah under subsection (a) is section 16, township 23 south, range 22 east of the Salt Lake base and meridian.

"(2) FEDERAL CONVEYANCE.—The parcel of Federal lands to be conveyed by the Secretary of the Interior consists of approximately 639 acres and is identified as lots 1 through 12 located in the S½N½ and the N½N½N½S½ of section 1, township 25 south, range 18 east, Salt Lake base and meridian.

"(3) EQUIVALENT VALUE.—The Federal lands described in paragraph (2) are of equivalent value to the State school trust lands described in paragraph (1).

"(c) MANAGEMENT BY STATE.—At least 60 days before undertaking or permitting any surface disturbing activities to occur on the lands acquired by the State under this section, the State shall consult with the Utah State Office of the Bureau of Land Management concerning the extent and impact of such activities on Federal lands and resources and conduct, in a manner consistent with Federal laws, inventory, mitigation, and management activities in connection with any archaeological, paleontological, and cultural resources located on the acquired lands. To the extent consistent with applicable law governing the use and disposition of State school trust lands, the State shall preserve existing grazing, recreational, and wildlife uses of the acquired lands. Nothing in this subsection shall be construed to preclude the State from authorizing or undertaking surface or mineral activities authorized by existing or future land management plans for the acquired lands.

"(d) IMPLEMENTATION.—Administrative actions necessary to implement the land exchange described in this section shall be completed within 180 days after the date of the enactment of this section.".

SEC. 603. CUMBERLAND ISLAND NATIONAL SEASHORE, GEORGIA.

(a) TREATMENT OF MAIN ROAD AND HISTORIC STRUCTURES.—

(1) FINDINGS.—Congress finds the following:

(A) The main road at Cumberland Island National Seashore and numerous historic structures on Cumberland Island are included on the National Register of Historic Places.

(B) The continued existence and use of the main road, as well as a spur road that provides access to Plum Orchard mansion at Cumberland Island National Seashore, is necessary for maintenance and access to the natural, cultural, and historical resources of Cumberland Island National Seashore.

(C) The preservation of the main road and the numerous historic structures at Cumberland Island National Seashore is not only lawful, but also mandated under section 4(a)(3) of the Wilderness Act (16 U.S.C. 1133(a)(3)).

(D) The inclusion of these roads and historic structures both on the National Register of Historic Places and in the Cumberland Island Wilderness or potential wilderness area is incompatible and causes competing mandates on the Secretary of the Interior for management.

(2) EXCLUSION OF ROADS FROM WILDERNESS.—The main road on Cumberland Island (as described on the National Register of Historic Places), the spur road that provides access to Plum Orchard mansion, and the area extending 10 feet on each side of the center line of both roads are hereby excluded from the boundaries of the Cumberland Island Wilderness and the potential wilderness area.

(3) EXCLUSION OF STRUCTURES FROM WILDERNESS.—The Secretary of the Interior shall modify the boundaries of the Cumberland Island Wilderness and the potential wilderness area to exclude—

(A) each structure at Cumberland Island National Seashore that is listed on National Register of Historic Places; and

(B) such land surrounding each excluded structure as the Secretary considers necessary to eliminate incompatible and competing management requirements.

(4) EFFECT OF EXCLUSION.—Nothing in this subsection shall be construed to affect the inclusion of the main road or a structure at Cumberland Island National Seashore on the National Register of Historic Places or the authority of the Secretary of the Interior to impose reasonable restrictions, subject to valid existing rights, on the use of the main road or spur road to minimize any adverse impacts on the Cumberland Island Wilderness or the potential wilderness area.

(b) RESTORATION OF PLUM ORCHARD MANSION.—

(1) RESTORATION REQUIRED.—Using funds appropriated pursuant to the authorization of appropriations in paragraph (4), the Secretary of the Interior shall restore Plum Orchard mansion at Cumberland Island National Seashore so that the condition of the restored mansion is at least equal to the condition of the mansion when it was donated to the United States. The Secretary shall endeavor to collect donations of money and in-kind contributions for the purpose of restoring structures within the Plum Orchard historic district.

(2) SUBSEQUENT MAINTENANCE.—The Secretary of the Interior shall endeavor to enter into an agreement with public persons, private persons, or both, to provide for the maintenance of Plum Orchard mansion following its restoration.

(3) RESTORATION PLAN.—Not later than 270 days after the date of the enactment of this Act, the Secretary of the Interior shall submit to Congress a comprehensive plan for the repair, stabilization, restoration, and subsequent maintenance of Plum Orchard mansion to the condition the mansion was in when acquired by the United States.

(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as are necessary for the restoration and maintenance of Plum Orchard mansion under this subsection.

(c) ARCHAEOLOGICAL AND HISTORIC SITES.—The Secretary of the Interior shall identify, document, and protect archaeological sites located on Federal land within Cumberland Island National Seashore. The Secretary shall prepare and implement a plan to preserve designated national historic sites within the seashore.

(d) DEFINITIONS.—In this section:

(1) The term "Cumberland Island National Seashore" means the national seashore established under Public Law 92–536 (16 U.S.C. 459i et seq.).

(2) The term "Cumberland Island Wilderness" means the wilderness area in the Cumberland Island National Seashore designated by section 2 of Public Law 97–250 (96 Stat. 709; 16 U.S.C. 1132 note).

(3) The term "potential wilderness area" means the potential wilderness area in the Cumberland Island National Seashore designated by such section 2.

(4) The term "National Register of Historic Places" means the register maintained by the Secretary of the Interior under section 101(a)(1)(A) of the National Historic Preservation Act (16 U.S.C. 470a(a)(1)(A)) that is composed of districts, sites, buildings, structures, and objects significant in American history, architecture, archaeology, engineering, and culture.

SEC. 604. STUDIES OF POTENTIAL NATIONAL PARK SYSTEM UNITS IN HAWAII.

(a) IN GENERAL.—The Secretary of the Interior, acting through the Director of the National Park Service, shall undertake feasibility studies regarding the establishment of National Park System units in the following areas in the State of Hawaii:

(1) Island of Maui: The shoreline area known as "North Beach", immediately north of the present resort hotels at Kaanapali Beach, in the Lahaina district in the area extending from the beach inland to the main highway.

(2) Island of Lanai: The mountaintop area known as "Hale" in the central part of the island.

(3) Island of Kauai: The shoreline area from "Anini Beach" to "Makua Tunnels" on the north coast of this island.

(4) Island of Molokai: The "Halawa Valley" on the eastern end of the island, including its shoreline, cove and lookout/access roadway.

(b) KALAUPAPA SETTLEMENT BOUNDARIES.—The studies conducted under this section shall include a study of the feasibility of extending the present National Historic Park boundaries at Kalaupapa Settlement eastward to Halawa Valley along the island's north shore.

(c) REPORT.—A report containing the results of the studies under this section shall be submitted to the Congress promptly upon completion.

SEC. 605. SANTA CRUZ ISLAND, ADDITIONAL RIGHTS OF USE AND OCCUPANCY.

Section 202(e) of Public Law 96–199 (16 U.S.C. 410ff–1(e)) is amended by adding the following at the end thereof:

"(5) In the case of the real property referred to in paragraph (1), in addition to the rights of use and occupancy reserved under paragraph (1) and set forth in Instrument 90–027494, upon the enactment of this paragraph, the Secretary shall grant identical rights of use and occupancy to Mr. Francis Gherini of Ventura, California, the previous owner of the real property, and to each of the two grantors identified in Instrument No. 92–102117 recorded in the Official Records of the County of Santa Barbara, California. The use and occupancy rights granted to Mr. Francis Gherini shall be for a term of 25 years from the date of the enactment of this paragraph. The Secretary shall grant such rights without consideration and shall execute and record such instruments as necessary to vest such rights in such individuals as promptly as practicable, but no later than 90 days, after the enactment of this paragraph.".

SEC. 606. ACQUISITION OF WARREN PROPERTY FOR MORRISTOWN NATIONAL HISTORICAL PARK.

The Act entitled "An Act to provide for the establishment of the Morristown National Historical Park in the State of New Jersey, and for other purposes", approved March 2, 1933 (chapter 182; 16 U.S.C. 409 et seq.), is amended by adding at the end the following new section:

"SEC. 8. (a) In addition to any other lands or interest authorized to be acquired for inclusion in Morristown National Historical Park, and notwithstanding the first proviso of the first section of this Act, the Secretary of the Interior may acquire by purchase, donation, purchase with appropriated funds, or otherwise, not to exceed 15 acres of land and interests therein comprising the property known as the Warren Property or Mount Kimble. The Secretary may expend such sums as may be necessary for such acquisition.

"(b) Any lands or interests acquired under this section shall be included in and administered as part of the Morristown National Historical Park.".

SEC. 607. AMENDMENT OF LAND AND WATER CONSERVATION FUND ACT OF 1965 REGARDING TREATMENT OF RECEIPTS AT CERTAIN PARKS.

Section 4(i)(1)(B) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-6a(i)(1)(B)) is amended by inserting the following after the second sentence: "Notwithstanding subparagraph (A), in any fiscal year, the Secretary of the Interior shall also withhold from the special account 100 percent of the fees and charges collected in connection with any unit of the national park system at which entrance or admission fees cannot be collected by reason of deed restrictions, and the amounts so withheld shall be retained by the Secretary and shall be available, without further appropriation, for expenditure by the Secretary for purpose of such park system unit.".

SEC. 608. CHATTAHOOCHEE RIVER NATIONAL RECREATION AREA.

(a) FINDINGS.—The Congress finds that:

(1) The Chattahoochee River National Recreation Area is a nationally significant resource and the national recreation area has been adversely affected by land use changes occurring within and outside its boundaries.

(2) The population of the metropolitan Atlanta area continues to expand northward, leaving dwindling opportunities to protect the scenic, recreation, natural, and historic values of the 2,000-foot wide corridor adjacent to each bank of the Chattahoochee River and its impoundments in the 48-mile segment known as the area of national concern.

(3) The State of Georgia has enacted the Metropolitan River Protection Act in order to ensure the protection of the corridor located within 2,000 feet of each bank of the Chattahoochee River, or the 100-year flood plain, whichever is greater, and such corridor includes the area of national concern.

(4) Visitor use of the Chattahoochee River National Recreation Area has shifted dramatically since the establishment of the national recreation area from waterborne to water-related and land-based activities.

(5) The State of Georgia and its political subdivisions along the Chattahoochee River have indicated their willingness to join in cooperative efforts with the United States of America to link existing units of the national recreation area with a series of linear corridors to be established within the area of national concern and elsewhere on the river and provided Congress appropriates certain funds in support of such effort, funding from the State, its political subdivisions, private foundations, corporate entities, private individuals, and other sources will be available to fund more than half of the estimated cost of such cooperative effort.

(b) PURPOSES.—The purposes of this section are to—

(1) increase the level of protection of the remaining open spaces within the area of national concern along the Chattahoochee River and to enhance visitor enjoyment of such areas by adding land-based links between existing units of the national recreation area;

(2) assure that the national recreation area is managed to standardize acquisition, planning, design, construction, and operation of the linear corridors; and

(3) authorize the appropriation of Federal funds to cover a portion of the costs of the Federal, State, local, and private cooperative effort to add additional areas to the Chattahoochee River National Recreation Area in order to establish a series of linear corridors linking existing units of the national recreation area and to protect other undeveloped portions of the Chattahoochee River corridor.

(c) AMENDMENTS TO CHATTAHOOCHEE NRA ACT.—The Act of August 15, 1978, entitled "An Act to authorize the establishment of the Chattahoochee River National Recreation Area in the State of Georgia, and for other purposes" (Public Law 95-344; 16 U.S.C. 460ii et seq.) is amended as follows:

(1) Section 101 (16 U.S.C. 460ii) is amended as follows:

(A) By inserting after "numbered Chat-20,003, and dated September 1984" the following: "and on the maps entitled 'Chattahoochee River National Recreation Area Interim Boundary Maps 1, 2, and 3' and dated August 6, 1998".

(B) By amending the fourth sentence to read as follows: "After July 1, 1999, the Secretary of the Interior (in this Act referred to as the 'Secretary') may modify the boundaries of the recreation area to include other lands within the river corridor of the Chattahoochee River by submitting a revised map or other boundary description to the Congress. Such revised boundaries shall take effect on the date 6 months after the date of such submission unless, within such 6-month period, the Congress adopts a Joint Resolution disapproving such revised boundaries. Such revised map or other boundary description shall be prepared by the Secretary after consultation with affected landowners and with the State of Georgia and affected political subdivisions.".

(C) By striking out "may not exceed approximately 6,800 acres." and inserting "may not exceed 10,000 acres.".

(2) Section 102(f) (16 U.S.C. 460ii-1(f)) is repealed.

(3) Section 103(b) (16 U.S.C. 460ii-2(b)) is amended to read as follows:

"(b) COOPERATIVE AGREEMENTS.—The Secretary is authorized to enter into cooperative agreements with the State, its political subdivisions, and other entities to assure standardized acquisition, planning, design, construction, and operation of the national recreation area.".

(4) Section 105(a) (16 U.S.C. 460ii-4(a)) is amended to read as follows:

"(a) AUTHORIZATION OF APPROPRIATIONS; ACCEPTANCE OF DONATIONS.—In addition to funding and the donation of lands and interests in lands provided by the State of Georgia, local government authorities, private foundations, corporate entities, and individuals, and funding that may be available pursuant to the settlement of litigation, there is hereby authorized to be appropriated for land acquisition not more than $25,000,000 for fiscal years after fiscal year 1998. The Secretary is authorized to accept the donation of funds and lands or interests in lands to carry out this Act.".

(5) Section 105(c) (16 U.S.C. 460ii-4(c)) is amended by adding the following at the end thereof: "The Secretary shall submit a new plan within 3 years after the enactment of this sentence to provide for the protection, enhancement, enjoyment, development, and use of areas added to the national recreation area. During the preparation of the revised plan the Secretary shall seek and encourage the participation of the State of Georgia and its affected political subdivisions, private landowners, interested citizens, public officials, groups, agencies, educational institutions, and others.".

(6) Section 102(a) (16 U.S.C. 460ii-1(a)) is amended by inserting the following before the period at the end of the first sentence: ", except that lands and interests in lands within the Addition Area depicted on the map referred to in section 101 may not be acquired without the consent of the owner thereof".

SEC. 609. PROTECTION OF LODGES IN GRAND CANYON NATIONAL PARK.

Section 3 of the Grand Canyon National Park Enlargement Act (16 U.S.C. 228b) is amended by adding at the end the following new subsection:

"(d) The Secretary of the Interior is prohibited from demolishing, or authorizing or permitting (by contract or otherwise) any other person to demolish, the Thunderbird Lodge or the Kachina Lodge in the Grand Canyon National Park unless the Congress approves of the demolition in advance by the enactment of a law.".

TITLE VII—REAUTHORIZATIONS

SEC. 701. REAUTHORIZATION OF NATIONAL HISTORIC PRESERVATION ACT.

The National Historic Preservation Act (16 U.S.C. 470 and following; Public Law 89-665) is amended as follows:

(1) In the third sentence of section 101(a)(6) (16 U.S.C. 470a(a)(6)) by striking "shall review" and inserting "may review" and by striking "shall determine" and inserting "determine".

(2) Section 101(e)(2) (16 U.S.C. 470a(e)(2)) is amended to read as follows:

"(2) The Secretary may administer grants to the National Trust for Historic Preservation in the United States, chartered by an Act of Congress approved October 26, 1949 (63 Stat. 947), consistent with the purposes of its charter and this Act.".

(3) Section 102 (16 U.S.C. 470b) is amended by redesignating subsection (e) as subsection (f) and by redesignating subsection (d), as added by section 4009(3) of Public Law 102-575, as subsection (e).

(4) Section 101(b)(1) (16 U.S.C. 470a(b)(1)) is amended by adding the following at the end thereof:

"For purposes of subparagraph (A), the State and Indian tribe shall be solely responsible for determining which professional employees, are necessary to carry out the duties of the State or tribe, consistent with standards developed by the Secretary.".

(5) Section 107 (16 U.S.C. 470g) is amended to read as follows:

"SEC. 107. Nothing in this Act shall be construed to be applicable to the White House and its grounds, the Supreme Court building and its grounds, or the United States Capitol

and its related buildings and grounds as depicted on the map entitled 'Map Showing Properties Under the Jurisdiction of the Architect of the Capitol' and dated November 6, 1996, which shall be on file in the office of the Secretary of the Interior.".

(6) Section 108 (16 U.S.C. 470h) is amended by striking "1997" and inserting "2004".

(7) Section 110(a)(1) (16 U.S.C. 470h-2(a)(1)) is amended by inserting the following before the period at the end of the second sentence: ", especially those located in central business areas. When locating Federal facilities, Federal agencies shall give first consideration to historic properties in historic districts. If no such property is operationally appropriate and economically prudent, then Federal agencies shall consider other developed or undeveloped sites within historic districts. Federal agencies shall then consider historic properties outside of historic districts, if no suitable site within a district exists. Any rehabilitation or construction that is undertaken pursuant to this Act must be architecturally compatible with the character of the surrounding historic district or properties".

(8) The first sentence of section 110(l) (16 U.S.C. 470h-2(l)) is amended by striking "with the Council" and inserting "pursuant to regulations issued by the Council".

(9) The last sentence of section 212(a) (16 U.S.C. 470t(a)) is amended by striking "2000" and inserting "2004".

SEC. 702. REAUTHORIZATION OF DELAWARE WATER GAP NATIONAL RECREATION AREA CITIZEN ADVISORY COMMISSION.

Section 5 of Public Law 101-573 (16 U.S.C. 460*o* note) is amended by striking "10" and inserting "20".

SEC. 703. COASTAL HERITAGE TRAIL ROUTE IN NEW JERSEY.

Public Law 100-515 (102 Stat. 2563; 16 U.S.C. 1244 note) is amended as follows:

(1) In subsection (b)(1) of section 6 by striking "$1,000,000" and inserting "$4,000,000".

(2) In subsection (c) of section 6 by striking "five" and inserting "10".

(3) In the second sentence of section 2 by inserting "including sites in the Township of Woodbridge, New Jersey," after "cultural sites".

SEC. 704. EXTENSION OF AUTHORIZATION FOR UPPER DELAWARE CITIZENS ADVISORY COUNCIL.

The last sentence of paragraph (1) of section 704(f) of the National Parks and Recreation Act of 1978 (16 U.S.C. 1274 note) is amended by striking "20" and inserting "30".

TITLE VIII—RIVERS AND TRAILS

SEC. 801. NATIONAL DISCOVERY TRAILS.

(a) NATIONAL TRAILS SYSTEM ACT AMENDMENTS.—

(1) NATIONAL DISCOVERY TRAILS ESTABLISHED.—

(A) IN GENERAL.—Section 3(a) of the National Trails System Act (16 U.S.C. 1242(a)) is amended by inserting after paragraph (4) the following:

"(5)(A) National discovery trails, established as provided in section 5, which will be extended, continuous, interstate trails so located as to provide for outstanding outdoor recreation and travel and to connect representative examples of America's trails and communities. National discovery trails should provide for the conservation and enjoyment of significant natural, cultural, and historic resources associated with each trail and should be so located as to represent metropolitan, urban, rural, and backcountry regions of the Nation. Any such trail may be designated on Federal lands and, with the consent of the owner thereof, on any non-Federal lands. The consent of the owner shall be obtained in the form of a written agreement, which shall include such terms and conditions as the parties to the agreement consider advisable, and may include provisions regarding the discontinuation of the trail designation. The Congress does not intend for the establishment of a national discovery trail to lead to the creation of protective perimeters or buffer zones adjacent to a national discovery trail. The fact that there may be activities or uses on lands adjacent to the trail that would not be permitted on the trail shall not preclude such activities or uses on such lands adjacent to the trail to the extent consistent with other applicable law. Nothing in this Act may be construed to impose or permit the imposition of any landowner on the use of any non-Federal lands without the consent of the owner. Neither the designation of a national discovery trail nor any plan related thereto shall affect, or be considered, in the granting or denial of a right-of-way or any conditions relating thereto.

"(B) The appropriate Secretary for each national discovery trail shall administer the trail in cooperation with a competent trailwide volunteer-based organization. Where national discovery trails are congruent with other local, State, national scenic, or national historic trails, the designation of the discovery trail shall not in any way diminish the values and significance for which these trails were established.".

(B) FEASIBILITY REQUIREMENTS; COOPERATIVE MANAGEMENT REQUIREMENT.—Section 5(b) of such Act (16 U.S.C. 1244(b)) is amended by adding at the end the following new paragraph:

"(12) For purposes of this subsection, a trail shall not be considered feasible and desirable for designation as a national discovery trail unless it meets all of the following criteria:

"(A) The trail must link to one or more areas within the boundaries of a metropolitan area (as those boundaries are determined under section 134(c) of title 23, United States Code). It should also join with other trails, tying the National Trails System to significant recreation and resources areas.

"(B) The trail must be supported by at least one competent trailwide volunteer-based organization. Each trail shall have extensive local and trailwide support by the public, by user groups, and by affected State and local governments.

"(C) The trail must be extended and pass through more than one State. At a minimum, it should be a continuous, walkable route. National discovery trails are specifically exempted from the provisions of sections 7(g) of this Act.

"(D) The appropriate Secretary shall obtain written consent from affected landowners prior to entering nonpublic lands for the purposes of conducting any surveys or studies of nonpublic lands for purposes of this Act. Provided, before any designation or establishment of any discovery trail provided by this Act, the appropriate Secretary must ensure written notification to all nonpublic landowners on which a designated trail crosses or abuts nonpublic lands. Furthermore, any nonpublic landowner that has property crossed by or abutting land designated under this Act, if trespassing should occur by travelers on the National Discovery Trail, has the right to request and subsequently require the appropriate Secretary to coordinate with State and local officials to ensure to the maximum extent feasible that no further trespassing should occur on such nonpublic land.".

(2) DESIGNATION OF THE AMERICAN DISCOVERY TRAIL AS A NATIONAL DISCOVERY TRAIL.—Section 5(a) of such Act (16 U.S.C. 1244(a)) is amended as follows:

(A) By redesignating the paragraph relating to the California National Historic Trail as paragraph (18).

(B) By redesignating the paragraph relating to the Pony Express National Historic Trail as paragraph (19).

(C) By redesignating the paragraph relating to the Selma to Montgomery National Historic Trail as paragraph (20).

(D) By adding at the end the following:

"(21) The American Discovery Trail, a trail of approximately 6,000 miles extending from Cape Henlopen State Park in Delaware to Point Reyes National Seashore in California, extending westward through Delaware, Maryland, the District of Columbia, West Virginia, Ohio, and Kentucky, where near Cincinnati it splits into two routes. The Northern Midwest route traverses Ohio, Indiana, Illinois, Iowa, Nebraska, and Colorado, and the Southern Midwest route traverses Indiana, Illinois, Missouri, Kansas, and Colorado. After the two routes rejoin in Denver, Colorado, the route continues through Colorado, Utah, Nevada, and California. The trail is generally described in Volume 2 of the National Park Service feasibility study dated June 1995 which shall be on file and available for public inspection in the office of the Director of the National Park Service, Department of the Interior, the District of Columbia. The American Discovery Trail shall be administered by the Secretary of the Interior in cooperation with at least one competent trailwide volunteer-based organization, affected land managing agencies and State and local governments as appropriate. No lands or interests outside the exterior boundaries of federally administered areas may be acquired by the Federal Government solely for the American Discovery Trail. The American Discovery Trail is specifically exempted from the provisions of subsection (e), (f), and (g) of section 7.".

(3) COMPREHENSIVE NATIONAL DISCOVERY TRAIL PLAN.—Section 5 of such Act (16 U.S.C. 1244) is further amended by adding at the end the following new subsection:

"(g) Within 3 complete fiscal years after the date of enactment of any law designating a national discovery trail, the responsible Secretary shall submit a comprehensive plan for the protection, management, development, and use of the Federal portions of the trail, and provide technical assistance to States and local units of government and private landowners, as requested, for nonfederal portions of the trail, to the Committee on Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. In developing a comprehensive management plan for a national discovery trail, the responsible Secretary shall cooperate to the fullest practicable extent with the organizations sponsoring the trail. The responsible Secretary shall ensure that the comprehensive plan does not conflict with existing agency direction and shall consult with the affected land managing agencies, the Governors of the affected States, affected county and local political jurisdictions, and local organizations maintaining components of the trail. Components of the comprehensive plan include—

"(1) policies, objectives and practices to be observed in the administration and management of the trail, including the identification of all significant natural, historical, and

cultural resources to be preserved, model agreements necessary for joint trail administration among and between interested parties, and an identified carrying capacity for critical segments of the trail and procedures for implementation, where appropriate;

"(2) strategies for trail protection to retain the values for which the trail is being established and recognized by the Federal Government;

"(3) general and site-specific trail-related development, including anticipated costs; and

"(4) the process to be followed to implement the trail marking authorities in section 7(c) conforming to approved trail logo or emblem requirements.".

(b) CONFORMING AMENDMENTS.—The National Trails System Act is amended:

(1) In section 2(b) (16 U.S.C. 1241(b)), by striking "scenic and historic" and inserting "scenic, historic, and discovery".

(2) In the section heading to section 5 (16 U.S.C. 1244), by striking "AND NATIONAL HISTORIC" and inserting ", NATIONAL HISTORIC, AND NATIONAL DISCOVERY".

(3) In section 5(a) (16 U.S.C. 1244(a)), in the matter preceding paragraph (1)—

(A) by striking "and national historic" and inserting ", national historic, and national discovery"; and

(B) by striking "and National Historic" and inserting ", National Historic, and National Discovery".

(4) In section 5(b) (16 U.S.C. 1244(b)), in the matter preceding paragraph (1), by striking "or national historic" and inserting ", national historic, or national discovery".

(5) In section 5(b)(3) (16 U.S.C. 1244(b)(3)), by striking "or national historic" and inserting ", national historic, or national discovery".

(6) In section 7(a)(2) (16 U.S.C. 1246(a)(2)), by striking "and national historic" and inserting ", national historic, and national discovery".

(7) In section 7(b) (16 U.S.C. 1246(b)), by striking "or national historic" each place such term appears and inserting ", national historic, or national discovery".

(8) In section 7(c) (16 U.S.C. 1246(c))—

(A) by striking "scenic or national historic" each place it appears and inserting "scenic, national historic, or national discovery";

(B) in the second proviso, by striking "scenic, or national historic" and inserting "scenic, national historic, or national discovery"; and

(C) by striking ", and national historic" and inserting ", national historic, and national discovery".

(9) In section 7(d) (16 U.S.C. 1246(d)), by striking "or national historic" and inserting "national historic, or national discovery".

(10) In section 7(e) (16 U.S.C. 1246(e)), by striking "or national historic" each place such term appears and inserting ", national historic, or national discovery".

(11) In section 7(f)(2) (16 U.S.C. 1246(f)(2)), by striking "National Scenic or Historic Trail" and inserting "national scenic, historic, or discovery trail".

(12) In section 7(h)(1) (16 U.S.C. 1246(h)(1)), by striking "or national historic" and inserting "national historic, or national discovery".

(13) In section 7(i) (16 U.S.C. 1246(i)), by striking "or national historic" and inserting "national historic, or national discovery".

SEC. 802. SUDBURY, ASSABET, AND CONCORD WILD AND SCENIC RIVERS.

Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended—

(1) by designating the four undesignated paragraphs after paragraph (156) as paragraphs (157), (158), (159), and (160), respectively; and

(2) by adding the following new paragraph at the end thereof:

"(161) SUDBURY, ASSABET, AND CONCORD RIVERS, MASSACHUSETTS.—The 29 miles of river segments in Massachusetts, as follows:

"(A) The 14.9 mile segment of the Sudbury river beginning at the Danforth Street bridge in the town of Framington, downstream to Route 2 bridge in Concord, as a scenic river.

"(B) The 1.7 mile segment of the Sudbury River from the Route 2 bridge downstream to its confluence with the Assabet River at Egg Rock, as a recreational river.

"(C) The 4.4 mile segment of the Assabet River beginning 1,000 feet downstream from the Damon Mill Dam in the town of Concord, to its confluence with the Sudbury River at Egg Rock in Concord, as a recreational river.

"(D) The 8.0 mile segment of the Concord River from Egg Rock at the confluence of the Sudbury and Assabet Rivers downstream to the Route 3 bridge in the town of Billerica, as a recreational river.

The segments referred to in subparagraphs (A) through (D) shall be administered by the Secretary of the Interior in cooperation with the SUASCO River Stewardship Council provided for in the plan through cooperative agreements under section 10(e) between the Secretary and the Commonwealth of Massachusetts and its relevant political subdivisions (including the towns of Framingham, Wayland, Sudbury, Lincoln, Concord, Carlisle, Bedford, and Billerica). The segments shall be managed in accordance with the plan entitled 'Sudbury, Assabet and Concord Wild and Scenic River Study, River Conservation Plan' dated March 16, 1995. The plan is deemed to satisfy the requirement for a comprehensive management plan under subsection (d) of this section.".

SEC. 803. ASSISTANCE TO THE NATIONAL HISTORIC TRAILS INTERPRETIVE CENTER.

(a) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress finds and declares the following:

(A) The city of Casper, Wyoming, is nationally significant as the only geographic location in the western United States where 4 congressionally recognized historic trails (the Oregon Trail, the Mormon Trail, the California Trail, and the Pony Express Trail), the Bridger Trail, the Bozeman Trail, and many Indian routes converged.

(B) The historic trails that passed through the Casper area are a distinctive part of the national character and possess important historical and cultural values representing themes of migration, settlement, transportation, and commerce that shaped the landscape of the West.

(C) The Bureau of Land Management has not yet established a historic trails interpretive center in Wyoming or in any adjacent State to educate and focus national attention on the history of the mid-19th century immigrant trails that crossed public lands in the Intermountain West.

(D) At the invitation of the Bureau of Land Management, the city of Casper and the National Historic Trails Foundation, Inc. (a nonprofit corporation established under the laws of the State of Wyoming) entered into a memorandum of understanding in 1992, and have since signed an assistance agreement in 1993 and a cooperative agreement in 1997, to create, manage, and sustain a National Historic Trails Interpretive Center to be located in Casper, Wyoming, to professionally interpret the historic trails in the Casper area for the benefit of the public.

(E) The National Historic Trails Interpretive Center authorized by this section is consistent with the purposes and objectives of the National Trails System Act (16 U.S.C. 1241 et seq.), which directs the Secretary of the Interior to protect, interpret, and manage the remnants of historic trails on public lands.

(F) The State of Wyoming effectively joined the partnership to establish the National Historic Trails Interpretive Center through a legislative allocation of supporting funds, and the citizens of the city of Casper have increased local taxes to meet their financial obligations under the assistance agreement and the cooperative agreement referred to in paragraph (4).

(G) The National Historic Trails Foundation, Inc. has secured most of the $5,000,000 of non-Federal funding pledged by State and local governments and private interests pursuant to the cooperative agreement referred to in subparagraph (D).

(H) The Bureau of Land Management has completed the engineering and design phase of the National Historic Trails Interpretive Center, and the National Historic Trails Foundation, Inc. is ready for Federal financial and technical assistance to construct the Center pursuant to the cooperative agreement referred to in subparagraph (D).

(2) PURPOSES.—The purposes of this section are the following:

(A) To recognize the importance of the historic trails that passed through the Casper, Wyoming, area as a distinctive aspect of American heritage worthy of interpretation and preservation.

(B) To assist the city of Casper, Wyoming, and the National Historic Trails Foundation, Inc. in establishing the National Historic Trails Interpretive Center to memorialize and interpret the significant role of those historic trails in the history of the United States.

(C) To highlight and showcase the Bureau of Land Management's stewardship of public lands in Wyoming and the West.

(b) NATIONAL HISTORIC TRAILS INTERPRETIVE CENTER.—

(1) ESTABLISHMENT.—The Secretary of the Interior, acting through the Director of the Bureau of Land Management (in this section referred to as the "Secretary"), shall establish in Casper, Wyoming, a center for the interpretation of the historic trails in the vicinity of Casper, including the Oregon Trail, the Mormon Trail, the California Trail, and the Pony Express Trail, the Bridger Trail, the Bozeman Trail, and various Indian routes. The center shall be known as the National Historic Trails Interpretive Center (in this section referred to as the "Center").

(2) FACILITIES.—The Secretary, subject to the availability of appropriations, shall construct, operate, and maintain facilities for the Center—

(A) on land provided by the city of Casper, Wyoming;

(B) in cooperation with the city of Casper and the National Historic Trails Interpretive Center Foundation, Inc. (a nonprofit corporation established under the laws of the State of Wyoming); and

(C) in accordance with—

(i) the Memorandum of Understanding entered into on March 4, 1993, by the city, the foundation, and the Wyoming State Director of the Bureau of Land Management; and

(ii) the cooperative agreement between the foundation and the Wyoming State Director

of the Bureau of Land Management, numbered K910A970020.

(3) DONATIONS.—Notwithstanding any other provision of law, the Secretary may accept, retain, and expend donations of funds, property, or services from individuals, foundations, corporations, or public entities for the purpose of development and operation of the Center.

(4) ENTRANCE FEE.—Notwithstanding section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-6a), the Secretary may—

(A) collect an entrance fee from visitors to the Center; and

(B) use amounts received by the United States from that fee for expenses of operation of the Center.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary $5,000,000 to carry out this section.

TITLE IX—HAZARDOUS FUELS REDUCTION

SEC. 901. SHORT TITLE.

This title may be cited as the "Community Protection and Hazardous Fuels Reduction Act of 1998".

SEC. 902. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) Management of Federal lands has been characterized by large cyclical variations in fire suppression policies, timber harvesting levels, and the attention paid to commodity and noncommodity values.

(2) Forests on Federal lands are experiencing significant disease epidemics and insect infestations.

(3) The combination of inconsistent management and natural effects has resulted in a hazardous fuels buildup on Federal lands that threatens catastrophic wildfire.

(4) While the long-term effect of catastrophic wildfire on forests and forest systems is a matter of debate, there should be no question that catastrophic wildfire must be prevented in areas of the Federal lands where wildlands abut, or are located in close proximity to, communities, residences, and other private and public facilities on non-Federal lands.

(5) Wildfire resulting from hazardous fuels buildup in such wildland/urban interface areas threatens the destruction of communities, puts human life and property at risk, threatens community water supplies with erosion that follows wildfire, destroys wildlife habitat, and damages ambient air quality.

(6) The Secretary of Agriculture and the Secretary of the Interior must assign a high priority and undertake aggressive management to achieve the elimination of hazardous fuel buildup and reduction of the risk of wildfire to the wildland/urban interface areas on Federal lands. Protection of human life and property, including water supplies and ambient air quality, must be given the highest priority.

(7) The noncommodity resources, including riparian zones and wildlife habitats, in wildland/urban interface areas on Federal lands which must be protected to provide recreational opportunities, clean water, and other amenities to neighboring communities and the public suffer from a backlog of unfunded forest management projects designed to provide such protection.

(8) In a period of fiscal austerity characterized by shrinking budgets and personnel levels, Congress must provide the Secretary of Agriculture and the Secretary of the Interior with innovative tools to accomplish the required reduction in hazardous fuels buildup and undertake other forest management projects in the wildland/urban interface areas on the Federal lands at least cost.

(b) PURPOSE.—The purpose of this title is to provide new authority and innovative tools to the Secretary of Agriculture and the Secretary of the Interior to safeguard communities, lives, and property by reducing or eliminating the threat of catastrophic wildfire, and to undertake needed forest management projects, in wildland/urban interface areas on Federal lands.

SEC. 903. DEFINITIONS.

As used in this title:

(1) FEDERAL LANDS.—The term "Federal lands" means—

(A) federally managed lands administered by the Bureau of Land Management under the Secretary of the Interior; and

(B) federally managed lands administered by the Secretary of Agriculture.

(2) FOREST MANAGEMENT PROJECT.—The term "forest management project" means a project, including riparian zone enhancement, habitat improvement, noncommercial hazardous fuels reduction, and soil stabilization or other water quality improvement project, designed to protect one or more noncommodity resources on or in close proximity to Federal lands.

(3) LAND MANAGEMENT PLAN.—The term "land management plan" means the following:

(A) With respect to Federal lands described in paragraph (1)(A), a land use plan prepared by the Bureau of Land Management pursuant to section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712), or other multiple-use plan currently in effect.

(B) With respect to Federal lands described in paragraph (1)(B), a land and resource management plan (or if no final plan is in effect, a draft land and resource management plan) prepared by the Forest Service pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604).

(4) SECRETARY CONCERNED.—The term "Secretary concerned" means—

(A) with respect to the Federal lands described in paragraph (1)(A), the Secretary of the Interior; and

(B) with respect to the Federal lands described in paragraph (1)(B), the Secretary of Agriculture.

(5) WILDLAND/URBAN INTERFACE AREA.—The term "wildland/urban interface area" means the line, area, or zone where structures and other human development meet or intermingle with undeveloped wildland or vegetative fuel.

(6) CONGRESSIONAL COMMITTEES.—The term "congressional committees" means the Committee on Resources and the Committee on Agriculture of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(7) HAZARDOUS FUELS BUILDUP.—The term "hazardous fuels buildup" means that level of fuels accumulation, within a fire regime, in which an ignition with the right combination of weather and topographic conditions can result in—

(A) a dangerous exposure of risk to firefighters and the public;

(B) a high potential to cause risk of loss to key components that define ecological resources, capital investments, and private property; or

(C) both subparagraphs (A) and (B).

(8) FOREST PRODUCT.—The term "forest product" means any tree or tree part that can be used for a commercial purpose.

(9) FUELS.—The term "fuels" includes forage, woody debris, duff, needle cast, brush, understory, ladder fuels, and dead or dying overstory.

Subtitle A—Management of Wildland/Urban Interface Areas

SEC. 911. IDENTIFICATION OF WILDLAND/URBAN INTERFACE AREAS.

On or before September 30 of each year, each District Manager of the Bureau of Land Management and each Forest Supervisor of the Forest Service shall identify those areas on Federal lands within the jurisdiction of the District Manager or Forest Supervisor that the District Manager or Forest Supervisor determines—

(1) meet the definition of wildland/urban interface areas; and

(2) have hazardous fuels buildups and other forest management needs that warrant the use of forest management projects as provided in section 912.

SEC. 912. CONTRACTING TO REDUCE HAZARDOUS FUELS AND UNDERTAKE FOREST MANAGEMENT PROJECTS IN WILDLAND/URBAN INTERFACE AREAS.

(a) CONTRACTING AUTHORITY.—

(1) IN GENERAL.—The Secretary concerned is authorized to enter into contracts under this section for the sale of forest products in a wildland/urban interface area identified under section 911 for the primary purpose of reducing hazardous fuels buildups in the area.

(2) INCLUSION OF FOREST MANAGEMENT PROJECTS.—Subject to paragraph (3) and subsection (e), the Secretary concerned may require, as a condition of any sale of forest products referred to in paragraph (1), that the purchaser of such products undertake one or more forest management projects in the wildland/urban interface area.

(3) CONDITIONS ON INCLUSION.—The Secretary concerned may include a forest management project as a condition in a contract for the sale of forest products referred to in paragraph (1) only when the Secretary determines that—

(A) the forest management project is consistent with the applicable land management plan; and

(B) the objectives of the forest management project can be accomplished most cost efficiently and effectively when the project is performed as part of the sale contract.

(b) FINANCING AND SUPPLEMENTAL FUNDING.—

(1) FINANCING THROUGH SALES.—The financing of a forest management project required as a condition of a contract for a sale of forest products authorized by subsection (a) shall be accomplished by including in the contract a provision that offsets the costs incurred by the purchaser in carrying out the required forest management project, by reducing the amount required to be paid to the United States by the purchaser for forest products sold under the contract.

(2) AMOUNT OF REDUCTION OF PAYMENT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amount of the reduction referred to in paragraph (1) shall be equal to the costs referred to in paragraph (1), minus any assistance to the purchaser under paragraph (3) used to pay those costs.

(B) LIMITATION.—The amount of the reduction for a sale may not exceed the portion of the total amount otherwise required to be paid to the United States by the purchaser (before the reduction) that remains after deducting from that total amount the amounts

necessary to make distributions and payments under the provisions of law referred to in paragraph (1) or (2) of subsection (d) that apply to that total amount.

(3) USE OF APPROPRIATED FUNDS.—The Secretary concerned may use appropriated funds to assist the purchaser to undertake a forest management project required as a condition of a contract authorized by subsection (a) if such funds are provided from the resource function or functions that directly benefit from the performance of the project and are available from the annual appropriation for such function or functions during the fiscal year in which the sale is offered. The amount of assistance to be provided for each forest management project shall be included in the prospectus, and published in the advertisement, for the sale.

(c) DETERMINATION OF FOREST MANAGEMENT OFFSETS.—Prior to the advertisement of a sale authorized by subsection (a) and subject to section 915(b), the Secretary concerned shall determine the offsetting cost (under subsection (b)(1)) of each forest management project to be required as a condition of the sale contract. A description of the forest management project, and the cost of the project to be offset against the purchaser's payment for forest products in the sale, shall be included in the prospectus, and published in the advertisement, for the sale.

(d) TREATMENT OF FOREST MANAGEMENT PROJECT OFFSETS AS MONEYS RECEIVED.—

(1) BUREAU OF LAND MANAGEMENT LANDS.—In the case of Federal lands described in section 903(1)(A), the amount of any reduction under subsection (b)(1) of the amount required to be paid by a purchaser in a sale authorized by subsection (a) shall be considered to be money received, for purposes of title II of the Act of August 28, 1937 (50 Stat. 875; 43 U.S.C. 1181f), the first section of the Act of May 24, 1939 (53 Stat. 753; 43 U.S.C. 1181f-1), or other applicable law concerning the distribution of receipts from the sale of forest products on such lands.

(2) FOREST SYSTEM LANDS.—In the case of Federal lands described in section 903(1)(B), the amount of any reduction under subsection (b)(1) of the amount required to be paid by a purchaser in a sale authorized by subsection (a)—

(A) shall be considered to be money received, for purposes of the sixth paragraph under the heading "FOREST SERVICE" in the Act of May 23, 1908 (35 Stat. 260; 16 U.S.C. 500), and section 13 of the Act of March 1, 1911 (36 Stat. 963; commonly known as the Weeks Act; 16 U.S.C. 500); and

(B) shall not be considered to be money received, for purposes of the fourteenth paragraph under the heading "FOREST SERVICE" of the Act of March 4, 1913 (37 Stat. 843; 16 U.S.C. 501).

(e) LIMITATION ON AMOUNT OF OFFSETS.—The total amount by which purchase payments are reduced under subsection (b)(1) each fiscal year—

(1) under contracts awarded by the Secretary of Agriculture, may not exceed $40,000,000; and

(2) under contracts awarded by the Secretary of the Interior, may not exceed $10,000,000.

SEC. 913. MONITORING REQUIREMENTS.

The Secretary concerned shall monitor the preparation and offering of contracts, and the performance of forest management projects, pursuant to section 912 to determine the effectiveness of such contracts and forest management projects in achieving the purpose of this title.

SEC. 914. REPORTING REQUIREMENTS.

(a) ANNUAL REPORT.—Not later than 90 days after the end of each full fiscal year in which contracts are entered into under section 912, the Secretary concerned shall submit to the congressional committees a report, which shall provide for the Federal lands within the jurisdiction of the Secretary concerned the following:

(1) A list of the wildland/urban interface areas identified on or before September 30 of the previous fiscal year pursuant to section 911.

(2) A summary of all contracts entered into, and all forest management projects performed, pursuant to section 912 during the preceding fiscal year;

(3) A discussion of any delays in excess of three months encountered during the preceding fiscal year, and likely to occur in the fiscal year in which the report is submitted, in preparing and offering the sales, and in performing the forest management projects, pursuant to section 912.

(4) The results of the monitoring required by section 913 of the contracts authorized, and the forest management projects performed, pursuant to section 912.

(5) Any anticipated problems in the implementation of this subtitle.

(b) FOUR YEAR REPORT.—The fourth report prepared by the Secretary concerned under subsection (a) shall contain, in addition to the matters required by subsection (a), the following:

(1) An assessment by the Secretary concerned regarding whether the contracting authority provided in section 912 should be reauthorized beyond the period specified in section 915(a).

(2) If reauthorization is warranted, such recommendations as the Secretary concerned considers appropriate regarding changes in such authority to better achieve the purpose of this title.

SEC. 915. SPECIAL FUNDS.

(a) ESTABLISHMENT AND INITIAL FUNDING.—Notwithstanding any other provision of law, not later than 30 days after the date of enactment of this Act—

(1) the Secretary of Agriculture and the Secretary of the Interior shall each establish and maintain a special fund which shall be available, without further appropriation, for the purposes of planning, offering, and managing sales of forest products referred to in section 912(a)(1);

(2) the Secretary of Agriculture shall transfer, from amounts available to such Secretary for reduction of wildland fire hazardous fuels for the fiscal year in which this Act is enacted and each of the 3 following fiscal years, $10,000,000 to the fund established by the Secretary of Agriculture pursuant to paragraph (1); and

(3) the Secretary of the Interior shall transfer, from amounts available to such Secretary for reduction of hazardous fuels for the fiscal year in which this Act is enacted, $10,000,000 to the fund established by the Secretary of the Interior pursuant to paragraph (1).

(b) REPLENISHMENT OF FUNDS.—Each fund established pursuant to subsection (a) shall receive all of the receipts from each sale of forest products referred to in section 912(a)(1) from Federal lands within the jurisdiction of the Secretary who established such fund, minus the amount required to be distributed under the provisions of law referred to in paragraph (1) or (2), as applicable, of section 912(d).

(c) TERMINATION.—

(1) IN GENERAL.—Each Secretary concerned shall terminate the fund established by such Secretary pursuant to subsection (a) at the expiration of the last day of the fifth full fiscal year occurring after the date of enactment of this Act.

(2) TREATMENT OF BALANCE AND FUTURE RECEIPTS.—Any moneys remaining in a fund established pursuant to subsection (a)(1) upon the expiration of the day referred to in paragraph (1), and any receipts after that day from sales of forest products under section 912(a)(1)—

(A) shall be available to the Secretary of Agriculture for reduction of wildland fire hazardous fuels, in the case of moneys remaining in the fund established by the Secretary of Agriculture and receipts for forest products from Federal lands within the jurisdiction of such Secretary; and

(B) shall be available to the Secretary of the Interior for the reduction of hazardous fuels, in the case of moneys remaining in the fund established by the Secretary of the Interior and receipts for forest products from Federal lands within the jurisdiction of such Secretary.

SEC. 916. TERMINATION OF AUTHORITY.

(a) TERMINATION DATE.—The authority of the Secretary concerned to offer sales of forest products pursuant to section 912, and to require the purchasers of such products to undertake forest management projects as a condition of such sales, shall terminate at the end of the five-fiscal year beginning on the first October 1st occurring after the date of the enactment of this Act.

(b) EFFECT ON EXISTING SALES.—Any contract for a sale of forest products pursuant to section 912 entered into before the end of the period specified in subsection (a), and still in effect at the end of such period, shall remain in effect after the end of such period pursuant to the terms of the contract.

Subtitle B—Miscellaneous Provisions

SEC. 921. REGULATIONS.

Not later than 180 days after the date of the enactment of this Act, the Secretary concerned shall prescribe such regulations as are necessary and appropriate to implement this title.

SEC. 922. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each of the first five fiscal years beginning after the date of the enactment of this Act such sums as may be necessary to carry out this title.

TITLE X—MISCELLANEOUS PROVISIONS

SEC. 1001. AUTHORITY TO ESTABLISH MAHATMA GANDHI MEMORIAL.

(a) IN GENERAL.—The Government of India may establish a memorial to honor Mahatma Gandhi on the Federal land in the District of Columbia.

(b) COOPERATIVE AGREEMENTS.—The Secretary of the Interior or any other head of a Federal agency may enter into cooperative agreements with the Government of India to maintain features associated with the memorial.

(c) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The establishment of the memorial shall be in accordance with the Commemorative Works Act (40 U.S.C. 1001 et seq.), except that sections 2(c) and 6(b) of that Act shall not apply with respect to the memorial.

(d) LIMITATION ON PAYMENT OF EXPENSES.—The Government of the United States shall not pay any expense of the establishment of the memorial or its maintenance.

SEC. 1002. ESTABLISHMENT OF THE NATIONAL CAVE AND KARST RESEARCH INSTITUTE IN NEW MEXICO.

(a) PURPOSES.—The purposes of this section are—

(1) to further the science of speleology;

(2) to centralize and standardize speleological information;

(3) to foster interdisciplinary cooperation in cave and karst research programs;

(4) to promote public education;

(5) to promote national and international cooperation in protecting the environment for the benefit of cave and karst landforms; and

(6) to promote and develop environmentally sound and sustainable resource management practices.

(b) ESTABLISHMENT OF THE INSTITUTE.—

(1) IN GENERAL.—The Secretary of the Interior (referred to in this section as the "Secretary"), acting through the Director of the National Park Service, shall establish the National Cave and Karst Research Institute (referred to in this section as the "Institute").

(2) PURPOSES.—The Institute shall, to the extent practicable, further the purposes of this section.

(3) LOCATION.—The Institute shall be located in the vicinity of Carlsbad Caverns National Park, in the State of New Mexico. The Institute shall not be located inside the boundaries of Carlsbad Caverns National Park.

(c) ADMINISTRATION OF THE INSTITUTE.—

(1) MANAGEMENT.—The Institute shall be jointly administered by the National Park Service and a public or private agency, organization, or institution, as determined by the Secretary.

(2) GUIDELINES.—The Institute shall be operated and managed in accordance with the study prepared by the National Park Service pursuant to section 203 of Public Law 101-578 (16 U.S.C. 4310 note).

(3) CONTRACTS AND COOPERATIVE AGREEMENTS.—The Secretary may enter into a contract or cooperative agreement with a public or private agency, organization, or institution to carry out this section.

(4) FACILITY.—

(A) LEASING OR ACQUIRING A FACILITY.—The Secretary may lease or acquire a facility for the Institute.

(B) CONSTRUCTION OF A FACILITY.—If the Secretary determines that a suitable facility is not available for a lease or acquisition under subparagraph (A), the Secretary may construct a facility for the Institute.

(5) ACCEPTANCE OF GRANTS AND TRANSFERS.—To carry out this section, the Secretary may accept—

(A) a grant or donation from a private person; or

(B) a transfer of funds from another Federal agency.

(d) FUNDING.—

(1) MATCHING FUNDS.—The Secretary may spend only such amount of Federal funds to carry out this section as is matched by an equal amount of funds from non-Federal sources.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1003. GUADALUPE-HIDALGO TREATY LAND CLAIMS.

(a) SHORT TITLE.—This section may be cited as the "Guadalupe-Hidalgo Treaty Land Claims Equity Act of 1998".

(b) DEFINITIONS AND FINDINGS.—

(1) DEFINITIONS.—For purpose of this section:

(A) COMMISSION.—The term "Commission" means the Guadalupe-Hidalgo Treaty Land Claims Commission established under subsection (c).

(B) TREATY OF GUADALUPE-HIDALGO.—The term "Treaty of Guadalupe-Hidalgo" means the treaty of Peace, Friendship, Limits, and Settlement (Treaty of Guadalupe Hidalgo), between the United States and the Republic of Mexico, signed February 2, 1848 (TS 207; 9 Bevans 791).

(C) ELIGIBLE DESCENDANT.—The term "eligible descendant" means a descendant of a person who—

(i) was a Mexican citizen before the Treaty of Guadalupe Hidalgo;

(ii) was a member of a community land grant; and

(iii) became a United States citizen within ten years after the effective date of the Treaty of Guadalupe-Hidalgo, May 30, 1848, pursuant to the terms of the Treaty.

(D) COMMUNITY LAND GRANT.—The term "community land grant" means a village, town, settlement, or pueblo consisting of land held in common (accompanied by lesser private allotments) by three or more families under a grant from the King of Spain (or his representative) before the effective date of the Treaty of Cordova, August 24, 1821, or from the authorities of the Republic of Mexico before May 30, 1848, in what became the State of New Mexico, regardless of the original character of the grant.

(E) RECONSTITUTED.—The term "reconstituted", with regard to a valid community land grant, means restoration to full status as a municipality with rights properly belonging to a municipality under State law and the right of local self-government.

(2) FINDINGS.—Congress finds the following:

(A) New Mexico has a unique history regarding the acquisition of ownership of land as a result of the substantial number of Spanish and Mexican land grants that were an integral part of the colonization and growth of New Mexico before the United States acquired the area in the Treaty of Guadalupe-Hidalgo.

(B) Various provisions of the Treaty of Guadalupe-Hidalgo have not yet been fully implemented in the spirit of article VI, section 2, of the Constitution of the United States.

(C) Serious questions regarding the prior ownership of lands in the State of New Mexico, particularly certain public lands, still exist.

(D) Congressionally established land claim commissions have been used in the past to successfully examine disputed land possession questions.

(c) ESTABLISHMENT AND MEMBERSHIP OF COMMISSION.

(1) ESTABLISHMENT.—There is established a commission to be known as the "Guadalupe-Hidalgo Treaty Land Claims Commission".

(2) NUMBER AND APPOINTMENT OF MEMBERS.—The Commission shall be composed of five members appointed by the President, by and with the advice and consent of the Senate. At least two of the members of the Commission shall be selected from among persons who are eligible descendants. All members shall demonstrate knowledge and expertise about the history and law associated with the New Mexico land grants.

(3) TERMS.—Each member shall be appointed for the life of the Commission. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(4) COMPENSATION.—Members shall each be entitled to receive the daily equivalent of level V of the Executive Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Commission.

(d) INTERNATIONAL AGREEMENTS FOR COOPERATION IN THE PROCUREMENT OF RELEVANT DOCUMENTS.—

(1) FINDINGS.—Congress recognizes that—

(A) the availability of documents concerning community land grants in the State of New Mexico in the United States is limited; and

(B) a fair and equitable evaluation of the community land grants will depend upon obtaining a comprehensive compilation of the relevant documents available.

(2) BILATERAL AGREEMENTS.—The Secretary of State is authorized to negotiate bilateral agreements with the Governments of Mexico and Spain to obtain their full cooperation with the Commission so that the Commission will have access to certified copies of all relevant documents in those countries relating to community land grants in the State of New Mexico.

(e) DEVELOPMENT OF CODE OF LAND GRANT CLAIMS PROCEDURES.—

(1) DEVELOPMENT OF PROCEDURES.—Not later than one year after the date on which the second bilateral agreement described in subsection (d) is concluded, the Commission shall develop workable and equitable procedures, in clear and concise form, for land grant evaluations, including but not limited to—

(A) a criteria for the Commission to use during its evaluation of what constituted a legal community land grant under Mexican and Spanish law;

(B) the scope of admissible evidence;

(C) appropriate presumptions, if any, regarding previous adjudications made by the Surveyor General and the Court of Private Land Claims, and other court decisions involving the Treaty;

(D) a set of procedural rules setting forth the burden of proof that the Commission will use in determining the validity of community land grants;

(E) an outline of investigative services the Commission proposes to make available to land grant claimants;

(F) safeguards, acceptable to title insurance companies, to ensure that private property owners will not be affected, either with the threat of losing possession to their property or any impairment to the legal, equitable or clear title to their property by the work of the Commission;

(G) safeguards, acceptable to the New Mexico State Engineer, that clearly protect and do not in any way affect the water rights of any person or entity;

(H) safeguards, acceptable to the various Native American Tribes and Pueblos, that clearly protect the status quo regarding existing Indian Lands;

(I) procedures, acceptable to the various Native American Tribes and Pueblos, that—

(i) provide them with access to sacred sites that may eventually be adjudicated as community land grants, and that may become part of any reconstituted community land grant; and

(ii) require that any such sites be identified by the various Native American Tribes and Pueblos during the development of the Code of Land Grant Claims Procedures for the Commission;

(J) an outline of the rights and responsibilities of community land grantees if a community land grant is reconstituted; and

(K) any other items the Commission deems appropriate and necessary.

(2) REVIEW BY CONGRESSIONAL RESOURCE COMMITTEES.—Prior to beginning the examination of specific community land claims, the Commission shall submit the Code of

Land Claims Procedure to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives. The Committees shall have ninety days to hold hearings and examine the Code. The Commission may not commence evaluations of specific community land claims earlier than the 90 days after the date of submission of the Code under this subsection.

(f) EXAMINATION OF LAND CLAIMS LOCATED IN NEW MEXICO.—

(1) SUBMISSION OF NEW MEXICO LAND CLAIMS PETITIONS.—Any three (or more) eligible descendants who are also descendants of the same community land grant may file with the Commission a petition on behalf of themselves and all other descendants of that community land grant seeking a determination of the validity of the land claim that is the basis for the petition.

(2) DEADLINE FOR SUBMISSION.—To be considered by the Commission a petition under paragraph (1) must be received by the Commission not later than five years after the date on which the Committee on Energy and Natural Resources and the Committee on Resources of the House of Representatives has completed the 90-day review period.

(3) ELEMENTS OF PETITION.—A petition under paragraph (1) shall be made under oath and shall contain the following:

(A) The names and addresses of the eligible descendants who are petitioners.

(B) The fact that the land involved in the petition was a community land grant at the time of the effective date of the Guadalupe-Hidalgo Treaty and that such land is now within the borders of the State of New Mexico.

(C) The extent of the community land grant, to the best of the knowledge of the petitioners, accompanied with a survey or, if a survey is not feasible for them, a sketch map thereof.

(D) The fact that the petitioners reside, or intend to settle upon, the community land grant.

(E) All facts known to petitioners concerning the community land grant, together with copies of all papers in regard thereto available to petitioners.

(4) PETITION HEARING.—At one or more designated locations in the State of New Mexico, the Commission shall hold a hearing upon each petition timely submitted under this subsection, at which hearing all persons having an interest in the land involved in the petition shall have the right, upon notice, to appear as a party.

(5) SUBPOENA POWER.—

(A) IN GENERAL.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any petition submitted under paragraph (1). The attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearing within the State of New Mexico.

(B) FAILURE TO OBEY A SUBPOENA.—If a person refuses to obey a subpoena issued under subparagraph (A), the Commission may apply to a United States district court for an order requiring that person to appear before the Commission to give testimony, produce evidence, or both, relating to the matter under investigation. The application may be made within the judicial district where the hearing is conducted or where that person is found, resides, or transacts business. Any failure to obey the order of the court may be punished by the court as civil contempt.

(C) SERVICE OF SUBPOENAS.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(D) SERVICE OF PROCESS.—All process of any court to which application is to be made under subparagraph (B) may be served in the judicial district in which the person required to be served resides or may be found.

(6) DECISION.—On the basis of the facts contained in a petition submitted under paragraph (1), and the hearing held with regard to the petition, the commission shall determine, consistent with the Code of Land Claims Procedure, the validity of the community land grant described in the petition. The decision shall include a recommendation of the Commission regarding whether the community land grant should be reconstituted and its lands restored.

(7) PROTECTION OF NON-FEDERAL PROPERTY.—The decision of the Commission regarding the validity of a petition submitted under paragraph (1) shall not affect the ownership, title or rights of owners of any non-Federal lands covered by the petition. Any recommendation of the Commission under paragraph (6) regarding whether a community land grant should be reconstituted and its lands restored may not address, affect or otherwise involve non-Federal lands. In the case of a valid petition covering lands held in non-Federal ownership, the Commission shall modify the recommendation under the paragraph (6) to recommend the substitution of comparable Federal lands in the State of New Mexico for the lands held in non-Federal ownership.

(g) COMMUNITY LAND GRANT STUDY CENTER.—To assist the Commission in the performance of its activities under subsection (d), the commission shall establish a Community Land Grant Study Center at the Onate Center in Alcalde, New Mexico. The Commission shall be charged with the responsibility of directing the research, study, and investigations necessary for the Commission to perform its duties under this section.

(h) MISCELLANEOUS POWERS OF COMMISSION.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this section, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate, and may administer oaths or affirmations to witnesses appearing before it.

(2) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this subsection.

(3) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission so long as it is determined that the acceptance of such gifts, bequests or devises do not constitute a conflict of interest.

(4) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as the other departments and agencies of the United States.

(5) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this section.

(6) IMMUNITY.—The Commission is an agency of the United States for the purpose of part V of title 18, United States Code (relating to immunity of witnesses).

(i) REPORT.—As soon as practicable after reaching its last decision under subsection (f), the Commission shall submit to the President and the Congress a report containing each decision, including the recommendation of the Commission regarding whether certain community land grants should be reconstituted, so that the Congress may act upon the recommendations.

(j) TERMINATION.—The Commission shall terminate on 180 days after submitting its final report under subsection (i).

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,000,000 for each of the fiscal years 1999 through 2007 for the purpose of carrying out the activities of the Commission and to establish and operate the Community Land Grant Study Center under subsection (g).

SEC. 1004. OTAY MOUNTAIN WILDERNESS.

(a) FINDINGS.—The Congress finds and declares the following:

(1) The public lands within the Otay Mountain region of California are one of the last remaining pristine locations in western San Diego County, California.

(2) This rugged mountain adjacent to the United States-Mexico border is internationally known for its diversity of unique and sensitive plants.

(3) This area plays a critical role in San Diego's multi-species conservation plan, a national model made for maintaining biodiversity.

(4) Due to its proximity to the international border, this area is the focus of important law enforcement and border interdiction efforts necessary to curtail illegal immigration and protect the area's wilderness values.

(5) The illegal immigration traffic, combined with the rugged topography, also presents unique fire management challenges for protecting lives and resources.

(b) DESIGNATION.—In furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131 et seq.), certain public lands in the California Desert District of the Bureau of Land Management, California, comprising approximately 18,500 acres as generally depicted on a map entitled "Otay Mountain Wilderness" and dated May 7, 1998, are hereby designated as wilderness and therefore as a component of the National Wilderness Preservation System, which shall be known as the Otay Mountain Wilderness.

(c) MAP AND LEGAL DESCRIPTION.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, a map and a legal description for the Wilderness Area shall be filed by the Secretary with the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives. Such map and legal description shall have the same force and effect as if included in this Act, except that the Secretary, as appropriate, may correct clerical and typographical errors in such legal description and map. Such map and legal description for the Wilderness Area shall be on file and available for public inspection in the offices of the Director and California State Director, Bureau of Land Management, Department of the Interior.

(2) UNITED STATES-MEXICO BORDER.—In carrying out this subsection, the Secretary shall ensure that the southern boundary of the Wilderness Area is 100 feet north of the trail depicted on the map referred to in paragraph (1) and is at least 100 feet from the United States-Mexico international border.

(e) WILDERNESS REVIEW.—The Congress hereby finds and directs that all the public lands not designated wilderness within the boundaries of the Southern Otay Mountain Wilderness Study Area (CA–060–029) and the Western Otay Mountain Wilderness Study Area (CA–060–028) managed by the Bureau of Land Management and reported to the Congress in 1991, have been adequately studied for wilderness designation pursuant to section 603 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782), and are no longer subject to the requirements contained in section 603(c) of that Act pertaining to the management of wilderness study areas in a manner that does not impair the suitability of such areas for preservation as wilderness.

(f) ADMINISTRATION OF WILDERNESS AREA.—

(1) IN GENERAL.—Subject to valid existing rights and to paragraph (2), the Wilderness Area shall be administered by the Secretary in accordance with the provisions of the Wilderness Act (16 U.S.C. 1131 et seq.), except that—

(A) any reference in such provisions to the effective date of the Wilderness Act is deemed to be a reference to the effective date of this Act; and

(B) any reference in such provisions to the Secretary of Agriculture is deemed to be a reference to the Secretary of the Interior.

(2) BORDER ENFORCEMENT, DRUG INTERDICTION, AND WILDLAND FIRE PROTECTION.—Because of the proximity of the Wilderness Area to the United States-Mexico international border, drug interdiction, border operations, and wildland fire management operations are common management actions throughout the area encompassing the Wilderness Area. This section recognizes the need to continue such management actions so long as such management actions are conducted in accordance with the Wilderness Act (16 U.S.C. 1131 et seq.) and are subject to such conditions as the Secretary considers appropriate.

(g) FURTHER ACQUISITIONS.—Any lands within the boundaries of the Wilderness Area that are acquired by the United States after the date of enactment of this Act shall become part of the Wilderness Area and shall be managed in accordance with all the provisions of this section and other laws applicable to such a wilderness.

(h) NO BUFFER ZONES.—The Congress does not intend for the designation of the Wilderness Area by this section to lead to the creation of protective perimeters or buffer zones around the Wilderness Area. The fact that nonwilderness activities or uses can be seen or heard from areas within the Wilderness Area shall not, of itself, preclude such activities or uses up to the boundary of the Wilderness Area.

(i) DEFINITIONS.—As used in this section:

(1) PUBLIC LANDS.—The term "public lands" has the same meaning as that term has in section 103(e) of the Federal Land Policy and Management Act of 1976.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) WILDERNESS AREA.—The term "Wilderness Area" means the Otay Mountain Wilderness designated by subsection (b).

SEC. 1005. ACQUISITION AND MANAGEMENT OF WILCOX RANCH, UTAH, FOR WILDLIFE HABITAT.

(a) FINDINGS.—Congress finds the following:

(1) The lands within the Wilcox Ranch in eastern Utah are prime habitat for wild turkeys, eagles, hawks, bears, cougars, elk, deer, bighorn sheep, and many other important species, and Range Creek within the Wilcox Ranch could become a blue ribbon trout stream.

(2) These lands also contain a great deal of undisturbed cultural and archeological resources, including ancient pottery, arrowheads, and rock homes constructed centuries ago.

(3) These lands, while comprising only approximately 3,800 acres, control access to over 75,000 acres of Federal lands under the jurisdiction of the Bureau of Land Management.

(4) Acquisition of the Wilcox Ranch would benefit the people of the United States by preserving and enhancing important wildlife habitat, ensuring access to lands of the Bureau of Land Management, and protecting priceless archeological and cultural resources.

(5) These lands, if acquired by the United States, can be managed by the Utah Division of Wildlife Resources at no additional expense to the Federal Government.

(b) ACQUISITION OF LANDS.—As soon as practicable, after the date of the enactment of this Act, the Secretary of the Interior shall acquire, through purchase, the Wilcox Ranch located in Emery County, in eastern Utah.

(c) FUNDS FOR PURCHASE.—The Secretary of the Interior is authorized to use not more than $5,000,000 from the land and water conservation fund established under section 2 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–5) for the purchase of the Wilcox Ranch under subsection (b).

(d) MANAGEMENT OF LANDS.—Upon payment by the State of Utah of one-half of the purchase price of the Wilcox Ranch to the United States, or transfer by the State of Utah of lands of the same such value to the United States, the Secretary of the Interior shall transfer to the State of Utah all right, title, and interest of the United States in and to those Wilcox Ranch lands acquired under subsection (b) for management by the State Division of Wildlife Resources for wildlife habitat and public access.

SEC. 1006. ACQUISITION OF MINERAL AND GEOTHERMAL INTERESTS WITHIN MOUNT ST. HELENS NATIONAL VOLCANIC MONUMENT.

(a) FINDINGS.—Congress finds the following:

(1) The Act entitled "An Act to designate the Mount St. Helens National Volcanic Monument in the State of Washington, and for other purposes", approved August 26, 1982 (96 Stat. 301; 16 U.S.C. 431 note), required the United States to acquire all land and interests in land in the Mount St. Helens National Volcanic Monument.

(2) The Act directed the Secretary of Agriculture to acquire the surface interests and the mineral and geothermal interests by separate exchanges and expressed the sense of Congress that the exchanges be completed by November 24, 1982, and August 26, 1983, respectively.

(3) The surface interests exchange was consummated timely, but the exchange of all mineral and geothermal interests has not yet been completed a decade and a half after the enactment of that Act.

(b) PURPOSE.—The purpose of this section is to facilitate and otherwise provide for the expeditious completion of the previously mandated Federal acquisition of private mineral and geothermal interests within the Mount St. Helens National Volcanic Monument.

(c) ACQUISITION.—Section 3 of the Act entitled "An Act to designate the Mount St. Helens National Volcanic Monument in the State of Washington, and for other purposes", approved August 26, 1982 (Public Law 97–243; 96 Stat. 302; 16 U.S.C. 431 note), is amended by adding at the end the following new subsections:

"(g) EXCHANGES FOR MINERAL AND GEOTHERMAL INTERESTS HELD BY CERTAIN COMPANIES.—

"(1) DEFINITION OF COMPANY.—In this subsection, the term 'company' means a company referred to in subsection (c) or its assigns or successors.

"(2) EXCHANGE REQUIRED.—Within 60 days after the date of enactment of this subsection, the Secretary of the Interior shall acquire by exchange the mineral and geothermal interests in the Monument of each company.

"(3) MONETARY CREDITS.—

"(A) ISSUANCE.—In exchange for all mineral and geothermal interests acquired by the Secretary of the Interior from each company under paragraph (2), the Secretary of the Interior shall issue to each such company monetary credits with a value of $2,100,000 that may be used for the payment of—

"(i) not more than 50 percent of the bonus or other payments made by successful bidders in any sales of mineral, oil, gas, or geothermal leases under the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), or the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) in the contiguous 48 States;

"(ii) not more than 10 percent of the bonus or other payments made by successful bidders in any sales of mineral, oil, gas, or geothermal leases in Alaska under the laws specified in clause (i);

"(iii) not more than 50 percent of any royalty, rental, or advance royalty payment made to the United States to maintain any mineral, oil or gas, or geothermal lease in the contiguous 48 States issued under the laws specified in clause (i); or

"(iv) not more than 10 percent of any royalty, rental, or advance royalty payment made to the United States to maintain any mineral, oil or gas, or geothermal lease in Alaska issued under the laws specified in clause (i).

"(B) VALUE OF CREDITS.—The total credits of $4,200,000 in value issued under subparagraph (A) are deemed to equal the fair market value of all mineral and geothermal interests to be conveyed by exchange under paragraph (2).

"(4) ACCEPTANCE OF CREDITS.—The Secretary of the Interior shall accept credits issued under paragraph (3)(A) in the same manner as cash for the payments described in such paragraph. The use of the credits shall be subject to the laws (including regulations) governing such payments, to the extent the laws are consistent with this subsection.

"(5) TREATMENT OF CREDITS FOR DISTRIBUTION TO STATES.—All amounts in the form of credits accepted by the Secretary of the Interior under paragraph (4) for the payments described in paragraph (3)(A) shall be considered to be money received for the purpose of section 35 of the Mineral Leasing Act (30 U.S.C. 191) and section 20 of the Geothermal Steam Act of 1970 (30 U.S.C. 1019).

"(6) EXCHANGE ACCOUNT.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of law, not later than 30 days after the completion of the exchange with a company required by paragraph (2), the Secretary of the Interior shall establish an exchange account for that company for

the monetary credits issued to that company under paragraph (3). The account for a company shall be established with the Minerals Management Service of the Department of the Interior and have an initial balance of credits equal to $2,100,000.

"(B) USE OF CREDITS.—The credits in a company's account shall be available to the company for the purposes specified in paragraph (3)(A). The Secretary of the Interior shall adjust the balance of credits in the account to reflect credits accepted by the Secretary of the Interior pursuant to paragraph (4).

"(C) TRANSFER OR SALE OF CREDITS.—

"(i) TRANSFER OR SALE AUTHORIZED.—A company may transfer or sell any credits in the company's account to another person.

"(ii) USE OF TRANSFERRED CREDITS.—Credits transferred or sold under clause (i) may be used in accordance with this subsection only by a person that is qualified to bid on, or that holds, a mineral, oil, or gas lease under the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), or the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.).

"(iii) NOTIFICATION.—Within 30 days after the transfer or sale of any credits by a company, that company shall notify the Secretary of the Interior of the transfer or sale. The transfer or sale of any credit shall not be considered valid until the Secretary of the Interior has received the notification required under this clause.

"(D) TIME LIMIT ON USE OF CREDITS.—On the date that is 5 years after the date on which an account is created under subparagraph (A) for a company, the Secretary of the Interior shall terminate that company's account. Any credits that originated in the terminated account and have not been used as of the termination date, including any credits transferred or sold under subparagraph (C), shall become unusable.

"(7) TITLE TO INTERESTS.—On the date of the establishment of an exchange account for a company under paragraph (6)(A), title to any mineral and geothermal interests that are held by the company and are to be acquired by the Secretary of the Interior under paragraph (2) shall transfer to the United States.

"(h) OTHER MINERAL AND GEOTHERMAL INTERESTS.—Within 180 days after the date of the enactment of this subsection, the Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report—

"(1) identifying all remaining privately held mineral interests within the boundaries of the Monument referred to in section 1(a); and

"(2) setting forth a plan and a timetable by which the Secretary would propose to complete the acquisition of such interests.".

SEC. 1007. OPERATION AND MAINTENANCE OF CERTAIN WATER IMPOUNDMENT STRUCTURES IN THE EMIGRANT WILDERNESS, STANISLAUS NATIONAL FOREST, CALIFORNIA.

(a) AGREEMENT TO OPERATE AND MAINTAIN CERTAIN WATER IMPOUNDMENT STRUCTURES.—The Secretary of Agriculture shall enter into a cooperative agreement with a qualified non-Federal entity under which the entity shall assume the responsibility to operate and maintain all the following water impoundment structures within the boundaries of the Emigrant Wilderness in the Stanislaus National Forest, California:

(1) Horse Meadow enhancement structure.

(2) Red Can Lake level structure.

(3) Yellowhammer Lake level structure.

(4) Huckleberry Lake level structure.

(5) Long streamflow maintenance structure.

(6) Lower Buck streamflow maintenance structure.

(7) Leighton streamflow maintenance structure.

(8) High Emigrant streamflow maintenance structure.

(9) Emigrant Meadow streamflow maintenance structure.

(10) Middle Emigrant streamflow maintenance structure.

(11) Emigrant streamflow maintenance structure.

(12) Snow streamflow maintenance structure.

(13) Bigelow streamflow maintenance structure.

(b) RESPONSIBILITIES OF THE SECRETARY.—The Secretary shall—

(1) prepare a map identifying the location, size, and type of each water impoundment structure listed in subsection (a);

(2) share equally with the non-Federal entity the administrative cost of complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and all other applicable laws, except that the cost share of the non-Federal entity shall not exceed $5,000;

(3) prescribe terms and conditions of the cooperative agreement that sets forth the rights and obligations of the Secretary and the non-Federal entity, including, at a minimum, provisions that—

(A) require the non-Federal entity to conduct its operation and maintenance activities in accordance with a plan of operations approved by the Secretary;

(B) require approval by the Secretary of all operation and maintenance activities conducted by the non-Federal entity;

(C) require the Secretary to solicit public involvement during any environmental analysis under NEPA in accordance with the Forest Service NEPA procedures;

(D) require the non-Federal entity to comply with all applicable State and Federal environmental, public health, and safety requirements;

(E) establish monitoring standards; and

(F) establish enforcement standards, including provisions for termination for noncompliance with terms and conditions; and

(4) ensure that the non-Federal entity is in compliance with the terms and conditions of this section and the cooperative agreement.

(c) RESPONSIBILITIES OF THE NON-FEDERAL ENTITY.—

(1) IN GENERAL.—The non-Federal entity shall be responsible for carrying out its operation and maintenance activities on the structures listed in subsection (a) in conformance with this section and the cooperative agreement.

(2) OPERATION AND MAINTENANCE COSTS.—The non-Federal entity shall be responsible for the costs associated with the maintenance and operation of the structures listed in subsection (a).

(3) SAFETY REQUIREMENTS.—Maintenance referred to in paragraphs (1) and (2) includes any reconstruction or rehabilitation necessary to meet applicable State and Federal public health and safety requirements.

(d) FAILURE TO CONSUMMATE AN AGREEMENT.—The Secretary shall not be obligated to maintain any of the structures listed in subsection (a) if—

(1) within 365 days after the date of the enactment of this Act, the Secretary is unable to identify any qualified non-Federal entity that is willing to enter into a cooperative agreement regarding the operation and maintenance of the water impoundment structures listed in subsection (a), or

(2) within 365 days after the date of the termination of a cooperative agreement entered into under subsection (a), the Secretary is unable to identify any non-Federal entity qualified and willing to enter into a subsequent cooperative agreement regarding the operation and maintenance of the water impoundment structures listed in subsection (a).

(e) PROHIBITION OF MECHANIZED TRANSPORT AND MOTORIZED EQUIPMENT.—The use of mechanized transport and motorized equipment to operate and maintain the structures listed in section 1(a) is prohibited.

(f) DEFINITIONS.—In this section:

(1) NON-FEDERAL ENTITY.—The term "non-Federal entity" means a nonprofit organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)), any State or local government or political subdivision of such a government, or any private individual, organization, corporation, or other legal entity.

(2) NEPA.—The term "NEPA" means the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

SEC. 1008. EAST TEXAS BLOWDOWN-NEPA PARITY.

(a) IN GENERAL.—The Secretary of Agriculture or the Secretary of the Interior, as appropriate, shall request the Council on Environmental Quality to approve alternative arrangements under part 1506.11 of title 40, Code of Federal Regulations, authorizing removal of dead, downed, or severely rootsprung trees in areas described in subsection (b), that are similar to the alternative arrangements approved by the Council on Environmental Quality for National Forests and Grasslands in Texas, as set forth in a letter from the Chairman of the Council on Environmental Quality to the Deputy Chief of the National Forest System dated March 10, 1998.

(b) AREAS DESCRIBED.—The areas referred to in subsection (a) are the following:

(1) Approximately 20,000 acres of blowdown forest in the Routt National Forest, Colorado.

(2) Approximately 700 acres of blowdown forest in the Rio Grande National Forest, Colorado.

(3) Approximately 50,000 acres of bark beetle infested forest in the Dixie National Forest, Utah.

(4) Approximately 25,000 acres of insect and fuel-loading conditions on National Forest System lands in the Tahoe Basin, California.

(5) Approximately 28,000 acres of fire-damaged, dead, and dying trees in the Malheur National Forest, Oregon.

(6) Approximately 10,000 acres of gypsy moth infestation in the Allegheny National Forest, Pennsylvania.

(7) Approximately 5,000 acres of severely ice damaged forests in the White Mountain National Forest, New Hampshire, and the Green Mountain National Forest, Vermont.

(8) Approximately 10,000 acres of severe Mountain pine beetle damaged forests in the Panhandle National Forest, Nezperce National Forest, and Boise National Forest, Idaho.

(9) Approximately 10,000 acres of severely ice damaged forests in the Daniel Boone National Forest, Kentucky.

(10) Approximately 15,000 acres of fire-damaged, dead, and dying trees in the Osceola National Forest and Apalachica National Forest, Florida.

(c) CONSIDERATION OF REQUESTS.—Upon receipt of a request under subsection (a), the

Council on Environmental Quality shall promptly consider and approve or disapprove the request.

(d) REGULATIONS.—The Chairman of the Council on Environmental Quality shall, by not later than 180 days after the date of the enactment of this Act, issue regulations—

(1) governing the approval of alternative arrangements under part 1506.11 of title 40, Code of Federal Regulations, pursuant to requests under subsection (a); and

(2) establishing criteria under which those requests will be considered and approved or disapproved.

SEC. 1009. EXEMPTION FOR CERTAIN RIGHT-OF-WAY HOLDERS FROM STRICT LIABILITY FOR RECOVERY OF FIRE SUPPRESSION COSTS.

Section 504(h) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1764(h)) is amended by adding at the end the following:

"(3) FIRE SUPPRESSION COSTS.—In the regulations required under this subsection, the Secretary concerned may not impose liability without fault against any holder of a right-of-way granted, issued, or renewed under section 501(a)(4) to recover fire suppression costs incurred by the United States with respect to right-of-way.".

SEC. 1010. STUDY OF IMPROVED OUTDOOR RECREATIONAL ACCESS FOR PERSONS WITH DISABILITIES.

(a) STUDY REQUIRED.—The Secretary of Agriculture and the Secretary of the Interior shall jointly provide for the conduct of a study to consider ways to improve the access of persons with disabilities to outdoor recreational opportunities (such as fishing, hunting, shooting, trapping, wildlife viewing, hiking, boating, and camping) that are made available to the public on the Federal lands described in subsection (b).

(b) COVERED FEDERAL LANDS.—The Federal lands referred to in subsection (a) are the following:

(1) National Forest System lands.

(2) Units of the National Park System.

(3) Areas in the National Wildlife Refuge System.

(4) Lands administered by the Bureau of Land Management.

(c) PERFORMANCE BY INDEPENDENT ENTITY.—To conduct the study under this section, the Secretaries shall select an independent entity in the private sector that has demonstrated expertise in issues regarding improved access for persons with disabilities. The Secretaries shall consult with the National Council on Disability regarding the selection of the independent entity.

(d) REPORT ON STUDY.—Not later than 18 months after the date of the enactment of this Act, the entity conducting the study shall submit to the Secretaries and the Congress a report that sets forth the results of the study.

SEC. 1011. COMMUNICATION SITE.

(a) IN GENERAL.—The site located directly below Inspiration Point within the San Jacinto Ranger District of the San Bernardino National Forest, California, on which communications facilities are located on August 1, 1998, is hereby designated to be used for communication purposes by the persons who operate such communications facilities on such date and their successors or assigns until such time as such persons, successors, or assigns no longer require the use of such site and provide written notice to that effect to the Forest Service.

(b) LIMITATION.—Nothing in this subsection (a) shall be construed to—

(1) excuse such persons, successors, or assigns from complying with requirements of law or regulation that do not unreasonably or unduly restrict the continued use of such site;

(2) require the site to be made available to other persons for communications use or other purposes; and

(3) require dedication of the site for continued use for communications purposes after the notice referred to in subsection (a).

SEC. 1012. AMENDMENT OF THE OUTER CONTINENTAL SHELF LANDS ACT.

Section 8(k)(2)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)(2)(B)) is amended by striking "an agency of the Federal Government" and inserting "a Federal, State, or local government agency".

SEC. 1013. LEASING OF CERTAIN RESERVED MINERAL INTERESTS.

(a) APPLICATION OF MINERAL LEASING ACT.—Notwithstanding the provisions of section 4 of the 1964 Public Land Sale Act (P.L. 88-608, 78 Stat. 988), the Federal reserved mineral interests in lands conveyed under that Act by United States land patents No. 49-71-0059 and No. 49-71-0065 shall be subject to the operation of the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(b) ENTRY.—Any person who acquires any lease under the Mineral Leasing Act for the interests referred to in subsection (a) may exercise the right to enter reserved to the United States and persons authorized by the United States in the patents conveying the lands described in subsection (a) by occupying so much of the surface thereof as may be required for all purposes reasonably incident to the exploration for, and extraction and removal of, the leased minerals by either of the following means:

(1) By securing the written consent or waiver of the patentee.

(2) In the absence of such consent or waiver, by posting a bond or other financial guarantee with the Secretary of the Interior in an amount sufficient to insure—

(A) the completion of reclamation pursuant to the Secretary's requirements under the Mineral Leasing Act, and

(B) the payment to the surface owner for—

(i) any damages to crops and tangible improvements of the surface owner that result from activities under the mineral lease, and

(ii) any permanent loss of income to the surface owner due to loss or impairment of grazing use, or of other uses of the land by the surface owner at the time of commencement of activities under the mineral lease.

(c) LANDS COVERED BY PATENT NO. 49-71-0065.—In the case of the lands in United States patent No. 49-71-0065, the preceding provisions of this section take effect January 1, 1997.

SEC. 1014. OIL AND GAS WELLS IN WAYNE NATIONAL FOREST, OHIO.

(a) AUTHORITY.—The Secretary of the Interior may enter into noncompetitive oil and gas production and reclamation contracts in accordance with this section with operators of wells in the Wayne National Forest in the State of Ohio who meet the criteria of section 17(b)(3)(A) of the Act of February 25, 1920 (30 U.S.C. 226(b)(3)(A)) pursuant to private land mineral leases which were in effect on and after the date of the enactment of this section, subject to the same laws and regulations that applied to those private land mineral leases.

(b) ADDITIONAL DRILLING.—No contract under this section may authorize deeper completions or additional drilling.

(c) BONDING.—

(1) WAIVER OF FEDERAL BONDING.—Each contract under this section shall require the contractor to provide a Federal oil and gas bond to ensure complete and timely reclamation of the former lease tract in accordance with the regulations of the Bureau of Land Management and the Forest Service, unless the Secretary of the Interior accepts in lieu thereof assurances from the Ohio Department of Natural Resources, Division of Oil and Gas, that—

(A) the contractor has duly satisfied the bonding requirements of the State of Ohio; and following inspection of operator performance, the Ohio Department of Natural Resources is not opposed to such waiver of Federal bonding requirements;

(B) the United States of America is entitled to apply for and receive funding under the provision of section 1509.071 of the Ohio Revised Code so as to properly plug and restore oil and gas sites and lease tracts; and

(C) during the 2 years prior to the date on which the contract is entered into no less than 20 percent of Ohio State severance tax revenues has been allocated to the State of Ohio Orphan Well Fund.

(2) CONTINUED COMPLIANCE WITH 20 PERCENT REQUIREMENT.—In entering into any contract under this section, the Secretary of the Interior shall reserve the right to require the contractor to comply with all Federal oil and gas bonding requirements applicable to Federal oil and gas leases under the regulations of the Bureau of Land Management and the Forest Service whenever the Secretary finds that less than 20 percent of Ohio State severance tax revenues has been allocated to the State of Ohio Orphan Well Fund.

SEC. 1015. MEMORIAL TO MR. BENJAMIN BANNEKER IN THE DISTRICT OF COLUMBIA.

(a) MEMORIAL AUTHORIZED.—The Washington Interdependence Council of the District of Columbia is authorized to establish a memorial in the District of Columbia to honor and commemorate the accomplishments of Mr. Benjamin Banneker.

(b) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The establishment of the memorial shall be in accordance with the Commemorative Works Act (40 U.S.C. 1001 et seq.).

(c) PAYMENT OF EXPENSES.—The Washington Interdependence Council shall be solely responsible for acceptance of contributions for, and payment of the expenses of, the establishment of the memorial. No Federal funds may be used to pay any expense of the establishment of the memorial.

(d) DEPOSIT OF EXCESS FUNDS.—If, upon payment of all expenses of the establishment of the memorial (including the maintenance and preservation amount required under section 8(b) of the Commemorative Works Act (40 U.S.C. 1008(b))), or upon expiration of the authority for the memorial under section 10(b) of such Act (40 U.S.C. 1010(b)), there remains a balance of funds received for the establishment of the memorial, the Washington Interdependence Council shall transmit the amount of the balance to the Secretary of the Treasury for deposit in the account provided for in section 8(b)(1) of such Act (40 U.S.C. 1008(b)(1)).

SEC. 1016. PROTECTION OF SANCTITY OF CONTRACTS AND LEASES OF SURFACE PATENT HOLDERS WITH RESPECT TO COALBED METHANE GAS.

(a) IN GENERAL.—Subject to subsection (b), the United States shall recognize as not infringing upon any ownership rights of the United States to coalbed methane any—

(1) contract or lease covering any land that was conveyed by the United States under the Act entitled "An Act for the protection of surface rights of entrymen", approved March 3, 1909 (30 U.S.C. 81), or the Act entitled "An

Act to provide for agricultural entries on coal lands", approved June 22, 1910 (30 U.S.C. 83 et seq.), that—

(A) was entered into by a person who has title to the land derived under those Acts, and

(B) conveys rights to explore for, extract, and sell coalbed methane from the land; or

(2) coalbed methane production from the land described in paragraph (1) by a person who has title to the land and who, on or before the date of enactment of this Act, has filed an application with the State oil and gas regulating agency for a permit to drill an oil and gas well to a completion target located in a coal formation.

(b) APPLICATION.—Subsection (a)—

(1) shall apply only to a valid contract or lease described in subsection (a) that is in effect on the date of enactment of this Act;

(2) shall not otherwise change the terms or conditions of, or affect the rights or obligations of any person under, such a contract or lease;

(3) shall apply only to land with respect to which the United States is the owner of coal reserved to the United States in a patent issued under the Act of March 3, 1909 (30 U.S.C. 81), or the Act of June 22, 1910 (30 U.S.C. 83 et seq.), the position of the United States as the owner of the coal not having passed to a third party by deed, patent, or other conveyance by the United States;

(4) shall not apply to any interest in coal or land conveyed, restored, or transferred by the United States to a federally recognized Indian tribe, including any conveyance, restoration, or transfer made pursuant to the Indian Reorganization Act, June 18, 1934 (c. 576, 48 Stat. 984, as amended); the Act of June 28, 1938 (c. 776, 52 Stat. 1209 as implemented by the order of September 14, 1938, 3 Fed. Reg. 1425); and including the area described in section 3 of Public Law 98-290; or any executive order;

(5) shall not be construed to constitute a waiver of any rights of the United States with respect to coalbed methane production that is not subject to subsection (a); and

(6) shall not limit the right of any person who entered into a contract or lease before the date of enactment of this Act, or enters into a contract or lease on or after the date of enactment of this Act, for coal owned by the United States, to mine and remove the coal and to release coalbed methane without liability to any person referred to in subsection (a)(1)(A) or (a)(2).

TITLE XI—AMENDMENTS AND TECHNICAL CORRECTIONS TO 1996 OMNIBUS PARKS ACT

SEC. 1100. REFERENCE TO OMNIBUS PARKS AND PUBLIC LANDS MANAGEMENT ACT OF 1996.

In this title, the term "Omnibus Parks Act" means the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333; 110 Stat. 4093).

Subtitle A—Technical Corrections to the Omnibus Parks Act

SEC. 1101. PRESIDIO OF SAN FRANCISCO.

Title I of division I of the Omnibus Parks Act (16 U.S.C. 460bb note) is amended as follows:

(1) In section 101(2) (110 Stat. 4097), by striking "the Presidio is" and inserting "the Presidio was".

(2) In section 103(b)(1) (110 Stat. 4099), by striking "other lands administrated by the Secretary," in the last sentence and inserting "other lands administered by the Secretary.".

(3) In section 105(a)(2) (110 Stat. 4104), by striking "in accordance with section 104(h) of this title." and inserting "in accordance with section 104(i) of this title.".

SEC. 1102. COLONIAL NATIONAL HISTORICAL PARK.

Section 211(d) of division I of the Omnibus Parks Act (110 Stat. 4110; 16 U.S.C. 81p) is amended by striking "depicted on the map dated August 1993, numbered 333/80031A," and inserting "depicted on the map dated August 1996, numbered 333/80031B,".

SEC. 1103. MERCED IRRIGATION DISTRICT.

Section 218(a) of division I of the Omnibus Parks Act (110 Stat. 4113) is amended by striking "this Act" and inserting "this section".

SEC. 1104. BIG THICKET NATIONAL PRESERVE.

Section 306(d) of division I of the Omnibus Parks Act (110 Stat. 4132; 16 U.S.C. 698 note) is amended by striking "until the earlier of the consummation of the exchange of July 1, 1998," and inserting "until the earlier of the consummation of the exchange or July 1, 1998,".

SEC. 1105. KENAI NATIVES ASSOCIATION LAND EXCHANGE.

Section 311 of division I of the Omnibus Parks Act (110 Stat. 4139) is amended as follows:

(1) In subsection (d)(2)(B)(ii), by striking "W, Seward Meridian" and inserting "W., Seward Meridian".

(2) In subsection (f)(1), by striking "to be know" and inserting "to be known".

SEC. 1106. LAMPREY WILD AND SCENIC RIVER.

(a) TECHNICAL CORRECTION.—Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C 1274(a)), as amended by section 405(a) of division I of the Omnibus Parks Act (110 Stat. 4149), is amended in the second sentence of the unnumbered paragraph relating to the Lamprey River, New Hampshire, by striking "through cooperation agreements" and inserting "through cooperative agreements".

(b) CROSS REFERENCE.—Section 405(b)(1) of division I of the Omnibus Parks Act (110 Stat. 4149; 16 U.S.C. 1274 note) is amended by striking "this Act" and inserting "the Wild and Scenic Rivers Act".

SEC. 1107. VANCOUVER NATIONAL HISTORIC RESERVE.

Section 502(a) of division I of the Omnibus Parks Act (110 Stat. 4154; 16 U.S.C. 461 note) is amended by striking "by the Vancouver Historical Assessment' published".

SEC. 1108. MEMORIAL TO MARTIN LUTHER KING, JR.

Section 508 of division I of the Omnibus Parks Act (110 Stat. 4157, 40 U.S.C. 1003 note) is amended as follows:

(1) In subsection (a), by striking "of 1986" and inserting "(40 U.S.C. 1001 et seq.)";.

(2) In subsection (b), by striking "the Act" and all that follows through "1986" and inserting "the Commemorative Works Act".

(3) In subsection (d), by striking "the Act referred to in section 4401(b))" and inserting "the Commemorative Works Act)".

SEC. 1109. ADVISORY COUNCIL ON HISTORIC PRESERVATION.

The first sentence of section 205(g) of the National Historic Preservation Act (16 U.S.C. 470m(g)), as amended by section 509(c) of division I of the Omnibus Parks Act (110 Stat. 4157), is amended by striking "for the purpose." and inserting "for that purpose.".

SEC. 1110. GREAT FALLS HISTORIC DISTRICT, NEW JERSEY.

Section 510(a)(1) of division I of the Omnibus Parks Act (110 Stat. 4158; 16 U.S.C. 461 note) is amended by striking "the contribution of our national heritage" and inserting "the contribution to our national heritage".

SEC. 1111. NEW BEDFORD WHALING NATIONAL HISTORICAL PARK.

(a) Section 511 of division I of the Omnibus Parks Act (110 Stat. 4159; 16 U.S.C. 410ddd) is amended as follows:

(1) In the section heading, by striking "**national historic landmark district**" and inserting "**whaling national historical park**".

(2) In subsection (c)—

(A) in paragraph (1), by striking "certain districts structures, and relics" and inserting "certain districts, structures, and relics"; and

(B) in paragraph (2)(A)(i), by striking "The area included with the New Bedford National Historic Landmark District, known as the" and inserting "The area included within the New Bedford Historic District (a National Landmark District), also known as the".

(3) In subsection (d)(2), by striking "to provide".

(4) By redesignating the second subsection (e) and subsection (f) as subsections (f) and (g), respectively.

(5) In subsection (g), as so redesignated—

(A) in paragraph (1), by striking "section 3(D)." and inserting "subsection (d).'"; and

(B) in paragraph (2)(C), by striking "cooperative grants under subsection (d)(2)." and inserting "cooperative agreements under subsection (e)(2).".

SEC. 1112. NICODEMUS NATIONAL HISTORIC SITE.

Section 512(a)(1)(B) of division I of the Omnibus Parks Act (110 Stat. 4163; 16 U.S.C. 461 note) is amended by striking "Afican-Americans" and inserting "African-Americans".

SEC. 1113. UNALASKA.

Section 513(c) of division I of the Omnibus Parks Act (110 Stat. 4165; 16 U.S.C. 461 note) is amended by striking "whall be comprised" and inserting "shall be comprised".

SEC. 1114. REVOLUTIONARY WAR AND WAR OF 1812 HISTORIC PRESERVATION STUDY.

Section 603(d)(2) of division I of the Omnibus Parks Act (110 Stat. 4172; 16 U.S.C. 1a-5 note) is amended by striking "subsection (b) shall—" and inserting "paragraph (1) shall—".

SEC. 1115. SHENANDOAH VALLEY BATTLEFIELDS.

Section 606 of division I of the Omnibus Parks Act (110 Stat. 4175; 16 U.S.C. 461 note) is amended as follows:

(1) In subsection (d)—

(A) in paragraph (1), by striking "section 5." and inserting "subsection (e).";

(B) in paragraph (2), by striking "section 9." and inserting "subsection (h).'"; and

(C) in paragraph (3), by striking "Commission plan approved by the Secretary under section 6." and inserting "plan developed and approved under subsection (f).".

(2) In subsection (f)(1), by striking "this Act" and inserting "this section".

(3) In subsection (g)—

(A) in paragraph (3), by striking "purposes of this Act" and inserting "purposes of this section"; and

(B) in paragraph (5), by striking "section 9." and inserting "subsection (i).".

(4) In subsection (h)(12), by striking "this Act" and inserting "this section".

SEC. 1116. WASHITA BATTLEFIELD.

Section 607 of division I of the Omnibus Parks Act (110 Stat. 4181; 16 U.S.C. 461 note) is amended—

(1) in subsection (c)(3), by striking "this Act" and inserting "this section"; and

(2) in subsection (d)(2), by striking "local land owners" and inserting "local landowners".

SEC. 1117. SKI AREA PERMIT RENTAL CHARGE.

Section 701 of division I of the Omnibus Parks Act (110 Stat 4182; 16 U.S.C. 497c) is amended as follows:

(1) In subsection (b)(2), by striking "1992" and inserting "1993".

(2) In subsection (b)(3), by striking "legislated by this Act" and inserting "required by this section".

(3) In subsection (d)—

(A) in the matter preceding paragraph (1), by striking "formula of this Act" and inserting "formula of this section"; and

(B) in paragraphs (1), (2), and (3) and in the sentence below paragraph (3)—

(i) by inserting "adjusted gross revenue for the" before "1994–1995 base year" each place it appears ; and

(ii) by striking "this Act" each place it appears and inserting "this section".

(4) In subsection (f), by inserting inside the parenthesis "offered for commercial or other promotional purposes" after "complimentary lift tickets".

(5) In subsection (i), by striking "this Act" and inserting "this section".

SEC. 1118. GLACIER BAY NATIONAL PARK.

Section 3 of Public Law 91–383 (16 U.S.C. 1a–2), as amended by section 703 of division I of the Omnibus Parks Act (110 Stat. 4185), is amended as follows:

(1) In subsection (g), by striking "bearing the cost of such exhibits and demonstrations;" and inserting "bearing the cost of such exhibits and demonstrations.".

(2) By capitalizing the first letter of the first word in each of the subsections (a) through (i).

(3) By striking the semicolon at the end of each of the subsections (a) through (f) and at the end of subsection (h) and inserting a period.

(4) In subsection (i), by striking "; and" and inserting a period.

(5) By conforming the margins of subsection (j) with the margins of the preceding subsections.

SEC. 1119. ROBERT J. LAGOMARSINO VISITOR CENTER.

Section 809(b) of division I of the Omnibus Parks Act (110 Stat. 4189; 16 U.S.C. 410ff note) is amended by striking "section 301" and inserting "subsection (a)".

SEC. 1120. NATIONAL PARK SERVICE ADMINISTRATIVE REFORM.

(a) TECHNICAL CORRECTIONS.—Section 814 of division I of the Omnibus Parks Act (110 Stat. 4190) is amended as follows:

(1) In subsection (a) (16 U.S.C. 17o note)—

(A) in paragraph (6), by striking "this Act" and inserting "this section";

(B) in paragraph (7)(B), by striking "COMPTETITIVE LEASING.—" and inserting "COMPETITIVE LEASING.—";

(C) in paragraph (9), by striking "granted by statue" and inserting "granted by statute";

(D) in paragraph (11)(B)(ii), by striking "more cost effective" and inserting "more cost-effective";

(E) in paragraph (13), by striking "paragraph (13)," and inserting "paragraph (12),"; and

(F) in paragraph (18), by striking "under paragraph (7)(A)(i)(I), any lease under paragraph (11)(B), and any lease of seasonal quarters under subsection (1)," and inserting "under paragraph (7)(A) and any lease under paragraph (11)".

(2) In subsection (d)(2)(E), by striking "is amended".

(b) CHANGE TO PLURAL.—Section 7(c)(2) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–9(c)(2)), as added by section 814(b) of the Omnibus Parks Act (110 Stat. 4194), is amended as follows:

(1) In subparagraph (C), by striking "lands, water, and interest therein" and inserting "lands, waters, and interests therein".

(2) In subparagraph (F), by striking "lands, water, or interests therein, or a portion of whose lands, water, or interests therein," and inserting "lands, waters, or interests therein, or a portion of whose lands, waters, or interests therein,".

(c) ADD MISSING WORD.—Section 2(b) of Public Law 101–337 (16 U.S.C. 19jj–1(b)), as amended by section 814(h)(3) of the Omnibus Parks Act (110 Stat. 4199), is amended by inserting "or" after "park system resource".

SEC. 1121. BLACKSTONE RIVER VALLEY NATIONAL HERITAGE CORRIDOR.

Section 6(d)(2) of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99–647; 16 U.S.C. 461 note), as added by section 901(c) of division I of the Omnibus Parks Act (110 Stat. 4202), is amended by striking "may be made in the approval plan" and inserting "may be made in the approved plan".

SEC. 1122. TALLGRASS PRAIRIE NATIONAL PRESERVE.

Subtitle A of title X of division I of the Omnibus Parks Act is amended as follows:

(1) In section 1002(a)(4)(A) (110 Stat. 4204; 16 U.S.C. 689u(a)(4)(A)), by striking "to purchase" and inserting "to acquire".

(2) In section 1004(b) (110 Stat. 4205; 16 U.S.C. 689u–2(b)), by striking "of June 3, 1994," and inserting "on June 3, 1994,".

(3) In section 1005 (110 Stat. 4205; 16 U.S.C. 689u–3)—

(A) in subsection (d)(1), by striking "this Act" and inserting "this subtitle"; and

(B) in subsection (g)(3)(A), by striking "the tall grass prairie" and inserting "the tallgrass prairie".

SEC. 1123. RECREATION LAKES.

(a) TECHNICAL CORRECTIONS.—Section 1021(a) of division I of the Omnibus Parks Act (110 Stat. 4210; 16 U.S.C. 4601–10e note) is amended as follows:

(1) By striking "manmade lakes" both places it appears and inserting "man-made lakes".

(2) By striking "for recreational opportunities at federally-managed" and inserting "for recreational opportunities at federally managed".

(b) ADVISORY COMMISSION.—Section 13 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–10e), as added by section 1021(b) of the Omnibus Parks Act (110 Stat. 4210), is amended as follows:

(1) In subsection (b)(6), by striking "recreation related infrastructure." and inserting "recreation-related infrastructure.".

(2) In subsection (e)—

(A) by striking "water related recreation" in the first sentence and inserting "water-related recreation";

(B) in paragraph (2), by striking "at federally-managed lakes" and inserting "at federally managed lakes"; and

(C) by striking "manmade lakes" each place it appears and inserting "man-made lakes".

SEC. 1124. FOSSIL FOREST PROTECTION.

Section 103 of the San Juan Basin Wilderness Protection Act of 1984 (43 U.S.C. 178), as amended by section 1022(e) of the Omnibus Parks Act (110 Stat. 4213), is amended as follows:

(1) In subsections (b)(1) and (e)(1), by striking "Committee on Natural Resources" and inserting "Committee on Resources".

(2) In subsection (e)(1), by striking "this Act" and inserting "this subsection".

SEC. 1125. OPAL CREEK WILDERNESS AND SCENIC RECREATION AREA.

Section 1023(c)(1)(A) of division I of the Omnibus Parks Act (110 Stat. 4215; 16 U.S.C. 545b(c)(1)(A)) is amended by striking "of 1964".

SEC. 1126. BOSTON HARBOR ISLANDS NATIONAL RECREATION AREA.

Section 1029 of division I of the Omnibus Parks Act (110 Stat. 4232; 16 U.S.C. 460kkk) is amended as follows:

(1) In the section heading, by striking "**recreation area**" and inserting "**national recreation area**".

(2) In subsection (b)(1), by inserting quotation marks around the term "recreation area".

(3) In subsection (e)(3)(B), by striking "subsections (b) (3), (4), (5), (6), (7), (8), (9), and (10)." and inserting "subparagraphs (C), (D), (E), (F), (G), (H), (I), and (J) of paragraph (2).".

(4) In subsection (f)(2)(A)(i), by striking "profit sector roles" and inserting "private-sector roles".

(5) In subsection (g)(1), by striking "and revenue raising activities." and inserting "and revenue-raising activities.".

SEC. 1127. NATCHEZ NATIONAL HISTORICAL PARK.

Section 3(b)(1) of Public Law 100–479 (16 U.S.C. 410oo–2(b)(1)), as added by section 1030 of the Omnibus Parks Act (110 Stat. 4238), is amended by striking "and visitors' center" and inserting "and visitor center".

SEC. 1128. REGULATION OF FISHING IN CERTAIN WATERS OF ALASKA.

Section 1035 of division I of the Omnibus Parks Act (110 Stat. 2240) is amended as follows:

(1) In the section heading, by striking "**regulations**" and inserting "**regulation**".

(2) In subsection (c), by striking "this Act" and inserting "this section".

SEC. 1129. NATIONAL COAL HERITAGE AREA.

Title I of division II of the Omnibus Parks Act (16 U.S.C. 461 note) is amended as follows:

(1) In section 104(4) (110 Stat. 4244), by striking "history preservation" and inserting "historic preservation".

(2) In section 105 (110 Stat. 4244), by striking "paragraphs (2) and (5) of section 104" and inserting "paragraph (2) of section 104".

(3) In section 106(a)(3) (110 Stat. 4244), by striking "or Secretary" and inserting "or the Secretary".

SEC. 1130. TENNESSEE CIVIL WAR HERITAGE AREA.

Title II of division II of the Omnibus Parks Act (16 U.S.C. 461 note) is amended as follows:

(1) In section 201(b)(4) (110 Stat. 4245), by striking "and associated sites associated" and insert "and sites associated".

(2) In section 207(a) (110 Stat. 4248), by striking "as provide for" and inserting "as provided for".

SEC. 1131. AUGUSTA CANAL NATIONAL HERITAGE AREA.

Section 301(1) of division II of the Omnibus Parks Act (110 Stat. 4249; 16 U.S.C. 461 note) is amended by striking "National Historic Register of Historic Places," and inserting "National Register of Historic Places,".

SEC. 1132. ESSEX NATIONAL HERITAGE AREA.

Section 501(8) of division II of the Omnibus Parks Act (110 Stat. 4257; 16 U.S.C. 461 note) is amended by striking "a visitors' center" and inserting "a visitor center".

SEC. 1133. OHIO & ERIE CANAL NATIONAL HERITAGE CORRIDOR.

Title VIII of division II of the Omnibus Parks Act (16 U.S.C. 461 note) is amended as follows:

(1) In section 805(b)(2) (110 Stat. 4269), by striking "One individuals," and inserting "One individual,".

(2) In section 808(a)(3)(A) (110 Stat. 4279), by striking "from the Committee." and inserting "from the Committee,".

SEC. 1134. HUDSON RIVER VALLEY NATIONAL HERITAGE AREA.

Section 908(a)(1)(B) of division II of the Omnibus Parks Act (110 Stat. 4279; 16 U.S.C. 461 note) is amended by striking "on nonfederally owned property" and inserting "for non-federally owned property".

Subtitle B—Other Amendments to Omnibus Parks Act

SEC. 1151. BLACK REVOLUTIONARY WAR PATRIOTS MEMORIAL EXTENSION.

Section 506 of division I of the Omnibus Parks Act (40 U.S.C. 1003 note; 110 Stat. 4155) is amended by striking "October 27, 1998" and inserting "October 27, 2003".

SEC. 1152. LAND ACQUISITION, BOSTON HARBOR ISLANDS RECREATION AREA.

Section 1029(c) of division I of the Omnibus Parks Act (110 Stat. 4233; 16 U.S.C. 460kkk(c)) is amended by adding at the end the following new paragraph:

"(3) LAND ACQUISITION.—Notwithstanding subsection (h), the Secretary is authorized to acquire, in partnership with other entities, a less than fee interest in lands at Thompson Island within the recreation area. The Secretary may acquire the lands only by donation, purchase with donated or appropriated funds, or by exchange.".

TITLE XII—DUTCH JOHN FEDERAL PROPERTY DISPOSITION AND ASSISTANCE

SEC. 1201. SHORT TITLE.

This title may be cited as the "Dutch John Federal Property Disposition and Assistance Act of 1998".

SEC. 1202. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1)(A) Dutch John, Utah, was founded by the Secretary of the Interior in 1958 on Bureau of Reclamation land as a community to house personnel, administrative offices, and equipment for project construction and operation of the Flaming Gorge Dam and Reservoir as authorized by the Act of April 11, 1956 (70 Stat. 105, chapter 203; 43 U.S.C. 620 et seq.); and

(B) permanent structures (including houses, administrative offices, equipment storage and maintenance buildings, and other public buildings and facilities) were constructed and continue to be owned and maintained by the Secretary of the Interior;

(2)(A) Bureau of Reclamation land surrounding the Flaming Gorge Reservoir (including the Dutch John community) was included within the boundaries of the Flaming Gorge National Recreation Area in 1968 under Public Law 90-540 (16 U.S.C. 460v et seq.);

(B) Public Law 90-540 assigned responsibility for administration, protection, and development of the Flaming Gorge National Recreation Area to the Secretary of Agriculture and provided that lands and waters needed or used for the Colorado River Storage Project would continue to be administered by the Secretary of the Interior; and

(C) most structures within the Dutch John community (including the schools and public buildings within the community) occupy lands administered by the Secretary of Agriculture;

(3)(A) the Secretary of Agriculture and the Secretary of the Interior are unnecessarily burdened with the cost of continuing to provide basic services and facilities and building maintenance and with the administrative costs of operating the Dutch John community; and

(B) certain structures and lands are no longer essential to management of the Colorado River Storage Project or to management of the Flaming Gorge National Recreation Area;

(4)(A) residents of the community are interested in purchasing the homes they currently rent from the Secretary of the Interior and the land on which the homes are located;

(B) Daggett County, Utah, is interested in reducing the financial burden the County experiences in providing local government support services to a community that produces little direct tax revenue because of Federal ownership; and

(C) a withdrawal of the role of the Federal Government in providing basic direct community services to Dutch John would require local government to provide the services at a substantial cost;

(5)(A) residents of the Dutch John community are interested in self-government of the community; and

(B) with growing demands for additional commercial recreation services for visitors to the Flaming Gorge National Recreation Area and Ashley National Forest, there are opportunities for private economic development, but few private lands are available for the services; and

(6) the privatization and disposal to local government of certain lands in and surrounding Dutch John would be in the public interest.

(b) PURPOSES.—The purposes of this title are—

(1) to privatize certain lands in and surrounding Dutch John, Utah;

(2) to transfer jurisdiction of certain Federal property between the Secretary of Agriculture and the Secretary of the Interior;

(3) to improve the Flaming Gorge National Recreation Area;

(4) to dispose of certain residential units, public buildings, and facilities;

(5) to provide interim financial assistance to local government to defray the cost of providing basic governmental services;

(6) to achieve efficiencies in operation of the Flaming Gorge Dam and Reservoir and the Flaming Gorge National Recreation Area;

(7) to reduce long-term Federal outlays; and

(8) to serve the interests of the residents of Dutch John and Daggett County, Utah, and the general public.

SEC. 1203. DEFINITIONS.

In this title:

(1) SECRETARY OF AGRICULTURE.—The term "Secretary of Agriculture" means the Secretary of Agriculture, acting through the Chief of the Forest Service.

(2) SECRETARY OF THE INTERIOR.—The term "Secretary of the Interior" means the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation.

SEC. 1204. DISPOSITION OF CERTAIN LANDS AND PROPERTIES.

(a) IN GENERAL.—Lands, structures, and community infrastructure facilities within or associated with Dutch John, Utah, that have been identified by the Secretary of Agriculture or the Secretary of the Interior as unnecessary for support of the agency of the respective Secretary shall be transferred or disposed of in accordance with this title.

(b) LAND DESCRIPTION.—Except as provided in subsection (e), the Secretary of Agriculture and the Secretary of the Interior shall dispose of (in accordance with this title) approximately 2,450 acres within or associated with the Dutch John, Utah, community in the NW¼ NW¼, S½ NW¼, and S½ of Section 1, the S½ of Section 2, 10 acres more or less within the NE¼ SW¼ of Section 3, Sections 11 and 12, the N½ of Section 13, and the E½ NE¼ of Section 14 of Township 2 North, Range 22 East, Salt Lake Base and Meridian, that have been determined to be available for transfer by the Secretary of Agriculture and the Secretary of the Interior, respectively.

(c) INFRASTRUCTURE FACILITIES AND LAND.—Except as provided in subsection (e), the Secretary of the Interior shall dispose of (in accordance with this title) community infrastructure facilities and land that have been determined to be available for transfer by the Secretary of the Interior, including the following:

(1) The fire station, sewer systems, sewage lagoons, water systems (except as provided in subsection (e)(3)), old post office, electrical and natural gas distribution systems, hospital building, streets, street lighting, alleys, sidewalks, parks, and community buildings located within or serving Dutch John, including fixtures, equipment, land, easements, rights-of-way, or other property primarily used for the operation, maintenance, replacement, or repair of a facility referred to in this paragraph.

(2) The Dutch John Airport, comprising approximately 25 acres, including runways, roads, rights-of-way, and appurtenances to the Airport, subject to such monitoring and remedial action by the United States as is necessary.

(3) The lands on which are located the Dutch John public schools, which comprise approximately 10 acres.

(d) OTHER PROPERTIES AND FACILITIES.—The Secretary of Agriculture and the Secretary of the Interior shall dispose of (in accordance with this title) the other properties and facilities that have been determined to be available for transfer or disposal by the Secretary of Agriculture and the Secretary of the Interior, respectively, including the following:

(1) Certain residential units occupied on the date of enactment of this Act, as determined by the Secretary of the Interior.

(2) Certain residential units unoccupied on the date of enactment of this Act, as determined by the Secretary of the Interior.

(3) Lots within the Dutch John community that are occupied on the date of enactment of this Act by privately owned modular homes under lease agreements with the Secretary of the Interior.

(4) Unoccupied platted lots within the Dutch John community.

(5) The land, comprising approximately 3.8 acres, on which is located the Church of Jesus Christ of Latter Day Saints, within Block 9, of the Dutch John community.

(6) The lands for which special use permits, easements, or rights-of-way for commercial uses have been issued by the Forest Service.

(7) The lands on which are located the offices, 3 employee residences, warehouses, and facilities of the Utah Division of Wildlife Resources, as described in the survey required under section 1207, including yards and land defined by fences in existence on the date of enactment of this Act.

(8) The Dutch John landfill site, subject to such monitoring and remedial action by the United States as is necessary, with responsibility for monitoring and remediation being

shared by the Secretary of Agriculture and the Secretary of the Interior proportionate to their historical use of the site.

(9) Such fixtures and furnishing in existence and in place on the date of enactment of this Act as are mutually determined by Daggett County, the Secretary of Agriculture, and the Secretary of the Interior to be necessary for the full use of properties or facilities disposed of under this title.

(10) Such other properties or facilities at Dutch John that the Secretary of Agriculture or the Secretary of the Interior determines are not necessary to achieve the mission of the respective Secretary and the disposal of which would be consistent with this title.

(e) RETAINED PROPERTIES.—Except to the extent the following properties are determined by the Secretary of Agriculture or the Secretary of the Interior to be available for disposal, the Secretary of Agriculture and the Secretary of the Interior shall retain for their respective use the following:

(1) All buildings and improvements located within the industrial complex of the Bureau of Reclamation, including the maintenance shop, 40 industrial garages, 2 warehouses, the equipment storage building, the flammable equipment storage building, the hazardous waste storage facility, and the property on which the buildings and improvements are located.

(2) 17 residences under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture, of which—

(A) 15 residences shall remain under the jurisdiction of the Secretary of the Interior; and

(B) 2 residences shall remain under the jurisdiction of the Secretary of Agriculture.

(3) The Dutch John water system raw water supply line and return line between the power plant and the water treatment plant, pumps and pumping equipment, and any appurtenances and rights-of-way to the line and other facilities, with the retained facilities to be operated and maintained by the United States with pumping costs and operation and maintenance costs of the pumps to be included as a cost to Daggett County in a water service contract.

(4) The heliport and associated real estate, consisting of approximately 20 acres, which shall remain under the jurisdiction of the Secretary of Agriculture.

(5) The Forest Service warehouse complex and associated real estate, consisting of approximately 2 acres, which shall remain under the jurisdiction of the Secretary of Agriculture.

(6) The Forest Service office complex and associated real estate, which shall remain under the jurisdiction of the Secretary of Agriculture.

(7) The United States Post Office, pursuant to Forest Service Special Use Permit No. 1073, which shall be transferred to the jurisdiction of the United States Postal Service pursuant to section 1206(d).

SEC. 1205. REVOCATION OF WITHDRAWALS.

In the case of lands and properties transferred under section 1204, effective on the date of transfer to the Secretary of the Interior (if applicable) or conveyance by quitclaim deed out of Federal ownership, authorization for each of the following withdrawals is revoked:

(1) The Public Water Reserve No. 16, Utah No. 7, dated March 9, 1914.

(2) The Secretary of the Interior Order dated October 20, 1952.

(3) The Secretary of the Interior Order dated July 2, 1956, No. 71676.

(4) The Flaming Gorge National Recreation Area, dated October 1, 1968, established under Public Law 90-540 (16 U.S.C. 460v et seq.), as to lands described in section 1204(b).

(5) The Dutch John Administrative Site, dated December 12, 1951 (PLO 769, U-0611).

SEC. 1206. TRANSFERS OF JURISDICTION.

(a) TRANSFERS FROM THE SECRETARY OF AGRICULTURE.—Except for properties retained under section 1204(e), all lands designated under section 1204 for disposal shall be—

(1) transferred from the jurisdiction of the Secretary of Agriculture to the Secretary of the Interior and, if appropriate, the United States Postal Service; and

(2) removed from inclusion in the Ashley National Forest and the Flaming Gorge National Recreation Area.

(b) EXCHANGE OF JURISDICTION BETWEEN INTERIOR AND AGRICULTURE.—

(1) TRANSFER TO SECRETARY OF AGRICULTURE.—The Secretary of the Interior shall transfer to the Secretary of Agriculture administrative jurisdiction over certain lands and interests in lands, consisting of approximately 2,167 acres in Duchesne and Wasatch Counties, Utah, which were acquired by the Secretary of the Interior for the Central Utah Project, as depicted on the following maps:

(A) The map entitled "The Dutch John Townsite, Ashley National Forest, Lower Stillwater", dated February 1997.

(B) The map entitled "The Dutch John Townsite, Ashley National Forest, Red Hollow (Diamond Properties)", dated February 1997.

(C) The map entitled "The Dutch John Townsite, Ashley National Forest, Coal Hollow (Current Creek Reservoir)", dated February 1997.

(2) TRANSFER TO SECRETARY OF THE INTERIOR.—The Secretary of Agriculture shall transfer to the Secretary of the Interior administrative jurisdiction over certain lands and interests in lands, consisting of approximately 2,450 acres in the Ashley National Forest, as depicted on the map entitled "Ashley National Forest, Lands to be Transferred to the Bureau of Reclamation (BOR) from the Forest Service", dated February 1997.

(3) EFFECT OF EXCHANGE.—

(A) NATIONAL FORESTS.—The lands and interests in land transferred to the Secretary of Agriculture under paragraph (1) shall become part of the Ashley or Uinta National Forest, as appropriate. The boundaries of each of the National Forests are hereby adjusted as appropriate to reflect the transfers of administrative jurisdiction.

(B) MANAGEMENT.—The Secretary of Agriculture shall manage the lands and interests in land transferred to the Secretary of Agriculture under paragraph (1) in accordance with the Act of March 1, 1911 (commonly known as the "Weeks Law") (36 Stat. 962, chapter 186; 16 U.S.C. 515 et seq.), and other laws (including rules and regulations) applicable to the National Forest System.

(C) WILDLIFE MITIGATION.—As of the date of the transfer under paragraph (1), the wildlife mitigation requirements of section 8 of the Act of April 11, 1956 (43 U.S.C. 620g), shall be deemed to be met.

(D) ADJUSTMENT OF BOUNDARIES.—This paragraph does not limit the authority of the Secretary of Agriculture to adjust the boundaries of the Ashley or Uinta National Forest pursuant to section 11 of the Act of March 1, 1911 (commonly known as the "Weeks Law") (36 Stat. 963, chapter 186; 16 U.S.C. 521).

(4) LAND AND WATER CONSERVATION FUND.—For the purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*-9), the boundaries of the Ashley and Uinta National Forests, as adjusted under this section, shall be considered to be the boundaries of the Forests as of January 1, 1965.

(c) FEDERAL IMPROVEMENTS.—The Secretary of the Interior shall transfer to the Secretary of Agriculture jurisdiction over Federal improvements on the lands transferred to the Secretary of Agriculture under this section.

(d) TRANSFER TO UNITED STATES POSTAL SERVICE.—The Secretary of Agriculture shall transfer to the United States Postal Service administrative jurisdiction over certain lands and interests in land subject to Forest Service Special Use Permit No. 1073, containing approximately 0.34 acres.

(e) WITHDRAWALS.—Notwithstanding subsection (a), lands retained by the Federal Government under this title shall continue to be withdrawn from mineral entry under the United States mining laws.

SEC. 1207. SURVEYS.

The Secretary of the Interior shall survey or resurvey all or portions of the Dutch John community as necessary—

(1) to accurately describe parcels identified under this title for transfer among agencies, for Federal disposal, or for retention by the United States; and

(2) to facilitate future recordation of title.

SEC. 1208. PLANNING.

(a) RESPONSIBILITY.—In cooperation with the residents of Dutch John, the Secretary of Agriculture, and the Secretary of the Interior, Daggett County, Utah, shall be responsible for developing a land use plan that is consistent with maintenance of the values of the land that is adjacent to land that remains under the jurisdiction of the Secretary of Agriculture or Secretary of the Interior under this title.

(b) COOPERATION.—The Secretary of Agriculture and the Secretary of the Interior shall cooperate with Daggett County in ensuring that disposal processes are consistent with the land use plan developed under subsection (a) and with this title.

SEC. 1209. APPRAISALS.

(a) REQUIREMENTS.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior shall conduct appraisals to determine the fair market value of properties designated for disposal under paragraphs (1), (2), (3), (5), and (7) of section 1204(d).

(2) UNOCCUPIED PLATTED LOTS.—Not later than 90 days after the date of receipt by the Secretary of the Interior from an eligible purchaser of a written notice of intent to purchase an unoccupied platted lot referred to in section 1204(d)(4), the Secretary of the Interior shall conduct an appraisal of the lot.

(3) SPECIAL USE PERMITS.—

(A) IN GENERAL.—Not later than 90 days after the date of receipt by the Secretary of the Interior from a permit holder of a written notice of intent to purchase a property described in section 1210(g), the Secretary of the Interior shall conduct an appraisal of the property.

(B) IMPROVEMENTS AND ALTERNATIVE LAND.—An appraisal to carry out subparagraph (A) may include an appraisal of the value of permit holder improvements and alternative land in order to conduct an in-lieu land sale.

(4) OCCUPIED PARCELS.—In the case of an occupied parcel, an appraisal under this subsection shall include an appraisal of the full

fee value of the occupied lot or land parcel and the value of residences, structures, facilities, and existing, in-place federally owned fixtures and furnishings necessary for full use of the property.

(5) UNOCCUPIED PARCELS.—In the case of an unoccupied parcel, an appraisal under this subsection shall consider potential future uses of the parcel that are consistent with the land use plan developed under section 1208(a) (including the land use map of the plan) and with subsection (c).

(6) FUNDING.—Funds for appraisals conducted under this section shall be derived from the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (70 Stat. 107, chapter 203; 43 U.S.C. 620d).

(b) REDUCTIONS FOR IMPROVEMENTS.—An appraisal of a residence or a structure or facility leased for private use under this section shall deduct the contributory value of improvements made by the current occupant or lessee if the occupant or lessee provides reasonable evidence of expenditure of money or materials in making the improvements.

(c) CURRENT USE.—An appraisal under this section shall consider the current use of a property (including the use of housing as a community residence) and avoid uncertain speculation as to potential future use.

(d) REVIEW.—

(1) IN GENERAL.—The Secretary of the Interior shall make an appraisal under this section available for review by a current occupant or lessee.

(2) ADDITIONAL INFORMATION OR APPEAL.—

(A) IN GENERAL.—The current occupant or lessee may provide additional information, or appeal the findings of the appraisal in writing, to the Upper Colorado Regional Director of the Bureau of Reclamation.

(B) ACTION BY SECRETARY OF THE INTERIOR.—The Secretary of the Interior—

(i) shall consider the additional information or appeal; and

(ii) may conduct a second appraisal if the Secretary determines that a second appraisal is necessary.

(e) INSPECTION.—The Secretary of the Interior shall provide opportunities for other qualified, interested purchasers to inspect completed appraisals under this section.

SEC. 1210. DISPOSAL OF PROPERTIES.

(a) CONVEYANCES.—

(1) PATENTS.—The Secretary of the Interior shall dispose of properties identified for disposal under section 1204, other than properties retained under section 1204(e), without regard to law governing patents.

(2) CONDITION AND LAND.—Except as otherwise provided in this title, conveyance of a building, structure, or facility under this title shall be in its current condition and shall include the land parcel on which the building, structure, or facility is situated.

(3) FIXTURES AND FURNISHINGS.—An existing and in-place fixture or furnishing necessary for the full use of a property or facility under this title shall be conveyed along with the property.

(4) MAINTENANCE.—

(A) BEFORE CONVEYANCE.—Before property is conveyed under this title, the Secretary of the Interior shall ensure reasonable and prudent maintenance and proper care of the property.

(B) AFTER CONVEYANCE.—After property is conveyed to a recipient under this title, the recipient shall be responsible for—

(i) maintenance and proper care of the property; and

(ii) any contamination of the property.

(b) INFRASTRUCTURE FACILITIES AND LAND.—Infrastructure facilities and land described in paragraphs (1) and (2) of section 1204(c) shall be conveyed, without consideration, to Daggett County, Utah.

(c) SCHOOL.—The lands on which are located the Dutch John public schools described in section 1204(c)(3) shall be conveyed, without consideration, to the Daggett County School District.

(d) UTAH DIVISION OF WILDLIFE RESOURCES.—Lands on which are located the offices, 3 employee residences, warehouses, and facilities of the Utah Division of Wildlife Resources described in section 1204(d)(7) shall be conveyed, without consideration, to the Division.

(e) RESIDENCES AND LOTS.—

(1) IN GENERAL.—

(A) FAIR MARKET VALUE.—A residence and occupied residential lot to be disposed of under this title shall be sold for the appraised fair market value.

(B) NOTICE.—The Secretary of the Interior shall provide local general public notice, and written notice to lessees and to current occupants of residences and of occupied residential lots for disposal, of the intent to sell properties under this title.

(2) PURCHASE OF RESIDENCES OR LOTS BY LESSEES.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of the Interior shall provide a holder of a current lease from the Secretary for a residence to be sold under paragraph (1) or (2) of section 1204(d) or for a residential lot occupied by a privately owned dwelling described in section 1204(d)(3) a period of 180 days beginning on the date of the written notice of the Secretary of intent of the Secretary to sell the residence or lot, to execute a contract with the Secretary of the Interior to purchase the residence or lot for the appraised fair market value.

(B) NOTICE OF INTENT TO PURCHASE.—To obtain the protection of subparagraph (A), the lessee shall, during the 30-day period beginning on the date of receipt of the notice referred to in subparagraph (A), notify the Secretary in writing of the intent of the lessee to purchase the residence or lot.

(C) NO NOTICE OR PURCHASE CONTRACT.—If no written notification of intent to purchase is received by the Secretary in accordance with subparagraph (B) or if a purchase contract has not been executed in accordance with subparagraph (A), the residence or lot shall become available for purchase by other persons under paragraph (3).

(3) PURCHASE OF RESIDENCES OR LOTS BY OTHER PERSONS.—

(A) ELIGIBILITY.—If a residence or lot becomes available for purchase under paragraph (2)(C), the Secretary of the Interior shall make the residence or lot available for purchase by—

(i) a current authorized occupant of the residence to be sold;

(ii) a holder of a current reclamation lease for a residence within Dutch John;

(iii) an employee of the Bureau of Reclamation or the Forest Service who resides in Dutch John; or

(iv) a Federal or non-Federal employee in support of a Federal agency who resides in Dutch John.

(B) PRIORITY.—

(i) SENIORITY.—Priority for purchase of properties available for purchase under this paragraph shall be by seniority of reclamation lease or residency in Dutch John.

(ii) PRIORITY LIST.—The Secretary of the Interior shall compile a priority list of eligible potential purchasers that is based on the length of continuous residency in Dutch John or the length of a continuous residence lease issued by the Bureau of Reclamation in Dutch John, with the highest priority provided for purchasers with the longest continuous residency or lease.

(iii) INTERRUPTIONS.—If a continuous residency or lease was interrupted, the Secretary shall consider only that most recent continuous residency or lease.

(iv) OTHER FACTORS.—In preparing the priority list, the Secretary shall not consider a factor (including agency employment or position) other than the length of the current residency or lease.

(v) DISPUTES.—A potential purchaser may file a written appeal over a dispute involving eligibility or ranking on the priority list with the Secretary of the Interior, acting through the Upper Colorado Regional Director of the Bureau of Reclamation. The Secretary, acting through the Regional Director, shall consider the appeal and resolve the dispute.

(C) NOTICE.—The Secretary of the Interior shall provide general public notice and written notice by certified mail to eligible purchasers that specifies—

(i) properties available for purchase under this paragraph;

(ii) the appraised fair market value of the properties;

(iii) instructions for potential eligible purchasers; and

(iv) any purchase contract requirements.

(D) NOTICE OF INTENT TO PURCHASE.—An eligible purchaser under this paragraph shall have a period of 90 days after receipt of written notification to submit to the Secretary of the Interior a written notice of intent to purchase a specific available property at the listed appraised fair market value.

(E) NOTICE OF ELIGIBILITY OF HIGHEST ELIGIBLE PURCHASER TO PURCHASE PROPERTY.—The Secretary of the Interior shall provide notice to the potential purchaser with the highest eligible purchaser priority for each property that the purchaser will have the first opportunity to execute a sales contract and purchase the property.

(F) AVAILABILITY TO OTHER PURCHASERS ON PRIORITY LIST.—If no purchase contract is executed for a property by the highest priority purchaser within the 180 days after receipt of notice under subparagraph (E), the Secretary of the Interior shall make the property available to other purchasers listed on the priority list.

(G) LIMITATION ON NUMBER OF PROPERTIES.—No household may purchase more than 1 residential property under this paragraph.

(4) RESIDUAL PROPERTY TO COUNTY.—If a residence or lot to be disposed of under this title is not purchased in accordance with paragraph (2) or (3) within 2 years after providing the first notice of intent to sell under paragraph (1)(B), the Secretary of the Interior shall convey the residence or lot to Daggett County without consideration.

(5) ADVISORY COMMITTEE.—The Secretary of the Interior, acting through the Upper Colorado Regional Director of the Bureau of Reclamation, may appoint a nonfunded Advisory Committee comprised of 1 representative from each of the Bureau of Reclamation, Daggett County, and the Dutch John community to review and provide advice to the Secretary on the resolution of disputes arising under this subsection and subsection (f).

(6) FINANCING.—The Secretary of the Interior shall provide advice to potential purchasers under this subsection and subsection (f) in obtaining appropriate and reasonable financing for the purchase of a residence or lot.

(f) UNOCCUPIED PLATTED LOTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of the Interior shall make an unoccupied platted lot described in section 1204(d)(4) available for sale to eligible purchasers for the appraised fair market value of the lot.

(2) CONVEYANCE FOR PUBLIC PURPOSE.—On request from Daggett County, the Secretary of the Interior may convey directly to the County without consideration a lot referred to in paragraph (1) that will be used for a public use purpose that is consistent with the land use plan developed under section 1208(a).

(3) ADMINISTRATION.—The procedures established under subsection (e) shall apply to this subsection to the maximum extent practicable, as determined by the Secretary of the Interior.

(4) LAND-USE DESIGNATION.—For each lot sold under this subsection, the Secretary of the Interior shall include in the notice of intent to sell the lot provided under this subsection the land-use designation of the lot established under the land use plan developed under section 1208(a).

(5) LIMITATION ON NUMBER OF LOTS.—No household may purchase more than 1 residential lot under this subsection.

(6) LIMITATION ON PURCHASE OF ADDITIONAL LOTS.—No household purchasing an existing residence under this section may purchase an additional single home, residential lot.

(7) RESIDUAL LOTS TO COUNTY.—If a lot described in paragraph (1) is not purchased in accordance with paragraphs (1) through (6) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the lot to Daggett County without consideration.

(g) SPECIAL USE PERMITS.—

(1) SALE.—Lands on which Forest Service special use permits are issued to holders numbered 4054 and 9303, Ashley National Forest, comprising approximately 15.3 acres and 1 acre, respectively, may be sold at appraised fair market value to the holder of the permit.

(2) ADMINISTRATION OF PERMITS.—On transfer of jurisdiction of the land to the Secretary of the Interior pursuant to section 1206, the Secretary of the Interior shall administer the permits under the terms and conditions of the permits.

(3) NOTICE OF AVAILABILITY FOR PURCHASE.—The Secretary of the Interior shall notify the respective permit holders in writing of the availability of the land for purchase.

(4) APPRAISALS.—The Secretary of the Interior shall not conduct an appraisal of the land unless the Secretary receives a written notice of intent to purchase the land within 2 years after providing notice under paragraph (3).

(5) ALTERNATIVE PARCELS.—On request by permit holder number 9303, the Secretary of the Interior, in consultation with Daggett County, may—

(A) consider sale of a parcel within the Daggett County community of similar size and appraised value in lieu of the land under permit on the date of enactment of this Act; and

(B) provide the holder credit toward the purchase or other negotiated compensation for the appraised value of improvements of the permittee to land under permit on the date of enactment of this Act.

(6) RESIDUAL LAND TO COUNTY.—If land described in paragraph (1) is not purchased in accordance with paragraphs (1) through (5) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the land to Daggett County without consideration.

(h) TRANSFERS TO COUNTY.—Other land occupied by authorization of a special use permit, easement, or right-of-way to be disposed of under this title shall be transferred to Daggett County if the holder of the authorization and the County, prior to transfer of the lands to the County—

(1) agree to and execute a legal document that grants the holder the rights and privileges provided in the existing authorization; or

(2) enter into another arrangement that is mutually satisfactory to the holder and the County.

(i) CHURCH LAND.—

(1) IN GENERAL.—The Secretary of the Interior shall offer to sell land to be disposed of under this title on which is located an established church to the parent entity of the church at the appraised fair market value.

(2) NOTICE.—The Secretary of the Interior shall notify the church in writing of the availability of the land for purchase.

(3) RESIDUAL LAND TO COUNTY.—If land described in paragraph (1) is not purchased in accordance with paragraphs (1) and (2) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the land to Daggett County without consideration.

(j) RESIDUAL PROPERTIES TO COUNTY.—The Secretary of the Interior shall convey all lands, buildings, or facilities designated for disposal under this title that are not conveyed in accordance with subsections (a) through (i) to Daggett County without consideration.

(k) WATER RIGHTS.—

(1) IN GENERAL.—Subject to the other provisions of this subsection, the Secretary of the Interior shall transfer all water rights the Secretary holds that are applicable to the Dutch John municipal water system to Daggett County.

(2) WATER SERVICE CONTRACT.—

(A) IN GENERAL.—Transfer of rights under paragraph (1) is contingent on Daggett County entering into a water service contract with the Secretary of the Interior covering payment for and delivery of untreated water to Daggett County pursuant to the Act of April 11, 1956 (70 Stat. 105, chapter 203; 43 U.S.C. 620 et seq.).

(B) DELIVERED WATER.—The contract shall require payment only for water actually delivered.

(3) EXISTING RIGHTS.—Existing rights for transfer to Daggett County under this subsection include—

(A) Utah Water Right 41-2942 (A30557, Cert. No. 5903) for 0.08 cubic feet per second from a water well; and

(B) Utah Water Right 41-3470 (A30414b), an unapproved application to segregate 12,000 acre-feet per year of water from the original approved Flaming Gorge water right (41-2963) for municipal use in the town of Dutch John and surrounding areas.

(4) CULINARY WATER SUPPLIES.—The transfer of water rights under this subsection is conditioned on the agreement of Daggett County to provide culinary water supplies to Forest Service campgrounds served (on the date of enactment of this Act) by the water supply system and to Forest Service and Bureau of Reclamation facilities, at a rate equivalent to other similar uses.

(5) MAINTENANCE.—The Secretary of Agriculture and the Secretary of the Interior shall be responsible for maintenance of their respective water systems from the point of the distribution lines of the systems.

(l) SHORELINE ACCESS.—On receipt of an acceptable application, the Secretary of Agriculture shall consider issuance of a special use permit affording Flaming Gorge Reservoir public shoreline access and use within the vicinity of Dutch John in conjunction with commercial visitor facilities provided and maintained under such a permit.

(m) REVENUES.—

(1) IN GENERAL.—Except as provided in paragraph (2), all revenues derived from the sale of properties as authorized by this title shall temporarily be deposited in a segregated interest-bearing trust account in the Treasury with the moneys on hand in the account paid to Daggett County semiannually to be used by the County for purposes associated with the provision of governmental and community services to the Dutch John community.

(2) DEPOSIT IN THE GENERAL FUND.—Of the revenues described in paragraph (1), 15.1 percent shall be deposited in the general fund of the Treasury.

SEC. 1211. VALID EXISTING RIGHTS.

(a) AGREEMENTS.—

(1) IN GENERAL.—If any lease, permit, right-of-way, easement, or other valid existing right is appurtenant to land conveyed to Daggett County, Utah, under this title, the County shall honor and enforce the right through a legal agreement entered into by the County and the holder before the date of conveyance.

(2) EXTENSION OR TERMINATION.—The County may extend or terminate an agreement under paragraph (1) at the end of the term of the agreement.

(b) USE OF REVENUES.—During such period as the County is enforcing a right described in subsection (a)(1) through a legal agreement between the County and the holder of the right under subsection (a), the County shall collect and retain any revenues due the Federal Government under the terms of the right.

(c) EXTINGUISHMENT OF RIGHTS.—If a right described in subsection (a)(1) with respect to certain land has been extinguished or otherwise protected, the County may dispose of the land.

SEC. 1212. CULTURAL RESOURCES.

(a) MEMORANDA OF AGREEMENT.—Before transfer and disposal under this title of any land that contains cultural resources and that may be eligible for listing on the National Register of Historic Places, the Secretary of Agriculture, in consultation with the Secretary of the Interior, the Utah Historic Preservation Office, and Daggett County, Utah, shall prepare a memorandum of agreement, for review and approval by the Utah Office of Historical Preservation and the Advisory Council on Historic Preservation established by title II of the National Historic Preservation Act (16 U.S.C. 470i et seq.), that contains a strategy for protecting or mitigating adverse effects on cultural resources on the land.

(b) INTERIM PROTECTION.—Until such time as a memorandum of agreement has been approved, or until lands are disposed of under this title, the Secretary of Agriculture shall provide clearance or protection for the resources.

(c) TRANSFER SUBJECT TO AGREEMENT.—On completion of actions required under the memorandum of agreement for certain land, the Secretary of the Interior shall provide for the conveyance of the land to Daggett County, Utah, subject to the memorandum of agreement.

SEC. 1213. TRANSITION OF SERVICES TO LOCAL GOVERNMENT CONTROL.

(a) ASSISTANCE.—

(1) IN GENERAL.—The Secretary of the Interior shall provide training and transitional operating assistance to personnel designated by Daggett County, Utah, as successors to the operators for the Secretary of the infrastructure facilities described in section 1204(c).

(2) DURATION OF TRAINING.—With respect to an infrastructure facility, training under paragraph (1) shall continue for such period as is necessary for the designated personnel to demonstrate reasonable capability to safely and efficiently operate the facility, but not to exceed 2 years.

(3) CONTINUING ASSISTANCE.—The Secretary shall remain available to assist with resolving questions about the original design and installation, operating and maintenance needs, or other aspects of the infrastructure facilities.

(b) TRANSITION COSTS.—For the purpose of defraying costs of transition in administration and provision of basic community services, an annual payment of $300,000 (as adjusted by the Secretary for changes in the Consumer Price Index for all-urban consumers published by the Department of Labor) shall be provided from the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (70 Stat. 107, chapter 203; 43 U.S.C. 620d), to Daggett County, Utah, or, in accordance with subsection (c), to Dutch John, Utah, for a period not to exceed 15 years beginning the first January 1 that occurs after the date of enactment of this Act.

(c) DIVISION OF PAYMENT.—If Dutch John becomes incorporated and become responsible for operating any of the infrastructure facilities referred to in subsection (a)(1) or for providing other basic local governmental services, the payment amount for the year of incorporation and each following year shall be proportionately divided between Daggett County and Dutch John based on the respective costs paid by each government for the previous year to provide the services.

(d) ELECTRIC POWER.—

(1) AVAILABILITY.—The United States shall make available electric power and associated energy from the Colorado River Storage Project for the Dutch John community.

(2) AMOUNT.—The amount of electric power and associated energy made available under paragraph (1) shall not exceed 1,000,000 kilowatt-hours per year.

(3) RATES.—The rates for power and associated energy shall be the firm capacity and energy rates of the Salt Lake City Area/Integrated Projects.

SEC. 1214. AUTHORIZATION OF APPROPRIATIONS.

(a) RESOURCE RECOVERY AND MITIGATION.—There are authorized to be appropriated to the Secretary of Agriculture, out of nonpower revenues to the Federal Government from land transferred under this title, such sums as are necessary to implement such habitat, sensitive resource, or cultural resource recovery, mitigation, or replacement strategies as are developed with respect to land transferred under this title, except that the strategies may not include acquisition of privately owned lands in Daggett County.

(b) OTHER SUMS.—In addition to sums made available under subsection (a), there are authorized to be appropriated such sums as are necessary to carry out this title.

TITLE XIII—RECLAMATION PROJECT CONVEYANCES AND MISCELLANEOUS PROVISIONS

Subtitle A—Sly Park Dam and Reservoir, California

SEC. 1311. SHORT TITLE.

This subtitle may be cited as the "Sly Park Unit Conveyance Act".

SEC. 1312. DEFINITIONS.

For purposes of this subtitle:

(1) The term "District" means the El Dorado Irrigation District, a political subdivision of the State of California that has its principal place of business in the city of Placerville, El Dorado County, California.

(2) The term "Secretary" means the Secretary of the Interior.

(3) The term "Project" means all of the right, title, and interest in and to the Sly Park Dam and Reservoir, Camp Creek Diversion Dam and Tunnel, and conduits and canals held by the United States pursuant to or related to the authorization in the Act entitled "An Act to authorize the American River Basin Development, California, for irrigation and reclamation, and for other purposes", approved October 14, 1949 (63 Stat. 852 chapter 690);

SEC. 1313. CONVEYANCE OF PROJECT.

(a) IN GENERAL.—In consideration of the District accepting the obligations of the Federal Government for the Project and subject to the payment by the District of the net present value of the remaining repayment obligation, as determined by Office of Management and Budget Circular A-129 (in effect on the date of enactment of this Act), the Secretary shall convey the Project to the District.

(b) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the District intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this subtitle before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the District.

SEC. 1314. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use and operation.

(b) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Project it shall comply with all applicable laws or regulations governing such changes at that time (subject to section 1315).

SEC. 1315. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

(a) PAYMENT OBLIGATIONS NOT AFFECTED.—The conveyance of the Project under this subtitle does not affect the payment obligations of the District under the contract between the District and the Secretary numbered 14-06-200-7734, as amended by contracts numbered 14-06-200-4282A and 14-06-200-8536A.

(b) PAYMENT OBLIGATIONS EXTINGUISHED.—Provision of consideration by the District in accordance with section 1313(b) shall extinguish all payment obligations under contract numbered 14-06-200-949IR1 between the District and the Secretary.

SEC. 1316. RELATIONSHIP TO OTHER LAWS.

(a) RECLAMATION LAWS.—Except as provided in subsection (b), upon conveyance of the Project under this subtitle, the Reclamation Act of 1902 (82 Stat. 388) and all Acts amendatory thereof or supplemental thereto shall not apply to the Project.

(b) PAYMENTS INTO THE CENTRAL VALLEY PROJECT RESTORATION FUND.—The El Dorado Irrigation District shall continue to make payments into the Central Valley Project Restoration Fund for 31 years after the date of the enactment of this Act. The District's obligation shall be calculated in the same manner as Central Valley Project water contractors.

SEC. 1317. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be liable for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

Subtitle B—Minidoka Project, Idaho

SEC. 1321. SHORT TITLE

This subtitle may be cited as the "Burley Irrigation District Conveyance Act".

SEC. 1322. DEFINITIONS.

In this subtitle:

(1) DISTRICT.—The term "District" means the Burley Irrigation District, an irrigation district organized under the law of the State of Idaho.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) PROJECT.—The term "Project" means all of the right, title, and interest in and to the Southside Pumping Division of the Minidoka Project, Idaho, including the water distribution system below the headworks of the Minidoka Dam held in the name of the United States for the benefit of, and for use on land within, the District for which the allocable construction costs have been fully repaid by the District.

SEC. 1323. CONVEYANCE.

(a) IN GENERAL.—In consideration of the District accepting the obligations of the Federal Government for the Project, and subject to the completion of payments by the District required under subsection (c)(3), the Secretary shall convey the Project and the water rights described in subsection (b) to the District.

(b) WATER RIGHTS.—

(1) TRANSFER REQUIRED.—The Secretary shall transfer to the District, through an agreement among the District, the Minidoka Irrigation District, and the Secretary and in accordance with and subject to the law of the State of Idaho, all natural flow, waste, seepage, return flow, and ground water rights held in the name of the United States—

(A) for the benefit of the South Side Pumping Division operated and maintained by the District;

(B) for use on lands within the District or that are return flows for which the District may receive credit against storage water used.

(2) LIMITATION.—The transfer of the property interest of the United States in Project water rights directed to be conveyed by this section shall—

(A) neither enlarge nor diminish the water rights of either the Minidoka Irrigation District or the District, as set forth in their respective contracts with the United States;

(B) not be exercised as to impair the integrated operation of the Minidoka Project by the Secretary pursuant to applicable Federal law;

(C) not affect any other water rights; and

(D) not result in any adverse impact on any other project water user.

(c) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the District intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this subtitle before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be borne by the District.

SEC. 1324. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use and operation.

(b) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Project it shall comply with all applicable laws or regulations governing such changes at that time (subject to section 1325).

SEC. 1325. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

(a) SAVINGS.—Nothing in this subtitle or any transfer pursuant thereto shall affect the right of Minidoka Irrigation District to the joint use of the gravity portion of the Southside Canal, subject to compliance by the Minidoka Irrigation District with the terms and conditions of a contract between the District and Minidoka Irrigation District, and any amendments or changes made by agreement of the irrigation districts.

(b) ALLOCATION OF STORAGE SPACE.—The Secretary shall provide an allocation to the District of storage space in Minidoka Reservoir, American Falls Reservoir, and Palisades Reservoir, as described in Burley Contract Nos. 14-06-100-2455 and 14-06-W-48, subject to the obligation of Burley to continue to assume and satisfy its allocable costs of operation and maintenance associated with the storage facilities operated by the Bureau of Reclamation.

(c) PROJECT RESERVED POWER.—The Secretary shall continue to provide the District with project reserved power from the Minidoka Reclamation Power Plant, Palisades Reclamation Power Plant, Black Canyon Reclamation Power Plant, and Anderson Ranch Reclamation Power Plant in accordance with the terms of the existing contracts, including any renewals thereof as provided in such contracts.

SEC. 1326. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be held liable for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

Subtitle C—Carlsbad Irrigation Project, New Mexico

SEC. 1331. SHORT TITLE.

This subtitle may be cited as the "Carlsbad Irrigation Project Acquired Land Conveyance Act".

SEC. 1332. DEFINITIONS.

For purposes of this subtitle:

(1) The term "District" means the Carlsbad Irrigation District, a quasimunicipal corporation formed under the laws of the State of New Mexico that has its principal place of business in the city of Carlsbad, Eddy County, New Mexico.

(2) The term "Secretary" means the Secretary of the Interior.

(3) The term "Project" means all right, title, and interest in and to the lands (including the subsurface and mineral estate) in Eddy County, New Mexico, described as the acquired lands in section (7) of the Status of Lands and Title Report: Carlsbad Project as reported by the Bureau of Reclamation in 1978 and all interests the United States holds in the irrigation and drainage system of the Carlsbad Project and all related ditch rider houses, maintenance shop and buildings, and Pecos River Flume.

SEC. 1333. CONVEYANCE OF PROJECT.

(a) IN GENERAL.—Except as provided in subsection (b), in consideration of the District accepting the obligations of the Federal Government for the Project, and subject to the completion of payments by the District required under subsection (c)(3), the Secretary shall convey the Project to the District

(b) RETAINED TITLE.—The Secretary shall retain title to the surface estate (but not the mineral estate) of such Project lands which are located under the footprint of Brantley and Avalon dams or any other Project dam or reservoir diversion structure. The Secretary shall retain storage and flow easements for any tracts located under the maximum spillway elevations of Avalon and Brantley Reservoirs.

(c) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the District intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this subtitle before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the District.

SEC. 1334. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use and operation of the Project from its current use. The Project shall continue to be managed and used by the District for the purposes for which the Project was authorized, based on historic operations, and consistent with the management of other adjacent project lands.

(b) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Project, it shall comply with all applicable laws or regulations governing such changes at that time (subject to section 1335).

SEC. 1335. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), upon conveyance of the Project under this subtitle the District shall assume all rights and obligations of the United States under the agreement dated July 28, 1994, between the United States and the Director, New Mexico Department of Game and Fish (Document No. 2-LM-40-00640), relating to management of certain lands near Brantley Reservoir for fish and wildlife purposes and the agreement dated March 9, 1977, between the United States and the New Mexico Department of Energy, Minerals, and Natural Resources (Contract No. 7-07-57-X0888) for the management and operation of Brantley Lake State Park.

(b) LIMITATION.—The District shall not be obligated for any financial support agreed to by the Secretary, or the Secretary's designee, in either agreement and the District shall not be entitled to any receipts or revenues generated as a result of either agreement.

SEC. 1336. LEASE MANAGEMENT AND PAST REVENUES COLLECTED FROM THE ACQUIRED LANDS.

(a) NOTIFICATION OF LEASEHOLDERS.—Within 120 days after the date of enactment of this Act, the Secretary shall provide to the District a written identification of all mineral and grazing leases in effect on Project lands on the date of enactment of this Act and notify all leaseholders of the conveyance authorized by this subtitle.

(b) MANAGEMENT OF LEASES, LICENSES, AND PERMITS.—The District shall assume all rights and obligations of the United States for all mineral and grazing leases, licenses, and permits existing on the Project lands conveyed under section 1333, and shall be entitled to any receipts from such leases, licenses, and permits accruing after the date of conveyance. All such receipts shall be used for purposes for which the Project was authorized and for financing the portion of operations, maintenance, and replacement at the Sumner Dam that, prior to conveyance, was the responsibility of the Bureau of Reclamation, with the exception of major maintenance programs in progress prior to conveyance. The District shall continue to adhere to the current Bureau of Reclamation mineral leasing stipulations for the Project.

(c) AVAILABILITY OF AMOUNTS PAID INTO THE RECLAMATION FUND.—

(1) AMOUNTS IN FUND ON DATE OF ENACTMENT.—Amounts in the reclamation fund on the date of enactment of this Act which exist as construction credits to the Carlsbad Project under the terms of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359) shall be deposited into the general fund of

the Treasury and credited to deficit reduction or retirement of the Federal debt.

(2) RECEIPTS AFTER DATE OF ENACTMENT.—Of the receipts from mineral and grazing leases, licenses, and permits on Project lands to be conveyed under section 1333 that are received by the United States after the date of enactment of this Act and before the date of conveyance, up to $200,000 shall be applied to pay the cost referred to in section 1333(c)(3) and the remainder shall be deposited into the general fund of the Treasury of the United States and credited to deficit reduction or retirement of the Federal debt.

SEC. 1337. WATER CONSERVATION PRACTICES.

Nothing in this subtitle shall be construed to limit the ability of the District to voluntarily implement water conservation practices.

SEC. 1338. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be liable for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

SEC. 1339. FUTURE RECLAMATION BENEFITS.

After completion of the conveyance under this subtitle, the District shall not be eligible for any emergency loan from the Bureau of Reclamation for maintenance or replacement of any facility conveyed under this subtitle.

Subtitle D—Palmetto Bend Project, Texas

SEC. 1341. SHORT TITLE.

This subtitle may be cited as the "Palmetto Bend Conveyance Act".

SEC. 1342. DEFINITIONS.

In this subtitle:

(1) STATE.—The term "State" means the Lavaca-Navidad River Authority and the Texas Water Development Board, jointly.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) PROJECT.—The term "Project" means all of the right, title, and interest in and to the Palmetto Bend reclamation project, Texas, authorized by Public Law 90-562 (82 Stat. 999).

SEC. 1343. CONVEYANCE OF PROJECT.

(a) IN GENERAL.—In consideration of the State accepting the obligations of the Federal Government for the Project and subject to the payment by the State of the net present value of the remaining repayment obligation, as determined by Office of Management and Budget Circular A-129 (in effect on the date of enactment of this Act) and the completion of payments by the State required under subsection (b)(3), the Secretary shall convey the Project to the State.

(b) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the State intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this title before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the State.

SEC. 1344. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use and operation.

(b) FUTURE ALTERATIONS.—If the State alters the operations or uses of the Project it shall comply will all applicable laws or regulations governing such changes at that time.

(c) CONDITION.—Subject to the laws of the State of Texas, Lake Texana shall not be used to wheel water originating from the Texas, Colorado River.

SEC. 1345. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

Existing obligations of the United States pertaining to the Project shall continue in effect and be assumed by the State.

SEC. 1346. RELATIONSHIP TO OTHER LAWS.

Upon conveyance of the Project under this subtitle, the Reclamation Act of 1902 (82 Stat. 388) and all Acts amendatory thereof or supplemental thereto shall not apply to the Project.

SEC. 1347. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be liable for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

Subtitle E—Wellton-Mohawk Division, Gila Project, Arizona

SEC. 1351. SHORT TITLE.

This subtitle may be cited as the "Wellton-Mohawk Division Title Transfer Act of 1998".

SEC. 1352. DEFINITIONS.

For purposes of this subtitle:

(1) The term "District" means the Wellton-Mohawk Irrigation and Drainage District, an irrigation and drainage district created, organized, and existing under and by virtue of the laws of the State of Arizona.

(2) The term "Project" means all of the right, title, and interest in and to the Wellton-Mohawk Division, Gila Project, Arizona, held by the United States pursuant to or related to any authorization in the Act of July 30, 1947 (chapter 382; 61 Stat. 628).

(3) The term "Secretary" means the Secretary of the Interior.

(4) The term "withdrawn lands" means those lands within and adjacent to the District that have been withdrawn from public use for reclamation purposes.

SEC. 1353. CONVEYANCE OF PROJECT.

(a) IN GENERAL.—In consideration of the District accepting the obligations of the Federal Government for the Project, and subject to the payment of fair market value by the District for the withdrawn lands and the completion of payments by the District required under subsection (b)(3), the Secretary shall convey the Project and the withdrawn lands to the District in accordance with the Memorandum of Agreement between the Secretary and the District numbered 8-AA-34-WAO14 and dated July 10, 1998.

(b) DEADLINE.—

(1) IN GENERAL.—The Secretary shall complete the conveyance expeditiously, but not later than 3 years after the date of enactment of this Act.

(2) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this subtitle before the applicable deadline under paragraph (1), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the District.

SEC. 1354. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use or operation.

(b) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Project, it shall comply with all applicable laws and regulations governing such changes at that time.

SEC. 1355. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be held liable under any law for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

SEC. 1356. LANDS TRANSFER.

Pursuant to the Memorandum of Agreement between the Secretary and the District numbered 8-AA-34-WAO14 and dated July 10, 1998, the Secretary may transfer to the District, by sale or exchange, at fair market value, public lands located in or adjacent to the Project, and lands held by the Federal Government on the date of the enactment of this Act pursuant to Public Law 93-320 and Public Law 100-512 and located in or adjacent to the District, other than lands in the Gila River channel.

SEC. 1357. WATER AND POWER CONTRACTS.

Notwithstanding any conveyance or transfer under this subtitle, the Secretary and the Secretary of Energy shall provide for and deliver Colorado River water and Parker-Davis Project Priority Use Power to the District in accordance with the terms of existing contracts with the District, including any amendments and supplements thereto or extensions thereof and as provided under section 2 of the Memorandum of Agreement between the Secretary and the District numbered 8-AA-34-WAO14 and dated July 10, 1998.

Subtitle F—Canadian River Project, Texas

SEC. 1361. SHORT TITLE.

This subtitle may be cited as the "Canadian River Project Prepayment Act".

SEC. 1362. DEFINITIONS.

For the purposes of this subtitle:

(1) The term "Authority" means the Canadian River Municipal Water Authority, a conservation and reclamation district of the State of Texas.

(2) The term "Canadian River Project Authorization Act" means the Act entitled 'An Act to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Canadian River reclamation project, Texas", approved December 29, 1950 (chapter 1183; 64 Stat. 1124).

(3) The term "Project" means all of the right, title, and interest in and to all land and improvements comprising the pipeline and related facilities of the Canadian River Project authorized by the Canadian River Project Authorization Act.

(4) The term "Secretary" means the Secretary of the Interior.

SEC. 1363. PREPAYMENT AND CONVEYANCE OF PROJECT.

(a) IN GENERAL.—(1) In consideration of the Authority accepting the obligation of the

Federal Government for the Project and subject to the payment by the Authority of the applicable amount under paragraph (2) within the 360-day period beginning on the date of the enactment of this subtitle, the Secretary shall convey the Project to the Authority, as provided in section 2(c)(3) of the Canadian River Project Authorization Act (64 Stat. 1124).

(2) For purposes of paragraph (1), the applicable amount shall be—

(A) $34,806,731, if payment is made by the Authority within the 270-day period beginning on the date of enactment of this title; or

(B) the amount specified in subparagraph (A) adjusted to include interest on that amount since the date of the enactment of this subtitle at the appropriate Treasury bill rate for an equivalent term, if payment is made by the Authority after the period referred to in subparagraph (A).

(3) If payment under paragraph (1) is not made by the Authority within the period specified in paragraph (1), this subtitle shall have no force or effect.

(b) FINANCING.—Nothing in this subtitle shall be construed to affect the right of the Authority to use a particular type of financing.

SEC. 1364. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use and operation.

(b) FUTURE ALTERATIONS.—If the Authority alters the operations or uses of the Project it shall comply with all applicable laws or regulations governing such alteration at that time.

(c) RECREATION.—The Secretary of the Interior, acting through the National Park Service, shall continue to operate the Lake Meredith National Recreation Area at Lake Meredith.

(d) FLOOD CONTROL.—The Secretary of the Army, acting through the Corps of Engineers, shall continue to prescribe regulations for the use of storage allocated to flood control at Lake Meredith as prescribed in the Letter of Understanding entered into between the Corps, the Bureau of Reclamation, and the Authority in March and May 1980.

(e) SANFORD DAM PROPERTY.—The Authority shall have the right to occupy and use without payment of lease or rental charges or license or use fees the property retained by the Bureau of Reclamation at Sanford Dam and all buildings constructed by the United States thereon for use as the Authority's headquarters and maintenance facility. Buildings constructed by the Authority on such property, or past and future additions to Government constructed buildings, shall be allowed to remain on the property. The Authority shall operate and maintain such property and facilities without cost to the United States.

SEC. 1365. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

(a) PAYMENT OBLIGATIONS EXTINGUISHED.—Provision of consideration by the Authority in accordance with section 603(a) shall extinguish all payment obligations under contract numbered 14-06-500-485 between the Authority and the Secretary.

(b) OPERATION AND MAINTENANCE COSTS.—After completion of the conveyance provided for in section 1363, the Authority shall have full responsibility for the cost of operation and maintenance of Sanford Dam, and shall continue to have full responsibility for operation and maintenance of the Project pipeline and related facilities.

(c) GENERAL.—Rights and obligations under the existing contract No. 14-06-500-485 between the Authority and the United States, other than provisions regarding repayment of construction charge obligation by the Authority and provisions relating to the Project aqueduct, shall remain in full force and effect for the remaining term of the contract.

SEC. 1366. RELATIONSHIP TO OTHER LAWS.

Upon conveyance of the Project under this subtitle, the Reclamation Act of 1902 (82 Stat. 388) and all Acts amendatory thereof or supplemental thereto shall not apply to the Project.

SEC. 1367. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be liable under any law for damages of any kind arising out of any act, omission, or occurrence relating to the conveyed property.

Subtitle G—Clear Creek Distribution System, California

SEC. 1371. SHORT TITLE.

This subtitle may be cited as the "Clear Creek Distribution System Conveyance Act".

SEC. 1372. DEFINITIONS.

For purposes of this subtitle:

(1) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(2) DISTRICT.—The term "District" means the Clear Creek Community Services District, a California community services district located in Shasta County, California.

(3) DISTRIBUTION SYSTEM.—The term "Distribution System" means all the right title and interest in and to the Clear Creek distribution system as defined in the agreement entitled "Agreement Between the United States and the Clear Creek Community Services District to Transfer Title to the Clear Creek Distribution System to the Clear Creek Community Services District" (Agreement No. 8-07-20-L6975).

SEC. 1373. CONVEYANCE OF PROJECT.

(a) IN GENERAL.—In consideration of the District accepting the obligations of the Federal Government for the Distribution System and subject to the completion of payments by the District required under subsection (b)(3), the Secretary shall convey the Distribution System to the District.

(b) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the District intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this subtitle before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the District.

SEC. 1374. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Distribution System from its current use and operation.

(b) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Distribution System it shall comply with all applicable laws or regulations governing such changes at that time (subject to section 1375).

SEC. 1375. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

(a) NATIVE AMERICAN TRUST RESPONSIBILITY.—The Secretary shall ensure that any trust responsibilities to any Native American Tribes that may be affected by the conveyance under this title are protected and fulfilled.

(b) CONTRACT OBLIGATIONS.—Conveyance of the Distribution System under this subtitle—

(1) shall not affect any of the provisions of the District's existing water service contract with the United States (contract number 14-06-200-489-IR3), as it may be amended or supplemented; and

(2) shall not deprive the District of any existing contractual or statutory entitlement to subsequent interim renewals of such contract or to renewal by entering into a long-term water service contract.

SEC. 1376. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Distribution System under this subtitle, the United States shall not be liable under any law for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

Subtitle H—Pine River Project, Colorado

SEC. 1381. SHORT TITLE.

This subtitle may be cited as the "Vallecito Dam and Reservoir Conveyance Act".

SEC. 1382. DEFINITIONS.

For purposes of this subtitle:

(1) The term "District" means the Pine River Irrigation District, a political division of the State of Colorado duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in the city of Bayfield, La Plata County, Colorado.

(2) The term "Secretary" means the Secretary of the Interior.

(3) The term the "Project" means Vallecito Dam and Reservoir, and associated interests, owned by the United States and authorized in 1937 under the provisions of the Department of the Interior Appropriation Act of June 25, 1910 (36 Stat. 835).

(4) The term "Repayment Contract" means Repayment Contract #Ilr-1204, between Reclamation and the Pine River Irrigation District, dated April 15, 1940, and amended November 30, 1953, all amendments thereto, and changes pursuant to the Act of July 27, 1954 (68 Stat. 534).

(5) The term "Tribe" means the Southern Ute Indian Tribe, a federally recognized Indian tribe located on the Southern Ute Indian Reservation, La Plata County, Colorado.

(6) The term "Jurisdictional Map" means the map entitled "Transfer of Jurisdiction—Vallecito Reservoir, United States Department of Agriculture, Forest Service and

United States Department of the Interior, Bureau of Reclamation and the Bureau of Indian Affairs'' dated March, 1998.

SEC. 1383. CONVEYANCE OF PROJECT.

(a) CONVEYANCE TO DISTRICT.—

(1) IN GENERAL.—In consideration of the District accepting the obligations of the Federal Government for the Project and subject to the completion of payments by the District required under subsection (b)(3) and occurrence of the events described in paragraphs (2) and (3) of this subsection, the Secretary shall convey an undivided ⅚ interest in the Project to the District.

(2) SUBMISSION OF MANAGEMENT PLAN.—Prior to any conveyance under paragraph (1), the District shall submit to the Secretary a plan to manage the Project in a manner substantially similar to the manner in which it was managed prior to the transfer and in accordance with applicable Federal and State laws, including provisions—

(A) protecting the interests in the Project held by the Bureau of Indian Affairs for the Tribe;

(B) preserving public access and recreational values and preventing growth on certain lands to be conveyed hereunder, as set forth in an Agreement dated March 20, 1998, between the District and residents of Vallecito Reservoir; and

(C) ensuring that any future change in the use of the water supplied by Vallecito Reservoir shall comply with applicable law.

(3) LIMITATION.—No interest in the Project shall convey under this subsection before the date on which the Secretary receives a copy of a resolution adopted by the Tribe declaring that the terms of the conveyance protects the Indian trust assets of the Tribe.

(b) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance under subsection (a) expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the District intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the District submits a plan in accordance with subsection (a)(2) and the Secretary receives a copy of a resolution described in subsection (a)(3), and the Secretary fails to complete the conveyance under subsection (a) before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the District.

(c) TRIBAL INTERESTS.—At the option of the Tribe, the Secretary shall convey to the Tribe an undivided ⅙ interest in the Project, all interests in lands over which the Bureau of Indian Affairs holds administrative jurisdiction under section 1384(e)(1)(A), and water rights associated with those interests. No consideration or compensation shall be required to be paid to the United States for such conveyance.

(d) RESTRICTION ON PARTITION.—Any conveyance of interests in lands under this subtitle shall be subject to the prohibition that those interests in those lands may not be partitioned. Any quit claim deed or patent evidencing such a conveyance shall expressly prohibit partitioning.

SEC. 1384. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use and operation.

(b) DESCRIPTION OF EXISTING CONDITION.—The Secretary shall submit to the District, the Bureau of Indian Affairs, and the State of Colorado a description of the existing condition of Vallecito Dam based on Bureau of Reclamation's current knowledge and understanding.

(c) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Project it shall comply with all applicable laws or regulations governing such changes at that time.

(d) FLOOD CONTROL PLAN.—The District shall work with Corps of Engineers to develop a flood control plan for the operation of Vallecito Dam for flood control purposes.

(e) JURISDICTIONAL TRANSFER OF LANDS.—

(1) INUNDATED LANDS.—To provide for the consolidation of lands associated with the Project to be retained by the Forest Service and the consolidation of lands to be transferred to the District, the administrative jurisdiction of lands inundated by and along the shoreline of Vallecito Reservoir, as shown on the Jurisdictional Map, shall be transferred, as set forth in this subsection, concurrently with any conveyance under section 1383. Except as otherwise shown on the Jurisdictional Map—

(A) for withdrawn lands (approximately 260 acres) lying below the 7,665-foot reservoir water surface elevation level, the Forest Service shall transfer an undivided ⅚ interest to the Bureau of Reclamation and an undivided ⅙ interest to the Bureau of Indian Affairs in trust for the Tribe; and

(B) for Project acquired lands (approximately 230 acres) above the 7,665-foot reservoir water surface elevation level, the Bureau of Reclamation and the Bureau of Indian Affairs shall transfer their interests to the Forest Service.

(2) MAP.—The Jurisdictional Map and legal descriptions of the lands transferred pursuant to paragraph (1) shall be on file and available for public inspection in the offices of the Chief of the Forest Service, the Commissioner of Reclamation, appropriate field offices of those agencies, and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(3) ADMINISTRATION.—Following the transfer of administrative jurisdiction under paragraph (1):

(A) All lands that, by reason of the transfer of administrative jurisdiction under paragraph (1), become National Forest System lands within the boundaries of the San Juan National Forest, shall be administered in accordance with the laws, rules, and regulations applicable to the National Forest System.

(B) Bureau of Reclamation withdrawals of land from the San Juan National Forest established by Secretarial Orders on November 9, 1936, October 14, 1937, and June 20, 1945, together designated as Serial No. C–28259, shall be revoked.

(C) The Forest Service shall issue perpetual easements to the District and the Bureau of Indian Affairs, at no cost to the District or the Bureau of Indian Affairs, providing adequate access across all lands subject to Forest Service jurisdiction to insure the District and the Bureau of Indian Affairs the ability to continue to operate and maintain the Project.

(D) The undivided ⅚ interest in National Forest System lands that, by reason of the transfer of administrative jurisdiction under paragraph (1) is to be administered by Bureau of Reclamation, shall be conveyed to the District pursuant to section 1383.

(E) The District and the Bureau of Indian Affairs shall issue perpetual easements to the Forest Service, at no cost to the Forest Service, from National Forest System lands to Vallecito Reservoir to assure continued public access to Vallecito Reservoir when the Reservoir level drops below the 7,665-foot water surface elevation.

(F) The District and the Bureau of Indian Affairs shall issue a perpetual easement to the Forest Service, at no cost to the Forest Service, for the reconstruction, maintenance, and operation of a road from La Plata County Road No. 501 to National Forest System lands east of the Reservoir.

(4) VALID EXISTING RIGHTS.—Nothing in this subsection shall affect any valid existing rights or interests in any existing land use authorization, except that any such land use authorization shall be administered by the agency having jurisdiction over the land after the transfer of administrative jurisdiction under paragraph (1) in accordance with paragraph (3) and other applicable law. Renewal or reissuance of any such authorization shall be in accordance with applicable law and the regulations of the agency having jurisdiction, except that the change of administrative jurisdiction shall not in itself constitute a ground to deny the renewal or reissuance of any such authorization.

(f) FEDERAL DAM CHARGE.—Nothing in this subtitle shall relieve the holder of the Federal Energy Regulatory Commission license for Vallecito Dam in effect on the date of the enactment of this Act from the obligation to make payments under section 10(e)(2) of the Federal Power Act during the term of the license. At the expiration of the present license term, the Federal Energy Regulatory Commission shall adjust the charge to reflect either (1) the 1/6 interest of the United States remaining in the Vallecito Dam after conveyance to the District; or (2) if the remaining 1/6 interest of the United States has been conveyed to the Tribe pursuant to section 1383(c), then no Federal dam charge shall be levied from the date of expiration of the present license.

SEC. 1385. RELATIONSHIP TO OTHER LAWS.

Upon conveyance of the Project under this subtitle, the Reclamation Act of 1902 (82 Stat. 388) and all Acts amendatory thereof or supplemental thereto shall not apply to the Project.

SEC. 1386. LIABILITY.

Except as otherwise provided by law, effective on the date of the conveyance of the remaining undivided 1/6 right and interest in the Pine River Project to the Tribe pursuant to subsection 1383(c), the United States shall not be held liable by any court for damages of any kind arising out of any act, omission, or occurrence relating to such Project, based on its prior ownership or operation of the conveyed property.

Subtitle I—Technical Corrections and Miscellaneous Provisions

SEC. 1391. TECHNICAL CORRECTIONS.

(a) REDUCTION OF WAITING PERIOD FOR OBLIGATION OF FUNDS PROVIDED UNDER RECLAMATION SAFETY OF DAMS ACT OF 1978.—Section 5 of the Reclamation Safety of Dams

Act of 1978 (92 Stat. 2471; 43 U.S.C. 509) is amended by striking "sixty days" and all that follows through "day certain)" and inserting "30 calendar days".

(b) ALBUQUERQUE METROPOLITAN AREA RECLAMATION AND REUSE PROJECT.—

(1) TECHNICAL CORRECTIONS.—Section 1621 of the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h-12g) is amended—

(A) by amending the section heading to read as follows:

"SEC. 1621. ALBUQUERQUE METROPOLITAN AREA WATER RECLAMATION AND REUSE PROJECT.";

and

(B) in subsection (a) by striking "Reuse" and all that follows through "reclaim" and inserting "Reuse Project to reclaim".

(2) CLERICAL AMENDMENT.—The table of sections in section 2 of such Act is amended by striking the item relating to section 1621 and inserting the following:

"Sec. 1621. Albuquerque Metropolitan Area Water Reclamation and Reuse Project.".

(c) PHOENIX METROPOLITAN WATER RECLAMATION AND REUSE PROJECT.—Section 1608 of the Reclamation Projects Authorization and Adjustment Act of 1992 (106 Stat. 4666; 43 U.S.C. 390h-6) is amended—

(1) by amending subsection (a) to read as follows:

"(a) The Secretary, in cooperation with the city of Phoenix, Arizona, shall participate in the planning, design, and construction of the Phoenix Metropolitan Water Reclamation and Reuse Project to utilize fully wastewater from the regional wastewater treatment plant for direct municipal, industrial, agricultural, and environmental purposes, groundwater recharge, and indirect potable reuse in the Phoenix metropolitan area.";

(2) in subsection (b) by striking the first sentence; and

(3) by striking subsection (c).

(d) REFUND OF CERTAIN AMOUNTS RECEIVED UNDER RECLAMATION REFORM ACT OF 1982.—

(1) REFUND REQUIRED.—Subject to paragraph (2) and the availability of appropriations, the Secretary of the Interior shall refund fully amounts received by the United States as collections under section 224(i) of the Reclamation Reform Act of 1982 (101 Stat. 1330-268; 43 U.S.C. 390ww(i)) for paid bills (including interest collected) issued by the Secretary of the Interior before January 1, 1994, for full-cost charges that were assessed for failure to file certain certification forms under sections 206 and 224(c) of such Act (96 Stat. 1266, 1272; 43 U.S.C. 390ff, 390ww(c)).

(2) ADMINISTRATIVE FEE.—In the case of a refund of amounts collected in connection with sections 206 and 224(c) of the Reclamation Reform Act of 1982 (96 Stat. 1266, 1272; 43 U.S.C. 390ff, 390ww(c)) with respect to any water year after the 1987 water year, the amount refunded shall be reduced by an administrative fee of $260 for each occurrence.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $3,000,000.

(e) EXTENSION OF PERIODS FOR REPAYMENTS FOR NUECES RIVER RECLAMATION PROJECT AND CANADIAN RIVER RECLAMATION PROJECT, TEXAS.—Section 2 of the Emergency Drought Relief Act of 1996 (Public Law 104-318; 110 Stat. 3862) is amended by adding at the end the following new subsection:

"(c) EXTENSION OF PERIODS FOR REPAYMENT.—Notwithstanding any provision of the Reclamation Project Act of 1939 (43 U.S.C. 485 et seq.), the Secretary of the Interior—

"(1) shall extend the period for repayment by the city of Corpus Christi, Texas, and the Nueces River Authority under contract No. 6-07-01-X0675, relating to the Nueces River reclamation project, Texas, until—

"(A) August 1, 2029, for repayment pursuant to the municipal and industrial water supply benefits portion of the contract; and

"(B) until August 1, 2044, for repayment pursuant to the fish and wildlife and recreation benefits portion of the contract; and

"(2) shall extend the period for repayment by the Canadian River Municipal Water Authority under contract No. 14-06-500-485, relating to the Canadian River reclamation project, Texas, until October 1, 2021.".

(f) SOLANO PROJECT WATER.—

(1) AUTHORIZATION.—The Secretary of the Interior is authorized to enter into contracts with the Solano County Water Agency, or any of its member unit contractors for water from the Solano Project, California, pursuant to the Act of February 21, 1911 (43 U.S.C. 523), for—

(A) the impounding, storage, and carriage of nonproject water for domestic, municipal, industrial, and other beneficial purposes, using any facilities associated with the Solano Project, California, and

(B) the exchange of water among Solano Project contractors, for the purposes set forth in subparagraph (A), using facilities associated with the Solano Project, California.

(2) LIMITATION.—The authorization under paragraph (1) shall be limited to the use of that portion of the Solano Project facilities downstream of Mile 26 of the Putah South Canal (as that canal is depicted on the official maps of the Bureau of Reclamation), which is below the diversion points on the Putah South Canal utilized by the city of Fairfield for delivery of Solano Project water.

(g) FISH PASSAGE AND PROTECTIVE FACILITIES, ROGUE RIVER BASIN, OREGON.—The Secretary of the Interior is authorized to use otherwise available amounts to provide up to $2,000,000 in financial assistance to the Medford Irrigation District and the Rogue River Valley Irrigation District for the design and construction of fish passage and protective facilities at North Fork Little Butte Creek Diversion Dam and South Fork Little Butte Creek Diversion Dam in the Rogue River basin, Oregon, if the Secretary determines in writing that these facilities will enhance the fish recovery efforts currently underway at the Rogue River Basin Project, Oregon.

SEC. 1392. AUTHORIZATION TO CONSTRUCT TEMPERATURE CONTROL DEVICES.

(a) FOLSOM DAM.—The Secretary of the Interior is hereby authorized to construct in accordance with the draft environmental impact statement/environmental impact report for the Central Valley Supply contracts under Public Law 101-514 (section 206) and the report entitled "Assessment of the Beneficial and Adverse Impacts of Operating a Temperature Control Device (TCD) at the Water Supply Intakes of Folsom Dam", a temperature control device on Folsom Dam and necessary associated temperature monitoring facilities. The temperature control device and said associated temperature monitoring facilities shall be operated as an integral part of the Central Valley Project for the benefit and propagation of fall-run chinook salmon and steelhead trout in the American River, California.

(b) DEVICE ON NON-CVP FACILITIES.—The Secretary of the Interior is hereby authorized to construct or assist in the construction of 1 or more temperature control devices on existing non-Federal facilities delivering Central Valley Project water supplies from Folsom Reservoir and necessary associated temperature monitoring facilities. These costs of construction of temperature control device and associated temperature monitoring facilities shall be nonreimbursable and operated by the non-Federal facility owner at its expense, in coordination with the Central Valley Project for the benefit and propagation of chinook salmon and steelhead trout in the American River, California.

(c) AUTHORIZATION.—There is hereby authorized to be appropriated for the construction of a temperature control device on Folsom Dam and necessary associated temperature monitoring facilities the sum of $5,000,000 (adjusted for inflation based on October 1997 prices). There is also authorized to be appropriated for the construction of a temperature control device on existing non-Federal facilities and necessary associated temperature monitoring facilities the sum of $2,000,000 (October 1997 prices). There is also authorized to be appropriated, in addition thereto, such amounts as are required for operation, maintenance, and replacement of the temperature control devices on Folsom Dam and associated temperature monitoring facilities.

SEC. 1393. COLUSA BASIN WATERSHED INTEGRATED RESOURCES MANAGEMENT.

(a) SHORT TITLE.—This section may be cited as the "Colusa Basin Watershed Integrated Resources Management Act".

(b) AUTHORIZATION OF ASSISTANCE.—The Secretary of the Interior (in this section referred to as the "Secretary") may provide financial assistance to the Colusa Basin Drainage District, California (in this section referred to as the "District"), for use by the District or by local agencies acting pursuant to section 413 of the State of California statute known as the Colusa Basin Drainage Act (California Stats. 1987, ch. 1399), as in effect on the date of the enactment of this Act (in this section referred to as the "State statute"), for planning, design, environmental compliance, and construction required in carrying out eligible projects in the Colusa Basin Watershed to—

(1)(A) reduce the risk of damage to urban and agricultural areas from flooding or the discharge of drainage water or tailwater;

(B) assist in groundwater recharge efforts to alleviate overdraft and land subsidence; or

(C) construct, restore, or preserve wetland and riparian habitat; and

(2) capture, as an incidental purpose of any of the purposes referred to in paragraph (1), surface or stormwater for conservation, conjunctive use, and increased water supplies.

(c) PROJECT SELECTION.—

(1) ELIGIBLE PROJECTS.—A project shall be an eligible project for purposes of subsection (b) only if it is—

(A) identified in the document entitled "Colusa Basin Water Management Program", dated February 1995; and

(B) carried out in accordance with that document and all environmental documentation requirements that apply to the project under the laws of the United States and the State of California.

(2) COMPATIBILITY REQUIREMENT.—The Secretary shall ensure that projects for which assistance is provided under this section are not inconsistent with watershed protection and environmental restoration efforts being carried out under the authority of the Central Valley Project Improvement Act (Public Law 102-575; 106 Stat. 4706 et seq.) or the CALFED Bay-Delta Program.

(d) COST SHARING.—

(1) NON-FEDERAL SHARE.—The Secretary shall require that the District and cooperating non-Federal agencies or organizations pay—

(A) 25 percent of the costs associated with construction of any project carried out with assistance provided under this section; and

(B) 100 percent of any operation, maintenance, and replacement and rehabilitation costs with respect to such a project.

(2) PLANNING, DESIGN, AND COMPLIANCE ASSISTANCE.—Funds appropriated pursuant to this section may be made available to fund all costs incurred for planning, design, and environmental compliance activities by the District or by local agencies acting pursuant to the State statute, in accordance with agreements with the Secretary.

(3) TREATMENT OF CONTRIBUTIONS.—For purposes of this subsection, the Secretary shall treat the value of lands, interests in lands (including rights-of-way and other easements), and necessary relocations contributed by the District to a project as a payment by the District of the costs of the project.

(e) COSTS NONREIMBURSABLE.—Amounts expended pursuant to this section shall be considered nonreimbursable for purposes of the Act of June 17, 1902 (32 Stat. 388; 43 U.S.C. 371 et seq.), and Acts amendatory thereof and supplemental thereto.

(f) AGREEMENTS.—Funds appropriated pursuant to this section may be made available to the District or a local agency only if the District or local agency, as applicable, has entered into a binding agreement with the Secretary—

(1) under which the District or the local agency is required to pay the non-Federal share of the costs of construction required by subsection (d)(1); and

(2) governing the funding of planning, design, and compliance activities costs under subsection (d)(2).

(g) REIMBURSEMENT.—For project work (including work associated with studies, planning, design, and construction) carried out by the District or by a local agency acting pursuant to the State statute referred to in subsection (b) before the date amounts are provided for the project under this section, the Secretary shall, subject to amounts being made available in advance in appropriations Acts, reimburse the District or the local agency, without interest, an amount equal to the estimated Federal share of the cost of such work under subsection (d).

(h) COOPERATIVE AGREEMENTS.—

(1) IN GENERAL.—The Secretary may enter into cooperative agreements and contracts with the District to assist the Secretary in carrying out the purposes of this section.

(2) SUBCONTRACTING.—Under such cooperative agreements and contracts, the Secretary may authorize the District to manage and let contracts and receive reimbursements, subject to amounts being made available in advance in appropriations Acts, for work carried out under such contracts or subcontracts.

(i) RELATIONSHIP TO RECLAMATION REFORM ACT OF 1982.—Activities carried out, and financial assistance provided, under this section shall not be considered a supplemental or additional benefit for purposes of the Reclamation Reform Act of 1982 (96 Stat. 1263; 43 U.S.C. 390aa et seq.).

(j) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated to the Secretary to carry out this section $25,000,000, plus such additional amount, if any, as may be required by reason of changes in costs of services of the types involved in the District's projects as shown by engineering and other relevant indexes. Sums appropriated under this subsection shall remain available until expended.

SEC. 1394. LIMITATION ON STATUTORY CONSTRUCTION.

Nothing in this title shall be construed to abrogate or affect any obligation of the United States under section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)).

TITLE XIV—PROVISIONS SPECIFIC TO ALASKA

SEC. 1401. AUTOMATIC LAND BANK PROTECTION.

(a) LANDS RECEIVED IN EXCHANGE FROM CERTAIN FEDERAL AGENCIES.—The matter preceding clause (i) of section 907(d)(1)(A) of the Alaska National Interest Lands Conservation Act (43 U.S.C. 1636(d)(1)(A)) is amended by inserting "or conveyed to a Native Corporation pursuant to an exchange authorized by section 22(f) of Alaska Native Claims Settlement Act or section 1302(h) of this Act or other applicable law" after "Settlement Trust".

(b) LANDS EXCHANGED AMONG NATIVE CORPORATIONS.—Section 907(d)(2)(B) of such Act (43 U.S.C. 1636(d)(2)(B)) is amended—

(1) by striking "and" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; and"; and

(3) by adding at the end the following:

"(iv) lands or interest in lands shall not be considered developed or leased or sold to a third party as a result of an exchange or conveyance of such land or interest in land between or among Native Corporations and trusts, partnerships, corporations, or joint ventures, whose beneficiaries, partners, shareholders, or joint venturers are Native Corporations.".

(c) ACTIONS BY TRUSTEE SERVING PURSUANT TO AGREEMENT OF NATIVE CORPORATIONS.—Section 907(d)(3)(B) of such Act (43 U.S.C. 1636(d)(3)(B)) is amended—

(1) by striking "or" at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting "; or"; and

(3) by adding at the end the following:

"(iii) to actions by any trustee whose right, title, or interest in land or interests in land arises pursuant to an agreement between or among Native Corporations and trusts, partnerships, or joint ventures whose beneficiaries, partners, shareholders, or joint venturers are Native Corporations.".

SEC. 1402. DEVELOPMENT BY THIRD-PARTY TRESPASSERS.

Section 907(d)(2)(A)(i) of the Alaska National Interest Lands Conservation Act (43 U.S.C. 1636(d)(2)(A)(i)) is amended—

(1) by inserting "Any such modification shall be performed by the Native individual or Native Corporation." after "substantial modification.";

(2) by inserting a period after "developed state" the second place it appears; and

(3) by adding "Any lands previously developed by third-party trespassers shall not be considered to have been developed.".

SEC. 1403. RETAINED MINERAL ESTATE.

(a) IN GENERAL.—Section 12(c)(4) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(c)(4)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (B) the following new subparagraphs:

"(C) Where such public lands are surrounded by or contiguous to subsurface lands obtained by a Regional Corporation under subsections (a) or (b), the Corporation may, upon request, have such public land conveyed to it.

"(D)(i) A Regional Corporation which elects to obtain public lands under subparagraph (C) shall be limited to a total of not more than 12,000 acres. Selection by a Regional Corporation of in lieu surface acres under subparagraph (E) pursuant to an election under subparagraph (C) shall not be made from any lands within a conservation system unit (as that term is defined by section 102(4) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3102(4)).

"(ii) An election to obtain the public lands described in subparagraph (A), (B), or (C) shall include all available parcels within the township in which the public lands are located.

"(iii) For purposes of this subparagraph and subparagraph (C), the term 'Regional Corporation' shall refer only to Doyon, Limited."; and

(2) in subparagraph (E) (as so redesignated), by striking "(A) or (B)" and inserting "(A), (B), or (C)".

(b) FAILURE TO APPEAL NOT PROHIBITIVE.—Section 12(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(c)) is amended by adding at the end the following:

"(5) Subparagraphs (A), (B), and (C) of paragraph (4) shall apply, notwithstanding the failure of the Regional Corporation to have appealed the rejection of a selection during the conveyance of the relevant surface estate.".

SEC. 1404. AMENDMENT TO PUBLIC LAW 102–415.

Section 20 of the Alaska Land Status Technical Corrections Act of 1992 (106 Stat. 2129), is amended by adding at the end the following new subsection:

"(h) Establishment of the account under subsection (b) and conveyance of land under subsection (c), if any, shall be treated as though 3,520 acres of land had been conveyed to Gold Creek under section 14(h)(2) of the Alaska Native Claims Settlement Act for which rights to subsurface estate are hereby provided to CIRI. Within 1 year from the date of the enactment of this subsection, CIRI shall select 3,520 acres of land from the area designated for selection by paragraph I.B.(2)(b) of the document identified in section 12(b) (referring to the Talkeetna Mountains) of the Act of January 2, 1976 (43 U.S.C. 1611 note). Not more than five selections shall be made under this subsection, each of which shall be reasonably compact and in whole sections, except when separated by unavailable land or when the remaining entitlement is less than a whole section.".

SEC. 1405. CLARIFICATION ON TREATMENT OF BONDS FROM A NATIVE CORPORATION.

Section 29(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)) is amended—

(1) in paragraph (3)(A), by inserting "and on bonds received from a Native Corporation" after "from a Native Corporation"; and

(2) in paragraph (3)(B), by inserting "or bonds issued by a Native Corporation which bonds shall be subject to the protection of section 7(h) until voluntarily and expressly sold or pledged by the shareholder subsequent to the date of distribution" before the semicolon.

SEC. 1406. MINING CLAIMS.

Paragraph (3) of section 22(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1621(c)) is amended—

(1) by striking out "regional corporation" each place it appears and inserting in lieu thereof "Regional Corporation"; and

(2) by adding at the end the following: "The provisions of this section shall apply to Haida Corporation and the Haida Traditional Use Sites, which shall be treated as a Regional Corporation for the purposes of this paragraph, except that any revenues remitted to Haida Corporation under this section shall not be subject to distribution pursuant to section 7(i) of this Act.".

SEC. 1407. SALE, DISPOSITION, OR OTHER USE OF COMMON VARIETIES OF SAND, GRAVEL, STONE, PUMICE, PEAT, CLAY, OR CINDER RESOURCES.

Subsection (i) of section 7 of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(i)) is amended—

(1) by striking "Seventy per centum" and inserting "(A) Except as provided by subparagraph (B), seventy percent"; and

(2) by adding at the end the following:

"(B) In the case of the sale, disposition, or other use of common varieties of sand, gravel, stone, pumice, peat, clay, or cinder resources made during a fiscal year ending after the date of enactment of this subparagraph, the revenues received by a Regional Corporation shall not be subject to division under subparagraph (A). Nothing in this subparagraph is intended to or shall be construed to alter the ownership of such sand, gravel, stone, pumice, peat, clay, or cinder resources.".

SEC. 1408. ALASKA NATIVE ALLOTMENT APPLICATIONS.

Section 905(a) of the Alaska National Interest Lands Conservation Act (43 U.S.C. 1634(a)) is amended by adding at the end the following:

"(7) Paragraph (1) of this subsection and subsection (d) shall apply, and paragraph (5) of this subsection shall cease to apply, to an application—

"(A) that is open and pending on the date of enactment of this paragraph,

"(B) if the lands described in the application are in Federal ownership other than as a result of reacquisition by the United States after January 3, 1959, and

"(C) if any protest which is filed by the State of Alaska pursuant to paragraph (5)(B) with respect to the application is withdrawn or dismissed either before, on, or after the date of the enactment of this paragraph.

"(8)(A) Any allotment application which is open and pending and which is legislatively approved by enactment of paragraph (7) shall, when allotted, be made subject to any easement, trail, or right-of-way in existence on the date of the Native allotment applicant's commencement of use and occupancy.

"(B) The jurisdiction of the Secretary is extended to make any factual determinations required to carry out this paragraph.".

SEC. 1409. VISITOR SERVICES.

Paragraph (1) of section 1307(b) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3197(b)) is amended—

(1) by striking "Native Corporation" and inserting "Native Corporations"; and

(2) by striking "is most directly affected" and inserting "are most directly affected".

SEC. 1410. LOCAL HIRE REPORT.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary of the Interior shall transmit to Congress a report.

(b) LOCAL HIRE.—The report required by subsection (a) shall—

(1) indicate the actions taken in carrying out subsection (b) of section 1308 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3198);

(2) address the recruitment processes that may restrict employees hired under subsection (a) of such section from successfully obtaining positions in the competitive service; and

(3) describe the actions of the Secretary of the Interior in contracting with Alaska Native Corporations to provide services with respect to public lands in Alaska.

(c) COOPERATION.—The Secretary of Agriculture shall cooperate with the Secretary of the Interior in carrying out this section with respect to the Forest Service.

SEC. 1411. SHAREHOLDER BENEFITS.

Section 7 of the Alaskan Native Claims Settlement Act (43 U.S.C. 1606) is amended by adding at the end the following:

"(r) BENEFITS FOR SHAREHOLDERS OR IMMEDIATE FAMILIES.—The authority of a Native Corporation to provide benefits to its shareholders who are Natives or descendants of Natives or to its shareholders' immediate family members who are Natives or descendants of Natives to promote the health, education, or welfare of such shareholders or family members is expressly authorized and confirmed. Eligibility for such benefits need not be based on share ownership in the Native Corporation and such benefits may be provided on a basis other than pro rata based on share ownership.".

SEC. 1412. SHAREHOLDER HOMESITE PROGRAM.

Section 39(b)(1)(B) of the Alaskan Native Claims Settlement Act (43 U.S.C. 1629e(b)(1)(B)) is amended by inserting after "settlor corporation" the following: "or the land is conveyed for a homesite by the Trust to a beneficiary of the Trust who is also a legal resident under Alaska law of the Native village of the settlor corporation and the conveyance does not exceed 1.5 acres".

SEC. 1413. MORATORIUM ON FEDERAL MANAGEMENT.

Prior to December 31, 1999, neither the Secretary of the Interior nor the Secretary of Agriculture may issue or implement final regulations, rules, or policies pursuant to title VIII of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3111 et seq.) to assert jurisdiction, management, or control over the navigable waters transferred to the State of Alaska pursuant to the Submerged Lands Act (43 U.S.C. 1301 et seq.) or the Act entitled "An Act to provide for the admission of the State of Alaska into the Union", approved July 7, 1958 (Public Law 85-508; 72 Stat. 339).

SEC. 1414. EASEMENT FOR CHUGACH ALASKA CORPORATION.

(a) IN GENERAL.—Notwithstanding any other provision of law, not later than December 11, 1998, the Secretary of Agriculture shall convey to Chugach Alaska Corporation an easement for the construction, use, and maintenance of forest roads and related facilities necessary for access to and economic development of the land interests in the Carbon Mountain and Katalla vicinity that were conveyed to Chugach Alaska Corporation pursuant to the Alaska Native Claims Settlement Act. The public shall be permitted use of the roads pursuant to the terms and conditions contained in the 1982 Chugach Natives, Inc. Settlement Agreement. The location of the easement is depicted on the map entitled "Carbon Mountain Access Easement" and dated November 4, 1997. Nothing in this section waives any legal environmental requirement with respect to the actual road construction.

(b) CONSTRUCTION AND MAINTENANCE.—Construction and maintenance of any roads pursuant to subsection (a) shall be in accordance with the best management practices of the Forest Service as promulgated in the Forest Service Handbook.

(c) SETTLEMENT AGREEMENT TO REMAIN IN FORCE.—Nothing in this section shall be construed as impairing or diminishing any right granted Chugach Alaska Corporation under the 1982 Chugach Natives, Inc. Settlement Agreement.

SEC. 1415. CALISTA NATIVE CORPORATION LAND EXCHANGE.

(a) CONGRESSIONAL FINDINGS.—Congress finds and declares that—

(1) the land exchange authorized by section 8126 of Public Law 102-172 should be implemented without further delay;

(2) the Calista Corporation, the Native Regional Corporation organized under the authority of the Alaska Native Claims Settlement Act for the Yupik Eskimos of Southwestern Alaska, which includes the majority of the Yukon Delta National Wildlife Refuge—

(A) has responsibilities provided for by the Alaska Native Claims Settlement Act to help address social, cultural, economic, health, subsistence, and related issues within the region and among its villages, including the viability of the villages themselves, many of which are remote and isolated; and

(B) has been unable to fully carry out such responsibilities;

(3) the implementation of the exchange referenced in this subsection is essential to helping Calista utilize its assets to carry out those responsibilities and to realize the benefits of the Alaska Native Claims Settlement Act;

(4) the parties to the exchange have been unable to reach agreement on the valuation of the lands and interests in lands to be conveyed to the United States under section 8126 of Public Law 102-172; and

(5) in light of the foregoing, it is appropriate and necessary in this unique situation that Congress authorize and direct the implementation of this exchange as set forth in this section in furtherance of the purposes and underlying goals of the Alaska Native Claims Settlement Act and the Alaska National Interest Lands Conservation Act.

(b) LAND EXCHANGE IMPLEMENTATION.—Section 8126 of Public Law 102-172 (105 Stat. 1206) is amended to read as follows:

"SEC. 8126. (a)(1) In exchange for lands, partial estates, and land selection rights identified in the document entitled 'The Calista Conveyance and Relinquishment Document', dated October 28, 1991, as amended September 18, 1998 (hereinafter referred to as 'CCRD'), the United States will establish a property account for the Calista Corporation, a corporation organized under the laws of the State of Alaska, in the amount identified in the CCRD, and in accordance with the provisions of this Act.

"(2) The CCRD contains the land descriptions of the lands and interests in lands to be conveyed, the selections to be relinquished, the charges to entitlement, the quantity and class of entitlement to be transferred to the United States, the terms of the Kuskokwim Corporation Conservation Easement, and the amount that is authorized for the property account.

"(3) The covenants, terms, and conditions to be used in any transfers to the United States described in the CCRD shall be binding on the United States and the participating Native corporations and shall be a matter of Federal law.

"(b)(1) The aggregate values of such lands and interests in lands, together with compensation for the considerations set forth in congressional findings concerning the Calista Region and its villages, shall be the sum provided in section IX of the CCRD. The

amounts credited to the property account described in this subsection shall not be subject to adjustment for minor changes in acreage resulting from preparation or correction of the land descriptions in the CCRD or the exclusion of any small tracts of land as a result of hazardous material surveys. The Secretary of the Interior shall maintain an accounting of the lands and interests in lands remaining to be conveyed or relinquished by Calista Corporation and the participating village corporations pursuant to this section. The Secretary of the Treasury on October 1, 1998, shall establish a property account on behalf of Calista Corporation.

"(2) The account shall be credited and available for use as provided in paragraph (4), according to the following schedule of percentages of the amount in section IX of the CCRD:

"(A) On October 1, 1999, and on October 1 of each year thereafter through October 1, 2005, the amount equal to 12.69 percent.

"(B) On October 1, 2007, the amount equal to 11.17 percent.

"(3)(A) Unless otherwise authorized by law, the aggregate amount of all credits to the account, pursuant to the schedule set forth in paragraph (2), shall be equal to the amount in section IX of the CCRD.

"(B) All amounts credited to the account shall be from amounts in the Treasury not otherwise appropriated and shall be available for expenditure without further appropriation and without fiscal year limitation.

"(4) The property account may not be used until all conveyances, relinquishments of selections, and adjustments to entitlements described in the CCRD have been made to and accepted by the United States. The Secretary of the Interior shall notify the Secretary of the Treasury when all requirements of the preceding sentence have been met. Immediately thereafter the Secretary of the Treasury shall comply with his duties under this paragraph including the computations of the amount in the account, the amount that may be expended in any particular Federal fiscal year, and the balance of the account after any transaction. The property account may be used in the same manner as any other property account held by any other Alaska Native Corporation.

"(5) Notwithstanding any other provision of law, Calista Corporation on its own behalf or on behalf of the village corporations identified in the CCRD, may assign any or all of the account upon written notification to the Secretary of the Treasury and the Secretary of the Interior.

"(6) The Secretary of the Treasury shall notify the Secretary of the Interior and Calista whenever there is a reduction in the property account, the purpose for such reduction and the remaining balance in the account. The Alaska State Office of the Bureau of Land Management shall be the official repository of such notices.

"(7) For the purpose of the determination of the applicability of section 7(i) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(i)) to revenues generated pursuant to that section, such revenues shall be calculated in accordance with section IX of the CCRD.

"(8) The United States shall not be liable for the redistribution of benefits by the Calista Corporation to the participating Alaska Native village corporations pursuant to this section.

"(9) These transactions are not based on appraised property values and therefore shall not be used as a precedent for establishing property values.

"(10) Prior to the issuance of any conveyance documents or relinquishments and acceptance, the Secretary of the Interior and the participating Native corporations may, by mutual agreement, modify the legal descriptions included in the CCRD to correct clerical errors.

"(11) Property located in the State of Alaska that is purchased by use of the property account shall be considered and treated as conveyances of land selections under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

"(12) The conveyance of lands, partial estates and land selection rights and relinquishment or adjustments to entitlement made by the Alaska Native Corporations pursuant to this section and the use of the property account in the Treasury shall be treated as the receipt of land or any interest therein or cash in order to equalize the values of properties exchanged pursuant to section 22(f) of the Alaska Native Claims Settlement Act (43 U.S.C. 1621(f)) as provided in the first sentence in section 21(c) of that Act (43 U.S.C. 1620(c)).

"(13) With respect to the content of the CCRD, the Secretary of the Interior, the Calista Regional Corporation, and the participating village corporations agree upon the lands, interests in lands, relinquishments and adjustments to entitlement described therein that may be offered to the United States pursuant to this section. These parties also agree with the amounts to be made available in the property account once all conveyances and relinquishments are completed, and the parties agree with the needs set forth in the congressional findings in section 6(a) of the ANCSA Land Bank Protection Act of 1998. The parties do not necessarily agree on the hortatory statements, descriptions, and attributions of resource values which are included in the CCRD as drafted by Calista. But such disagreements will not affect the implementation of this section.

"(14) Descriptions of resource values provided for surface lands which are not offered in the exchange and will remain privately owned by village corporations form no part of the consideration for the exchange.".

TITLE XV—OTHER PROVISIONS

SEC. 1501. ADAMS NATIONAL HISTORICAL PARK.

(a) FINDINGS.—Congress finds the following:

(1) In 1946, the Secretary of the Interior, by means of the authority provided to the Secretary under section 2 of the Act of August 21, 1935 (16 U.S.C. 462; commonly known as the Historic Sites, Buildings, and Antiquities Act), established the Adams Mansion National Historic Site in Quincy, Massachusetts.

(2) In 1952, again using the authority provided under the Act of August 21, 1935, the Secretary enlarged the historic site and renamed it the Adams National Historic Site.

(3) In 1972, title III of Public Law 92-272 (86 Stat. 121) authorized the Secretary to expand the boundaries of the Adams National Historic Site to include an additional 3.68 acres and to acquire lands and interests in lands within the expanded boundaries.

(4) Section 312 of the National Parks and Recreation Act of 1978 (Public Law 95-625; 92 Stat. 3479) authorized the Secretary to accept the conveyance of the birthplaces in Quincy, Massachusetts, of John Adams, second President of the United States, and John Quincy Adams, sixth President of the United States, and to administer the birthplaces as part of the Adams National Historic Site.

(5) In 1980, Public Law 96-435 (94 Stat. 1861) authorized the Secretary to accept the conveyance of the United First Parish Church in Quincy, Massachusetts, the burial site of John Adams and his wife, Abigail Adams, and John Quincy Adams and his wife, Louisa Adams, and to administer the burial site as part of the Adams National Historic Site.

(6) The actions described in the preceding paragraphs to preserve for the benefit, education, and inspiration of present and future generations of Americans the home, property, birthplaces, and burial site of John Adams, Abigail Adams, John Quincy Adams, and Louisa Adams, have resulted in a multisite unit of the National Park System with no overarching enabling or authorizing legislation.

(7) The sites and resources associated with John Adams and his wife, Abigail Adams, and John Quincy Adams and his wife, Louisa Adams, deserve recognition as a national historical park in the National Park System.

(b) DEFINITIONS.—As used in this section:

(1) HISTORICAL PARK.—The term "historical park" means the Adams National Historical Park established in subsection (c).

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(c) ADAMS NATIONAL HISTORICAL PARK.

(1) ESTABLISHMENT.—In order to preserve for the benefit, education, and inspiration of the people of the United States certain properties in Quincy, Massachusetts, associated with John Adams, second President of the United States, his wife, Abigail Adams, John Quincy Adams, sixth President of the United States, and his wife, Louisa Adams, there is established the Adams National Historical Park as a unit of the National Park System.

(2) BOUNDARIES.—The historical park shall be comprised of—

(A) all property owned by the National Park Service in the Adams National Historic Site as of the date of the enactment of this Act, as well as all property previously authorized to be acquired by the Secretary for inclusion in the Adams National Historic Site, as generally depicted on the map entitled "Adams National Historical Park", numbered NARO 386/92001, and dated July 22, 1992; and

(B) all property authorized to be acquired for inclusion in the historical park by this section or other law enacted after the date of the enactment of this Act.

(3) VISITOR AND ADMINISTRATIVE SITES.—To preserve the historical character and landscape of the main features of the historical park, the Secretary may acquire up to 10 acres for the development of visitor, administrative, museum, curatorial, and maintenance facilities adjacent to or in the general proximity of the property depicted on the map identified in paragraph (2)(A).

(4) MAP.—The map of the historical park shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(d) ADMINISTRATION.—

(1) IN GENERAL.—The park shall be administered by the Secretary in accordance with this section and the provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (16 U.S.C. 1 et seq.; commonly known as the National Park Service Organic Act), and the Act of August 21, 1935 (16 U.S.C. 461 et seq.; commonly known as the Historic Sites, Buildings, and Antiquities Act).

(2) COOPERATIVE AGREEMENTS.—

(A) AGREEMENTS AUTHORIZED.—The Secretary may consult and enter into cooperative agreements with interested entities and individuals to provide for the preservation, development, interpretation, and use of the historical park.

(B) CONDITION.—Any payments made by the Secretary pursuant to a cooperative agreement under this subsection shall be subject to the condition that conversion, use, or disposal of the project for which the payments are made for purposes contrary to the purposes for which the historical park is established, as determined by the Secretary, will result in a right of the United States to reimbursement in an amount equal to the greater of—

(i) all payments made by the Secretary in connection with the project; or

(ii) the proportion of the increased value of the project attributable to the payments, as determined at the time of such conversion, use, or disposal.

(3) ACQUISITION OF REAL PROPERTY.—To advance the purposes for which the historical park is established, the Secretary may acquire real property within the boundaries of the historical park by any of the following methods:

(A) Purchase using funds appropriated or donated to the Secretary.

(B) Acceptance of a donation of the real property.

(C) Use of a land exchange.

(4) REPEAL OF SUPERSEDED ADMINISTRATIVE AUTHORITIES.—(A) Section 312 of the National Parks and Recreation Act of 1978 (Public Law 95–625; 92 Stat. 3479) is amended—

(i) by striking "(a)" after "SEC. 312."; and

(ii) by striking subsection (b).

(B) The first section of Public Law 96–435 (94 Stat. 1861) is amended—

(i) by striking "(a)" after "That"; and

(ii) by striking subsection (b).

(5) REFERENCES TO HISTORIC SITE.—Any reference in any law (other than this section), regulation, document, record, map, or other paper of the United States to the Adams National Historic Site shall be considered to be a reference to the historical park.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes for which the historical park is established, for annual operations and maintenance of the historical park, and for acquisition of property and development of facilities necessary to operate and maintain the historical park, as may be outlined in an approved general management plan for the historical park.

SEC. 1502. ACQUISITION OF LANDS FOR FREDERICK LAW OLMSTEAD NATIONAL HISTORIC SITE.

Section 201 of Public Law 96–87 (93 Stat. 664; 16 U.S.C. 461 note) is amended by adding at the end the following:

"(d)(1) Notwithstanding subsection (c), in order to preserve and maintain the historic setting of the Site, the Secretary may acquire, by donation only, lands and interests in lands that are situated adjacent to the Site and owned by the Brookline Conservation Land Trust (a nonprofit corporation established under the laws of the State of Massachusetts).

"(2) Lands acquired under this subsection shall be included in and maintained and managed as part of the Site.".

SEC. 1503. DESIGNATION OF DANTE FASCELL VISITOR CENTER AT BISCAYNE NATIONAL PARK.

(a) DESIGNATION.—The Biscayne National Park visitor center, located on the shore of Biscayne Bay on Convoy Point, is designated as the Dante Fascell Visitor Center at Biscayne National Park.

(b) REFERENCES.—Any reference in any statute, rule, regulation, Executive order, publication, map, or paper or other document of the United States to the Biscayne National Park visitor center is deemed to refer to the Dante Fascell Visitor Center at Biscayne National Park.

SEC. 1504. DESIGNATION OF CALIFORNIA COASTAL ROCKS AND ISLANDS WILDERNESS AREA TO BE ADMINISTERED BY BUREAU OF LAND MANAGEMENT.

(a) FINDINGS.—The Congress finds the following:

(1) The California coastal rocks and islands are a critical component of a unique ecosystem of California.

(2) The California coastal rocks and islands comprise a narrow flight lane in the Pacific Flyway, providing protected nest sites as well as feeding and perching areas for millions of seabirds.

(3) This unique ecosystem is also important for the continued survival of endangered or threatened sea mammals, such as stellar sea lions and elephant seals.

(4) Designation of the California coastal rocks and islands as wilderness would add a significant natural component to the National Wilderness Preservation System.

(b) DESIGNATION AS WILDERNESS.—In furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131 et seq.), all unreserved and unappropriated ocean islands in the State of California (as more fully described in subsection (c)) that, as of the date of the enactment of this Act, are under the jurisdiction of the Bureau of Land Management are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System, and shall be known as the California Coastal Rocks and Islands Wilderness.

(c) DESCRIPTION OF COVERED ISLANDS.—The ocean islands covered by subsection (b) are those islands, reefs, rocks, and islets lying within three miles off the Pacific coast of the State of California from Oregon to the Mexican border and above the mean high tides, except those already reserved and appropriated for other uses as listed in the exhibit titled "Lands Not Affected By Wilderness Designation" dated February 26, 1997, and on file and available for public review in the California office of the Bureau of Land Management.

(d) MANAGEMENT AUTHORITY.—The California Coastal Rocks and Islands Wilderness shall remain under the jurisdiction of the Bureau of Land Management, and the islands, reefs, rocks, and islets designated as wilderness under subsection (b) are managed, as of the date of the enactment of this Act, under a memorandum of understanding by the California Department of Fish and Game.

(e) MANAGEMENT.—Subject to valid existing rights, the California Coastal Rocks and Islands Wilderness shall be administered by the Secretary of the Interior in accordance with the Wilderness Act, except that, with respect to such wilderness area, any reference in the Wilderness Act to the effective date of the Wilderness Act shall be deemed to be a reference to the date of the enactment of this Act and any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

(f) EFFECT ON OTHER LAWS.—This section shall take precedence over and supersede the temporary reservation made by the Act of February 18, 1931 (Chapter 226; 46 Stat. 1172).

SEC. 1505. SPANISH PEAKS WILDERNESS.

(a) AMENDMENT.—Section 2 of the Colorado Wilderness Act of 1993 (Public Law 103–77) is amended by adding the following new paragraph at the end of subsection (a):

"(20) Certain lands in the San Isabel National Forest which comprise approximately 18,000 acres, as generally depicted on a map entitled 'Proposed Spanish Peaks Wilderness', dated May 1997, and which shall be known as the Spanish Peaks Wilderness.".

(b) MAP AND DESCRIPTION.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall file a map and a boundary description of the area designated as the Spanish Peaks Wilderness by paragraph (20) of subsection 2(a) of the Colorado Wilderness Act of 1993, as amended by this section, with the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Such map and boundary description shall have the same force and effect as if included in the Colorado Wilderness Act of 1993, except that if the Secretary is authorized to correct clerical and typographical errors in such boundary description and map. Such map and boundary description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

(c) CONFORMING CHANGE.—Section 10 of the Colorado Wilderness Act of 1993 (Public Law 103–77) is hereby repealed, and section 11 of such Act is renumbered as section 10.

SEC. 1506. ROSIE THE RIVETER NATIONAL PARK SERVICE AFFILIATED SITE.

(a) FINDINGS.—The Congress finds the following:

(1) The City of Richmond, California, is located on the northeastern shore of San Francisco Bay and consists of several miles of waterfront which have been used for shipping and industry since the beginning of the 20th century. During the years of World War II, the population of Richmond grew from 220 to over 100,000.

(2) An area of Richmond, California, now known as Marina Park and Marina Green, was the location in the 1940's of the Richmond Kaiser Shipyards, which produced Liberty and Victory ships during World War II.

(3) Thousands of women of all ages and ethnicities moved from across the United States to Richmond, California, in search of high paying jobs and skills never before available to women in the shipyards.

(4) Kaiser Corporation supported women workers by installing child care centers at the shipyards so mothers could work while their children were well cared for nearby.

(5) These women, referred to as "Rosie the Riveter" and "Wendy the Welder", built hundreds of liberty and victory ships in record time for use by the United States Navy. Their labor played a crucial role in increasing American productivity during the war years and in meeting the demand for naval ships.

(6) In part the Japanese plan to defeat the United States Navy was predicated on victory occurring before United States shipyards could build up its fleet of ships.

(7) The City of Richmond, California, has dedicated the former site of Kaiser Shipyard #2 as Rosie the Riveter Memorial Park and will construct a memorial honoring American women's labor during World War II. The memorial will be representative of one of the Liberty ships built on the site during the war effort.

(8) The City of Richmond, California, is committed to collective interpretative oral histories for the public to learn of the stories of the "Rosies" and "Wendys" who worked in the shipyards.

(9) The Rosie the Riveter Park is a nationally significant site because there tens of thousands of women entered the work force for the first time, working in heavy industry

to support their families and the War effort. This was a turning point for the Richmond, California, area and the nation as a whole, when women joined the workforce and successfully completed jobs for which previously it was believed they were incapable.

(b) STUDY.—

(1) IN GENERAL.—The Secretary of the Interior shall conduct a feasibility study to determine whether—

(A) the Rosie the Riveter Park located in Richmond, California, is suitable for designation as an affiliated site to the National Park Service; and

(B) the Rosie the Riveter Memorial Committee established by the City of Richmond, California, with respect to that park is eligible for technical assistance for interpretative functions relating to the park, including preservation of oral histories from former works at the Richmond Kaiser Shipyards.

(2) REPORTS.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall complete the study under paragraph (1) and submit a report containing findings, conclusions, and recommendations from the study to the Committee on Resources of the House of Representatives and the Committee on Energy and Environment of the Senate.

EXTENSIONS OF REMARKS

INTRODUCTION OF THE WOMEN'S HEALTH RESEARCH AND PREVENTION AMENDMENTS OF 1998

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BILIRAKIS. Mr. Speaker, on Friday, I introduced legislation to revise and extend a number of important women's health research and prevention programs at the National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC). My bill is a companion measure to S. 1722, the "Women's Health Research and Prevention Amendments of 1998." S. 1722 was introduced in March by Senator BILL FRIST and enjoys strong bipartisan support, including members of the Senate Leadership.

Both the NIH and the CDC play critical roles in efforts to improve women's health through research, screening, prevention, treatment, education and data collection. My bill reauthorizes programs at the NIH for vital research into the causes, prevention and treatment of some of the major diseases affecting women—including osteoporosis, breast and ovarian cancer—and for research into the aging processes of women.

In addition, the bill authorizes a new research program at the National Heart, Lung, and Blood Institute to target heart attack, stroke, and other cardiovascular diseases in women. This program will advance research into cardiovascular disease, which is the leading cause of death in women. In the past, the medical community has focused on men in research, treatment and counseling for heart disease and stroke. Clearly, the need exists to study these diseases in women to prevent and treat them.

My bill also reauthorizes several major programs at the CDC for prevention and education activities on women's health issues. These include the National Center for Health Statistics, the National Program of Cancer Registries, the National Breast and Cervical Cancer Early Detection Program and the Centers for Research and Demonstration of Health Promotion and Disease Prevention.

As Chairman of the Health and Environment Subcommittee of the House Commerce Committee, I believe Congress must play an active role in promoting women's health research and prevention efforts. My bill reauthorizes a number of these critical women's health programs, and I urge all Members to join me in supporting passage of this important legislation.

SUMMARY OF THE WOMEN'S HEALTH RESEARCH AND PREVENTION AMENDMENTS OF 1998 INTRODUCED BY THE HON. MICHAEL BILIRAKIS

Purpose: To amend the Public Health Service Act to revise and extend certain programs with respect to women's health research and prevention activities at the National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC).

TITLE I: PROVISIONS RELATING TO WOMEN'S HEALTH RESEARCH AT THE NIH.

Section 101. Research Program and Authorization of National Education Program Regarding Drug DES. Amends PHS Act Sec. 403A to extend the research program on DES (diethylstilbestrol), a drug widely prescribed to American women from 1938 to 1971 which has been shown to be harmful to pregnant women and their children. Adds to the PHS Act a new Sec. 1710 to establish a national program through the Public Health Service agencies for education of health professionals and the public with respect to DES.

Section 102. Research on Osteoporosis, Paget's Disease and Related Bone Disorders. Amends PHS Act Sec. 409A(d) to extend the research program on osteoporosis, Paget's disease and related bone disorders at the National Institute on Aging, the National Institute for Arthritis and Musculoskeletal and Skin Diseases, the National Institute of Dental Research and the National Institute of Diabetes and Digestive and Kidney Diseases.

Section 103. Research on Cancer, Breast Cancer, and Ovarian and Related Cancer. Amends PHS Act Sec. 417B(b) to extend the research programs for basic and clinical research and education efforts with respect to cancer, breast cancer, and ovarian and related cancer.

Section 104. Research on Heart Attack, Stroke, and other Cardiovascular Diseases in Women. Adds to the PHS Act a new Sec. 424A to expand, intensify, and coordinate research and related activities with respect to heart attack, stroke, and other cardiosvascular diseases in women at the National Heart, Lung, and Blood Institute. This new authorization is included to support research into cardiovascular disease, which has been shown to be the leading cause of death in women in the United States.

Section 105. Aging Processes Regarding Women. Amends PHS Act Sec. 445H to extend the research programs at the National Institute on Aging into the aging processes of women, which give particular emphasis to the effects of menopause and the diagnosis, disorders, and complications related to aging and loss of ovarian hormones in women.

Section 106. Office of Research on Women's Health. Amends PHS Act Sec. 486(d) to allow the Director of NIH to make appointments to the Advisory Committee on Research on Women's Health.

TITLE II: PROVISIONS RELATINGS TO WOMEN'S HEALTH AT THE CDC.

Section 201. National Center for Health Statistics. Amends PHS Act Sec. 306(n) to extend the authority for statistical and epidemiological activities conducted by the NCHS, the federal government's principal health statistical agency. NCHS maintains more than a dozen data systems, including vital statistics data acquired from states, data derived from personal interviews, physical examinations, and laboratory tests, review of records of health care providers, and other survey methods. Data produced by these systems identify and address a broad spectrum of health concerns from birth to death, including overall health status, lifestyle, exposure to unhealthful influences, the onset and diagnosis of illness and disability, and the use of health care and rehabilitation services. Grant for Special Populations. The legislation extends the program for grants and studies on the health of ethnic and racial populations and on improving methods for developing statistics on ethnic and racial groups. The data collection supported by the NCHS is often the only national data available on the health status of U.S. women and their use of the health care system.

Section 202. National Program of Cancer Registries. Amends PHS Act Sec. 399L to extend the National Cancer Registries Program. The NPCR provides for the development of a comprehensive national cancer database for analysis of the cancer burden in the United States on a state, regional and national population basis. CDC provides funds to States and territories to enhance existing cancer registries; to implement registries in additional states; to develop model legislation and regulations for States to enhance viability of registry operations; to set standards for completeness, timeliness, and quality; and to provide training. This program generates reliable cancer surveillance data needed to monitor trends; guide cancer control programs; assist in allocations of health resources; advance population-based epidemiologic and health services research; and serve as the foundation of a national comprehensive cancer control strategy. CDC provides support to 42 states and the District of Columbia.

Section 203. National Breast and Cervical Cancer Early Detection Program. Amends PHS Act Sec. 1510(a) to extend the program, which provides for regular screening for breast and cervical cancers to underserved women, prompt follow-up if necessary, and assurances that the tests are performed in accordance with current quality recommendations. Amends PHS Act Sec. 1501(a)(2) to include support services such as case management under the purposes of the program. Amends PHS Act Sec. 1501(b) to authorize states to contract with for-profit entities to provide all types of services and to clarify that states may give priority to applications of equivalent quality submitted by nonprofit private entities. CDC supports activities at the state and national level in the areas of screening referral and follow-up services, quality assurance, public and provider education, surveillance, collaboration and partnership development.

Section 204. Centers for Research and Demonstration of Health Promotions and Disease Prevention (Prevention Centers). Amends PHS Act Sec. 1706(e) to extend authorization for grants to academic health institutions to establish centers for research and demonstration of health promotion and disease prevention. CDC funds 14 academic centers across the country. Areas of special emphasis include quality of life for special populations and curbing premature morbidity and mortality that lead to excessive health care costs. The NIH Women's Health Initiative and CDC Prevention Research Centers in

Maryland, North Carolina, and Alabama are working together to develop strategies for prevention of cardiovascular disease in women.

CONFERENCE REPORT ON H.R. 4101, AGRICULTURE, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

SPEECH OF

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BEREUTER. Mr. Speaker, this Member rises to express his concerns about the inadequacy of the emergency farm relief package in the conference report for H.R. 4101. This Member would like to begin by expressing his appreciation to the distinguished gentleman from New Mexico (Mr. SKEEN) and the distinguished gentlewoman from Ohio (Ms. KAPTUR) for their diligent work in crafting this legislation.

Although this legislation includes important emergency aid provisions for farmers, this Member believes that it is inadequate to address the enormous needs of agricultural producers who are reeling from depressed commodity prices across the board. Most of the assistance available under this agriculture relief package is targeted toward farmers who have suffered natural disaster and multi-year losses. As a result, it will offer little help to farmers in most agricultural states, such as Nebraska, who are harvesting good crops but encountering drastically lower prices.

Unfortunately, this Member does not believe that the $1.65 billion in the package for market loss assistance is adequate to compensate producers. Since it represents a 29 percent increase over the AMTA payment received by producers in FY98, it is a good first step. However, the 1996 Farm Act was based on the premise of expanding international markets for the commodities produced by our nation's farmers. This clearly has not happened. Certainly, one of the root causes of the current low commodity prices is the recent economic down-turn. Nobody could predict the Asian financial crisis or the contagion effect which is still being felt. The U.S. Department of Agriculture's foreign Agricultural Service (FAS) is now forecasting that FY98 exports will be $2.3 billion lower than FY97 sales and $4.8 billion below the FY96 record of $59.8 billion.

Also, because of the strength of our national economy relative to most other countries, the value of our currency relative to others now makes our exports less price-competitive in Asian markets than our competitor exporters like Canada, Australia, Brazil, or the nations of the European Union. Thus, there is not only a dramatically reduced agricultural export market in Asia, we are also getting a reduced portion of the remaining Asian import business.

This Member continues to support the flexibility offered by the 1996 Agriculture Market Transition Act and does not want to see a return to the policies of the past. Farmers certainly appreciate the freedom to plant what they want and for the most part do not want to encounter unnecessary restrictions and bureaucracy. However, proposed changes, such as removing the loan rate caps would likely cause intermediate and long-term problems. A recent study prepared by the Food and Agricultural Policy Research Institute at the University of Missouri and Iowa State University concluded that such a change would lead to larger supplies and lower prices in the future.

This Member supports the Pomeroy motion to recommit with instructions which proposed that the conferees should "increase the assistance available to family farmers suffering economic loss as a result of record low prices, deteriorating market conditions and/or natural disasters."

In addition, this Member is supportive of recent actions which are designed to assist farmers during these difficult times. For example, this Member was supportive of the legislation which makes $5.5 billion in current FY99 Farm Act payments to farmers available at an earlier date on October 1, 1998. This action will significantly expedite these much needed payments.

More must be done for our nation's farmers and this Member believes it almost certainly now will be necessary to approve an emergency supplemental appropriation to assist farmers early next year, because the emergency assistance to farmers is not sufficient given the wholly unexpected export conditions in Asia and world markets and very low commodity prices they face.

CONFERENCE REPORT ON H.R. 4101, AGRICULTURE, FOOD AND DRUG ADMINISTRATION, AND BELATED AGENCIES APPROPRIATIONS ACT, 1999

SPEECH OF

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mrs. ROS-LEHTINEN. Mr. Speaker, I rise in support of this bill and to commend Chairman SKEEN for his dedication and commitment to the Agriculture Appropriations process.

He and Senate Subcommittee Chairman, Mr. COCHRAN, along with the full committee chairmen, Mr. LIVINGSTON in the House and Mr. STEVENS in the Senate have worked tirelessly throughout the entire process and, specifically, during conference proceedings.

The conferees did not succumb to outside pressures and stood firm against terrorist countries and parish states. they understood the tremendous differences between dealings with democratically elected governments versus attempts to negotiate with and support terrorist states such as the Castro regime in Cuba—that is what the provision by Senator DODD would have done.

The conferees understood that reality and eliminated the Dodd provision. The House and Senate conferees heard the rhetoric used by supporters of the Dodd provision but, when they heard the facts, they did what was right for the American people and for their security.

The conferees were clear on what they were dealing with when talking about Fidel Castro. They knew that Castro had recently rejected a U.S. proposal to provide donated aid to needy Cubans because it was coming from the United States. Even the North Korean dictatorship could not bring itself to deny aid for its people.

The conferees were fully aware of the fact that U.S. policy does not deny food and medicine to the Cuban people; that U.S. policy supports the Cuban people while punishing the dictator that enslaves them.

From a practical standpoint, the conferees understood that Castro does not have the money to purchase food because Castro's socialist economy is a dismal failure.

As far as "credits", the conferees were aware of the fact that Castro has the highest per capita debt in Latin America, rendering Cuba unworthy of credit from any country or international lender in the world. The Dodd provision would have made the U.S. the laughing stock of the world. It would have turned the U.S. into the only country in the world offering to extend credits to Fidel Castro.

The conferees recalled the fact that just a few weeks ago, the FBI rounded up 10 Cuban spies working to obtain intelligence from three U.S. military bases in South Florida.

With the enemy at our doorstep; with Castro agents gnawing at U.S. domestic security; there were those who actually wanted to appease the oppressive Castro regime by supporting the Dodd provision.

But again, the majority of the conferees could not, would not be fooled. They dropped the Dodd provision from the Agriculture Appropriations bill.

I appreciate their cooperation throughout the last couple of months, and praise them for their commitment to what is right and just. On behalf of the Cuban people and the people of terrorist and oppressive regimes around the world, thank you.

SALUTING THE MEMORY OF SANDY ANDREWS

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. TAYLOR of North Carolina. Mr. Speaker, in 1991, a young woman in my district, Sandy Andrews, was tragically killed when a train struck her vehicle at a railroad crossing.

But sometimes, out of such tragedies, come good things.

Sandy Andrews was active in youth sports in North Cove, North Carolina, where she lived with her husband and three sons. So to honor her memory, her family donated approximately 10 acres along U.S. Highway 221 for building a park. With the involvement of the McDowell County government, many volunteers, and local grant monies, that park was built.

On Saturday, September 12, 1998, the Sandy Andrews Memorial Park was opened, providing a ball field with dugouts, a playground, basketball court, and a volleyball court.

In this day when so many senseless tragedies occur, the building of this park is a tribute

to both the memory of Sandy Andrews, and the resolution of her family and her community to honor her memory.

It is an honor to share the story of that tribute with my colleagues today.

[From the McDowell News, Sept. 14, 1998]

FAMILY HOPES MEMORIAL PARK WILL BENEFIT COUNTY'S CHILDREN

(By Ragan Robinson)

A host of North Cove residents and county officials were on hand for the dedications of the Sandy Andrews Memorial Park Saturday morning.

Approximately 10 acres of land located on U.S. 221 North was donated for the park by Roger, Tom and Louis Andrews.

The county put up funds, enlisted volunteer and inmate labor and received grant money to add the ballfield, dugout, playground. basketball court and volleyball court.

It was named after Roger Andrews' late wife, Sandy, who was killed in 1991 when a train hit her vehicle at a nearby railroad crossing.

"This could not have happened without the generosity of the Andrews family," said Commission Chairman Butch Hogan during the dedication.

Sandy Andrews would have been very excited to see the park finished, according to her family.

She was involved in youth sports in the North Cove community, where she and her husband lived.

"It's a great tribute to a great woman," said Hogan.

Ben McCall, president of North Cove Youth Activities, spoke to the group, saying that area residents are proud of their community and of their children.

"America will hopefully return to a lot of the things North Cove never left," he noted. "Ours are good kids and they're worth our effort. This is only a portion of what we should do for them."

He also praised the hard work many in the community had put into making the park a reality, adding that Roger Andrews had spent many long, hot days laboring to get it finished.

Roger Andrews acknowledged the effort so many had made and said watching the park benefit local children would be all the reward he and his family wanted for their investment.

After introducing Sandy Andrews' three sons, Benji, Brian and Lee, he read a chapter from Corinthians which he said had been his late wife's favorite.

She always had tremendous amount of patience, he said, and possessed the ability to endure ad great deal without complaint.

"Charity, which Sandy possessed such a great measure of, is the only thing that exists beyond the grave," he said. "We got this done with the inspiration she left with us."

After the dedication, organizers held a potato sack rack, a three-legged race, a wheelbarrow race and an egg and spoon race.

There was also youth softball, volleyball, soccer, basketball and softball for the visitors.

[From the McDowell News, Sept. 15, 1998]

PARK A TRIBUTE TO BOTH ANDREWS AND COMMUNITY

The Sandy Andrews Memorial Park in North Cove is a triumph born of tragedy.

Sandy Andrews, a wife and mother who was active in her community, died in 1991 when a train struck her vehicle at a railroad crossing. The Andrews family donated 10 acres of land off U.S. 221 for a recreation park that would help keep Sandy's memory alive and provide a much needed place in North Cove for people to come together for fun and fellowship.

On Saturday, county officials, community leaders, members of the Andrews family and residents of North Cove helped dedicate that park.

"This could not have happened without the generosity of the Andrews family," said County Commission Chairman Butch Hogan.

And it could not have happened without a joint effort between the community and local government.

The park is an example of what can be done through cooperation. While the red tape and bureaucracy inherent to government can often be frustrating, this is one time when all the pieces came together.

The county earmarked money for the park, secured grants to help with its development and coordinated with the state to provide inmate labor for the project. Roger Andrews, husband of Sandy, spent a great deal of time along with many other members of the community helping with its development.

The park is an asset to North Cove and it stands as a tribute to a good woman, a generous family and a caring community.

EULOGY FOR MEG DONOVAN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. HAMILTON. Mr. Speaker, over the week-end Secretary of State Madeleine Albright delivered a eulogy for Meg Donovan, who departed this world on October 1. I ask that Secretary Albright's eulogy for Meg be included in the CONGRESSIONAL RECORD.

EULOGY FOR MEG

Father D'Silvo; Duffy, Colin, Emma, Liam, Mr. Daniel Donovan, Patrick, Paula, Mary Ellen, and other members of Meg Donovan's family; colleagues, friends and acquaintances of Meg:

There are times when it seems more fitting just to stammer with emotion than to speak with finely turned phrases.

It does not seem fair; it is not fair that Heaven, which already has so much, now has so much more. And that we here on Earth, who need so much, have lost someone who is irreplaceable in our hearts.

This we know. Meg could not pass from one world to the other without changing both.

We are crushed with grief. But the scriptures say that those who mourn are blessed for they shall be comforted; and we are comforted by the knowledge that, somewhere up above, God is getting an earful on human rights.

I did not become acquainted with Meg Donovan until I went to the State Department in 1993. Like her, I was a mother of three, including twins. I felt I understood better than some others might the choices and challenges she faced. But many of you knew her longer and more intimately than I. I cannot capture her personality or her career in full.

To me, if there is one word that sums up Meg, it is "completeness."

There are others in this town who are smart and good at their jobs; others with a commitment to causes that are right and just; others who bargain shrewdly and hard; others with a warm and wonderful sense of humor; others who understand the obligations of friendship; others who are devoted and loving to their families; others who have the discipline to live their faith.

There may even be others with Christmas sweaters that light up and play jingle bells. But rarely have the elements of true character been so artfully mixed as they were in Meg Donovan. Van Gogh is arriving in Washington; but a human masterpiece is gone.

When I was designated by President Clinton to serve as Secretary of State, I did what my predecessor, Warren Christopher, did. I turned to the person with the best instincts in Washington on how to deal with our friends on Capitol Hill. That was Meg. We began preparing in December.

Now, naturally, I thought the President had made a brilliant choice for the job, but I had to wonder, as we went along in practice, and Meg corrected and improved upon my every answer on every subject, whether there was anyone more qualified to be Secretary of State than she.

Of course, that being December, the birthday of the twins came along. And naturally, Liam and Emma didn't understand why their mother couldn't promise to attend the party. Their proposal, passed on and advocated by Meg, was that we adjourn our practice session and re-convene at Chuck E. Cheese. It is typical that, when the hour of the party drew near, Meg excused herself, and did not ask but told her new boss, that she was heading for Chuck E. Cheese.

When he was Secretary of State, George Marshall used to tell his staff "don't fight the problem, decide it, then take action." I suspect he would have like Meg a lot because, all her life, Meg was a doer.

Like quite a few others, she came to Washington committed to the fight for tolerance and respect for basic human rights for all people. What set her apart is that she could still make that claim after having worked here 25 years.

Whether at the Helsinki Commission, or the House Committee on International Relations, or the Department of State, Meg was one of the good guys. She could out-talk anyone, but talk isn't what she was after. She wanted change.

She wanted Soviet Jews to be able to exercise their right to emigrate. She wanted Tibetans to be able to preserve their heritage. She wanted prisoners of conscience to breathe the air of freedom. She wanted women to have the power to make choices that would determine the course of their lives.

Above all, she wanted to draw on and draw out the best in America: the America that would use its resources and power to help others achieve the blessings we all too often take for granted.

There were her ideals, but Meg was more than a dreamer. No one was more effective than she at creating the coalitions, marshaling the arguments and devising the strategies that would yield concrete results.

One of Meg's big problems was that she knew the system better and played it better than anyone else. So, whenever we found ourselves in a real legislative mess, which was not more than three or four times a week, we turned to Meg to help get us out.

Around the Department and earlier in her years on Capitol Hill, Meg's energy and wisdom added sparkle to every meeting. When she spoke, people listened. When she listened, people chose their words with care. She was thoughtful and patient with those

who, by virtue of experience or ability, needed her help. She brought out the best in others; just as she demanded the best from herself.

In our collective mind's eye, we can still see her striding purposefully down a hall with her arms full of folders, trailed by some hapless Ambassadorial nominee whose future had been entrusted to Meg's capable hands.

We see her, hugely pregnant, maneuvering around swivel chairs and outthrust elbows on the cramped dais of the House International Relations Committee.

We see her serious and firm, forearms chopping the air for emphasis, persuading us with eloquence and passion that doing the right thing is also the smart thing.

We see her relaxing at an office party, gold bracelets flashing, surrounded by flowers from her garden, a cherub's face aglow with health and life, 100 megawatt smile turned on full.

We see her where she most belonged, with Duffy, her partner of 24 years, and with their children.

And as we see her, we also hear that inimitable laugh, which was not exactly musical, but which conveyed a love and enjoyment of living that somehow makes what happened even harder to believe and accept.

Meg knew the impermanence of life. She lost her mother to cancer and a sister to cystic fibrosis. So she made the most of every single day.

The poet, William Blake, wrote that:

He who binds himself to a joy
Does the winged life destroy
But he who kisses the joy as it flies
Lives in eternity's sunrise.

No force, not even life itself, could bind Meg Donovan or ground her flight. She was only 47. But, in that time, her gifts to those of us who are gathered here and to those from around the world who have benefited directly or indirectly from her commitment, were full and rich.

This morning, as she looks down upon us, I know that she would expect us to cry and that, if she could, she would herself hand us the tissues. But she would also want us to be thankful for our time together, and to dedicate ourselves to improving our own lives by helping others.

We are sad today, but our sorrow is accompanied by the abundance of joy in the memories we share, the life we celebrate and the love that surrounds us.

May that joy melt, over time, the clouds of our grief.

May Meg's family, especially, draw comfort from our affection and from the deep respect we held for her.

And may Meg Donovan rest in peace, for we will never, never forget her.

COMPENSATION OF RETIRED MILITARY

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. KENNEDY of Rhode Island. Mr. Speaker, I am proud to submit the following for inclusion in the RECORD on behalf of the veterans of Rhode Island.

[From the State of Rhode Island in General Assembly, January Session, A.D. 1998]

JOINT RESOLUTION MEMORIALIZING CONGRESS TO AMEND TITLE TEN, UNITED STATES CODE, RELATING TO THE COMPENSATION OF RETIRED MILITARY

Introduced by: Representative Pires.

Date introduced: March 25, 1998.

Referred to: Committee on Finance.

Whereas, American servicemen and women have dedicated their careers to protect the rights we all enjoy; and

Whereas, Career military personnel endured hardships, privation, the threat of death, disability and long separations from their families in service to our country; and

Whereas, Integral to the success of our military forces are those soldiers and sailors who have made a career of defending our great nation in peace and war from the revolutionary war to present day; and

Whereas, There exists a gross inequity in the federal statutes that denies disabled career military equal rights to receive Veterans Administration disability compensation concurrent with receipt of earned military retired pay; and

Whereas, Legislation has been introduced in the United States Congress to remedy this inequity applicable to career military dating back to the nineteenth century; and

Whereas, The injustice concerns those veterans who are both retired with a minimum of 20 years, are denied concurrent receipt of hard earned military longevity retirement pay and Veterans Administration awards for service connected with disability; and

Whereas, Career military earn retirement benefits based on longevity of twenty years for honorable and faithful service and rank at time of retirement; and

Whereas, Veterans administered compensations serve a different purpose from longevity retired pay and are intended to compensate for pain, suffering, disfigurement, chemicals, wound injuries and a loss of earning ability and have a minimum requirement of 90 days of active duty; and

Whereas, The prevailing idea that military retirement pay is "free" is false. There is a contribution to retirement pay, which is calculated to reduce military base pay and retirement pay by approximately seven percent when pay and allowances are computed and approved by Congress; and

Whereas, Traditionally, a career military person receives a lower pay and retirement than his or her civilian counterpart and has invested a life of hardships and long hours without the benefit of overtime pay and lack of freedom of expression through the unions; and

Whereas, The Veterans Administration awards dependents allowances to disabled veterans with a thirty percent (30%) disability or more for each dependent, which allowances are increased with the amount of disability; and

Whereas, The Department of Defense deducts the entire amounts of dependents allowance, essentially leaving the disabled military retiree with no dependents allowance and that extends the discrimination to the families of military longevity retirees; and

Whereas, It is unfair to require disabled military retirees to fund their own Veterans Administration compensation by deductions on a dollar for dollar basis in the Department of Defense; and

Whereas, No such deduction applies to similarly situated federal civil service or Congressional retirement benefits to receive Veterans Administration compensation; and

Whereas, A statutory change is necessary to correct this injustice and discrimination in order to insure that America's commitment to national and international goals be matched by the same allegiance to those who sacrificed on behalf of those goals; now therefore be it

Resolved, That the General Assembly of the Sate of Rhode Island and Providence Plantations hereby urges the United States Congress to amend title ten, United States Code relating to the compensation of retired military, permitting concurrent receipt of military retired pay and Veterans Administration compensation, including dependents allowances; and be it further

Resolved, That the Secretary of State be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the President of the United States, Secretary of Defense, Senate Majority and Minority Leaders of the U.S. Congress, Speaker of the House, Committee Chairman of the Senate Armed Forces Committee and Veterans Affairs Committee, House Committee Chairman, National Security and Veterans Affairs Committee, and each member of the Rhode Island Delegation to Congress.

LANE MEMORIAL CHRISTIAN METHODIST EPISCOPAL CHURCH 1866–1998

HON. ELEANOR HOLMES NORTON

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Ms. NORTON. Mr. Speaker, I rise to pay tribute to the Lane Memorial Christian Methodist Episcopal Church, one of the District's most distinguished congregations, on the occasion of its 132th Anniversary and Homecoming Celebration. Lane has a long history of community service and has touched the lives of thousands through its outreach ministries that include the "Break of Life" Ministry and the Clothes Closet.

Lane was established in 1866 under the pastorate of the late Reverend Henson Primrose. The original and present site at 14th and C Street, NE was purchased with the assistance of General O.O. Howard, head of the Freedmen's Bureau and founder of Howard University. Participating in the purchase were Lane officers: Jacob Crumpton, James Green and Benjamin Whitaker.

In 1898, under the leadership of the Reverend J.R. White, the original white frame building was torn down, and a brick edifice was erected. In 1924, under the direction of Reverend P.L. Moore, an addition was constructed in the rear of the church. Following the death, in 1937, of the Right Reverend Isaac Lane, Fifth Bishop of the Colored Methodist Episcopal Church, the East Washington Mission was renamed Lane Chapel in his honor. In 1945, under the pastorate of Reverend C.E. Kelly, the mortgage was paid off and the church was renovated. The parsonage, at 1615 East Capitol Street, NE, was purchased, in 1951, while Reverend W.C. Doty was the pastor.

The church was deeded to the Colored Methodist Episcopal Church, and in 1954, the denomination's name was changed to the

Christian Methodist Episcopal Church. Reverend Giles R. Wright served as pastor from 1954–1959. Under his leadership, the church purchased two adjacent lots. In 1977, during the patorate of Reverend Allen W. Singh, an Educational Building was erected on the two lots. Further renovations were made while Reverend Marshall Jenifer was pastor, including a unique set of stained glass windows and a mural. The windows tell the story of the denomination's illustrious history and proclaims its Christian message. The church offices and parsonage were renovated in 1993, and air conditioning was installed in the sanctuary.

Outstanding among the many former pastors of Lane are, Reverend A.W. Womack, who was elected Bishop in 1950, and Reverend M.L. Breeding who, in 1954, was elected General Secretary of the Department of Kingdom Extension.

Over the years, many sons of Lane have answered the call to the ministry. The church has witnessed the acceptance of the call by five of its sons and two of its daughters: Joseph Carter, Walter Gaskin, Joseph Collins, Oliver Chase, Charles H. Roman, Azarine Mayes McClellan and Paulette M.E. Stevens. The Reverends Helen S. Clanton, Drexel N. Mitchell and Kenneth K. Dubose have served as associate ministers and received their first charges from this congregation. The present pastor, the Reverend H. Shirley Clanton, was assigned to Lane on August 2, 1998.

Mr. Speaker, the Lane Memorial Christian Methodist Episcopal Church is a beacon of light and hope in this city. I ask this body to join me in celebrating its rich history and traditional of spiritual, civic, and social activism.

HONORING PRIVATE FIRST CLASS BERNARD McADAMS III

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Ms. SLAUGHTER. Mr. Speaker, I rise today to pay my respects to a young man from my district who made the ultimate sacrifice in the line of duty. Bernard McAdams was proudly serving his country at Suwon Air Base as a member of the First 43rd Air Defense Artillery Battalion, south of Seoul, South Korea. In less than two years in the military, McAdams won commendations for sharpshooting, bravery, and leadership. Yet, his ultimate act of leadership ultimately cost him his life.

Last month, Private McAdams was assisting civilians amidst torrential rains on the Korean peninsula when he and two other soldiers were killed in a mudslide. However, while these great forces of nature were able to sweep him away from his family and friends, no power exists that can ever rob us of the sprint that he left behind. A graduate of Penfield High School near Rochester, New York, Bernard McAdams was known for his kindness, his intelligence, and his generosity. He grew up participating in activities such as the Boy Scouts, and Jack and Jill of America, a volunteer service club. He was a lover of Shakespeare, history, sports and art. In particular, many will remember him for his skill and interest in cartooning. Private McAdams was also a man of faith who was known for often reading and re-reading the Bible.

Mr. Speaker, the people who knew Private First Class Bernard McAdams III will forever be touched by the short time that he had in this world. This young man died as he lived, as a hero and as a role model. I send my condolences to his family and on behalf of my colleagues, offer my thanks and admiration for representing this nation with honor and dignity.

INTRODUCTION OF LEGISLATION TO MODIFY THE TAX ON COMMERCIAL AVIATION FOR ISLAND AIRPORTS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. NEAL of Massachusetts. Mr. Speaker, today Congressman DELAHUNT and I are introducing legislation to modify the tax on commercial aviation to and from airports located on sparsely populated islands. Senator CHAFEE has introduced companion legislation in the Senate.

The Taxpayer Relief Act of 1997 replaced the 10 percent airline ticket tax with a combination ticket tax and per passenger segment charge. Under prior law, domestic air passenger transportation was subject to an excise tax equal to 10 percent of the amount of the ticket price. The new formula, which is gradually phased-in, is a combination of a 7.5 percent excise tax on the price of a ticket and a fixed fee of $3 per segment.

Congress enacted a new formula to ensure a long-term stable funding source for the Airport and Airway Trust Fund. The formula was changed to reflect a user-based approach to pay for the use of FAA service and facilities. This new formula has resulted in inequities for short distance flights between an island and the mainland. When fully phased-in, the new tax formula could represent as much as 18 percent of the ticket price of a short distance flight to an island.

Short distance flights between islands and a mainland make little demand on Air Traffic Control (ATC) services as these flights do not use ATC centers, and rarely use departure or arrival control. These short island flights usually are transferred from the departure control tower to the destination control tower.

Air and ferry transportation provide islands with a vital link to the mainland for shopping, employment, health care and other needs. For these communities, air and ferry service maintain a delicate balance, where both are needed to meet the communities' needs for mainland access.

The new formula is harsh on island communities and for this reason, the legislation I am introducing will provide more equitable tax treatment for short distance flights to and from islands. This legislation would modify the tax to allow island airports to pay a 10 percent excise tax instead of the new formula which includes a segment fee. The legislation defines an island airport as an airport located on an island with population of 20,000 or less, 400,000 or fewer commercial passengers departing by air from such airport, and 50 percent or more of the initial flight segments of such commercial passengers are 100 miles or less.

I urge my colleagues to review this legislation and to consider addressing the inequities that were created by the new ticket tax formula.

TRIBUTE TO CATHLEEN KENNEDY—OUTSTANDING COMMUNITY COLLEGE PROFESSOR OF THE YEAR

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. LANTOS. Mr. Speaker, I would like to invite my colleagues to join me in congratulating my constituent and a fellow educator, Professor Cathleen Kennedy of the College of San Mateo, for her extraordinary dedication to teaching, her commitment to students, and her innovative teaching methods.

Recently, Mr. Speaker, the Carnegie Foundation for the Advancement of Teaching named Professor Kennedy the Outstanding Community College Professor of the Year as a mark of her high achievement. Professor Kennedy was selected from among more than 500 faculty members nominated by colleges and universities across our country in the U.S. Professors of the Year program—the only national award program which recognizes college professors for their teaching.

As a former professional computer systems consultant, Professor Cathleen Kennedy left consulting to serve as a role model and help others achieve their dreams. She encourages her students to envision themselves as future programmers or engineers. By persuading the Network Professional Association and several corporations to help develop an on-campus Networking Technologies Lab, Professor Kennedy has provided her students the opportunity to access the latest computer hardware and software and allowed them to work with experienced professionals on the newest technologies. Among her other numerous accomplishments, Professor Kennedy also adapted an introductory computer science course for distance learning, providing multimedia materials and support for students through voicemail, e-mail, and the World Wide Web.

Mr. Speaker, Professor Cathleen Kennedy is a teacher who exemplifies the ideals of innovation and selflessness. She is truly the Outstanding Community College Professor of this nation. The College of San Mateo as well as all of San Mateo County are greatly rewarded by her presence and by the ideals of higher education that she represents so admirably. I urge my colleagues to join me in extending to her our best wishes and congratulations for her outstanding achievement.

HONORING THE AMERICAN MUSLIM COMMUNITY

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to speak for one minute about American Muslim involvement in our Nation's political process. Participation is a fundamental requirement for the strength of our democracy, so it is gratifying when I see a community making such great strides toward becoming politically active. The American Muslim community is drawing strength from their common interests to bring issues of concern to the forefront.

This summer, I had the pleasure of attending the American Muslim Council's (AMC) 7th Annual National Convention. The AMC was established in 1990 to provide a fair and accurate picture of the American Muslim community to policy makers. The theme of the convention was "Strengthening Our Common Ground." I was amazed at the diversity of this gathering. The attendees were from a wide variety of backgrounds with their American citizenship and religion as their common bonds. Important issues on their agenda included protection of Muslim families from harassment, media abuse, and obstacles for Muslim students in public schools.

I would like to bring your attention to an article by Larry Witham that recently appeared in the Washington Times. It aptly describes the Muslim community's quest to become more active in local and national politics.

The article explains that although many American Muslims are still absent from civic and political activities, increased involvement of the community has begun to make a positive difference. American Muslims have been instrumental in electing candidates to State and Federal offices. Community members have begun to occupy visible positions themselves, as chaplains in the military and as law enforcement officials.

I move to insert the Washington Times article "Muslims urged to play part in politics" from June 28, 1998 in the CONGRESSIONAL RECORD to honor the value American Muslim participation adds to our political system.

It greatly concerns me, that in a nation that prides itself on religious freedom and values religious diversity, that many American Muslims are stereotyped by the media and even government officials as terrorists or likely terrorists. The vast majority of American Muslims embody the American Dream, are loyal to our flag, and are substantial contributing members to our communities. I am proud to represent so many Muslims and proud of their achievements in our Nation.

Mr. Speaker, I know my colleagues join me in commending the American Muslim community for their efforts to become more politically involved. Their increasingly active community serves as a wonderful example to all Americans.

MUSLIMS URGED TO PLAY PART IN POLITICS

END OF ISOLATION IS CALLED A MUST

(By Larry Witham)

As a politically-conscious Muslim, M.M. Ali shows up at both Democratic and Republican meetings in Northern Virginia but finds himself "the lone person from my part of the world."

The absence of Muslims from civic and political life may still be the rule in the United States, except where they make up a large voting block, speakers said at the annual national meeting yesterday of the American Muslim Council (AMC).

"It is unwise, as some of us do, to live in islands of isolation," Mr. Ali told the event, which drew nearly 1,000 participants from across the country. "Mainstreaming is the only viable way to rise up and be counted."

A main focus of the second annual Washington meeting of the council, formed in 1990 as the leading policy and lobbying group for Muslims, is to encourage more political involvement and to fight defamation.

Muslims now serve as chaplains in the military, one is a state senator in North Carolina, and others work for the FBI and attorneys general. Politicians, moreover, go to their mosques and write resolutions to recognize their festivals.

Yet the financially based political clout of other minorities—such as Jews, Greeks, Hispanics and blacks—is not yet a tool of an estimated 5 million Muslims nationwide, divided roughly in half between immigrants and blacks.

Khalil Munir, a former congressional staffer, said he witnessed how lack of money prompted three lawmakers he campaigned for in Brooklyn, N.Y., to overlook voters of the Islamic faith.

"When election time came, they knew they did not have to be accountable to the Muslim people," he said.

He and other speakers said Muslims must pool their money, earmark it for favorite lawmakers, do volunteer work and serve the community in civic roles.

One success story, said Randa Fagmy, a foreign policy and legal affairs aide for Sen. Spencer Abraham, Michigan Republican, was his narrow election victory on a Muslim swing vote.

Mr. Abraham, the only Arab-American in the Senate, was bolstered by a registration campaign among Muslims and a telephone network that urged them to vote on Election Day, she said.

"Encourage your kids to go into politics as a profession," Mrs. Fahmy said.

New Jersey's 350,000 Muslim families also were instrumental in electing one local official and one senator in recent years, said Morad Aboud Sabe, president of the Arab American League of Voters of the state.

"It's time for the Muslim community to produce its own candidates from within," Mr. Sabe said, noting that such civic involvement must start with the second generation at an early age.

While one political concern of Muslim activists may be U.S. foreign policy toward their homelands, the priority at the AMC meeting was protection of Muslim families from harassment, media abuse or obstacles in public schools.

On Friday, FBI Director Louis Freeh was scheduled to address the group at a meeting in the Hart Senate Office Building, but he canceled and instead sent Brekke Tron, head of the FBI's civil rights program.

"I was not satisfied with the director not showing up," AMC Secretary Abdurahman Alamoudi said. He acknowledged the tension between FBI efforts to stop terrorism and American Muslim concerns about suffering from guilt by association.

Despite the director's absence, "we broke the myth of the FBI in our Muslim community," Mr. Alamoudi said. "The public meeting was a milestone."

After Mr. Tron gave a presentation on FBI enforcement ethics and efforts to work with all ethnic groups, three Muslim representatives recounted cases in which law enforcement agents violated the civil rights of that group.

THE MIDDLE EAST PEACE PROCESS

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mrs. CAPPS. Mr. Speaker, last week, Jews all over the world celebrated the most solemn day of their religious calendar, Yom Kippur. After twenty-four hours of fasting, prayer, and reflection, the shofar is sounded and worshipers call out, "Next Year in Jerusalem." I know that I speak for my constituents and all Americans—Jews and non Jews alike—who fervently hope that the coming year will bring peace in Jerusalem and throughout the Middle East.

Achieving peace between Israel and the Palestinians and neighboring Arab states is clearly in U.S. national interest. A stable Middle East will not only reduce military risks, but will enhance the economic vitality of the region and indeed the world. A failed peace process, sadly, will bring economic disruptions, terrorism, and even war. We simply cannot allow the enemies of peace to prevail.

Mr. Speaker, it is a historical reality that active, direct U.S. involvement, at the highest levels, is an indispensable ingredient to Middle East peace. This was especially true when the Camp David Accords led to a peace treaty between Israel and Egypt. U.S. leadership also helped Israel and the Palestinians begin implementing the historic Oslo accord.

Over the past several months, the progress made at Oslo has slowed. That is why I was very heartened that the Administration has intensified its work on this issue. Under U.S. auspices, Prime Minister Netanyahu and Chairman Arafat met on September 28. At this meeting, it appears that significant progress was made toward resolving the remaining differences that are keeping the parties from concluding the next agreement. And it is clear that this important step forward occurred because the President has again made a Middle East peace agreement one of his foremost foreign policy priorities.

Mr. Speaker, as this session of Congress races to a close, I urge my colleagues to support the Middle East peace process. I hope my colleagues will join me in encouraging the President to continue his active involvement. I also hope that Members of Congress will urge both Israel and the Palestinians to avoid unilateral actions which could disrupt the thoughtful negotiations that seem to be headed toward an important breakthrough.

COMPETITION IN THE ELECTRONIC MARKETPLACE

HON. STEVE LARGENT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. LARGENT. Mr. Speaker, within the next few weeks, a lawsuit filed by the U.S. Department of Justice and 20 state attorneys general to protect competition in the electronic marketplace will go to trial.

The decision in this matter may define the development of the digital economy. And apart from the upcoming trial, Congress may be required to sort through the issues raised in this case, either in legislation or through additional hearing. In a month when Members of Congress are faced with many other critical issues, we should pay close attention to these proceedings.

It is the interest of the American people for the Internet—the most important new marketplace to come along in decades—to develop in an atmosphere that promotes innovation by the thousands of software and online service companies across America.

These electronic entrepreneurs have been one of the driving forces in the prolonged period of economic growth we have enjoyed in recent years. While I am usually a strong advocate for keeping the government out of the marketplace, there is too much at stake in the future of the Internet to run the risk that innovation will be stifled.

Mistakes made today in maintaining competition could provide the justification down the road for unnecessary government regulation. Our economy and the public will be better served if these concerns are addressed today through efforts that fall short of regulation. While we should not rush to final judgement before a trial has been held, there is clearly ample reason for the Justice Department case to go forward.

We are a nation governed by laws, not emotions. And regardless of the feelings some of us may have toward certain companies or the Department of Justice, we must make sure that our laws are being followed, and that the public interest is being protected.

The scheduled trial is necessary to ensure that the law is being followed and that electronic commerce will continue to develop to benefit both large and small companies, as well as the American people.

PERSONAL EXPLANATION

HON. PORTER J. GOSS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. GOSS. Mr. Speaker, I was not present for roll call votes 426 to 479 due to a family emergency. Had I been present, I would have voted yes on roll call votes: 427, 428, 429, 430, 432, 434, 435, 436, 437, 438, 440, 442, 443, 444, 445, 446, 449, 452, 453, 454, 455, 456, 457, 458, 460, 461, 462, 464, 465, 466, 467, 469, 470, 471, 472, 474, 475, 476, and 477; and no on roll call votes: 426, 431, 433, 439, 441, 447, 448, 450, 451, 459, 463, 468, 473, 478, and 479.

HONORING COLONEL ALBERT S. HINKLE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. GILMAN. Mr. Speaker, I am deeply saddened to inform our colleagues of the loss of a man who, for over thirty years, has been a close friend, a loyal confidant, a dedicated staff member, and an outstanding public servant.

Colonel Al Hinkle was born November 6, 1917, in Fargo, North Dakota, to Ned and Mildred Hinkle. He received a bachelor's degree in political science from North Dakota State University and thereafter was a 1958 graduate to the Yale University Institute for Organizational Management and did postgraduate work at Yale in 1959. He also attended Corning Community College.

Al was employed by the U.S. Treasury Department in Washington. During World War II, Al served in the Army as a finance officer assigned to General Dwight D. Eisenhower's staff, attaining the rank of Colonel. He was the Currency Director of the European Theater Operations.

Subsequent to World War II, from 1946, to 1950, Al was a salesman for Oneida Ltd., in Oneida, New York, responsible for sales in Virginia, North Carolina, and South Carolina. He then advanced to division manager for Frigidaire, Onondago Supply in Syracuse from 1951 to 1952. From 1953 to 1955, Al served as District Manager for the Kelvinator Division of American Motors in Buffalo. In 1956, Al served as the Executive Secretary of the Oneida Chamber of Commerce.

Over the next decade, Al served as the Executive Vice President of the Greater Corning Area Chamber of Commerce, and from 1966 to 1971, served as a Regional Manager of the New York State Department of Commerce. He was an Assistant Director of the Corning Urban Renewal Agency from 1971 to 1972, and then became Assistant Commissioner for Special Programs with the New York State Division of Housing and Community Renewal. He served in that position until May 1975.

In September 1975, Al Hinkle joined my staff as a legislative assistant, serving for 22 years until early 1997, when he retired. He was invaluable to me and my office, performing such duties as organizing seminars and meetings, managing my district office in Monsey, N.Y., traveling with me throughout our District, and keeping me aware of events affecting my constituency.

As Members of Congress,we are all well aware how imperative it is to have knowledgeable, well-informed, trustworthy staff members. Al was the epitome of such an assistant. However, he was more than exemplary employee, Al was also a good friend.

Al was never reluctant to express his opinions and views, and more often than not was proven correct. I was always proud to have Al represent me at public functions and was impressed with his detailed reports on what had transpired. He was of great help to me over the years in being my eyes and ears, helping me to keep my fingers on the pulse of Rockland County.

Al's tenure as First Vice Chairman of the Rockland County Republican Committee was marked by the increased growth in our party. In 1979, Al was mentioned as a possible Republican candidate for Rockland County Clerk, but withdrew his name.

Al was a member of the American Chamber of Commerce Executives, the New York State Association of Industrial Development Agencies, and the state Chamber of Commerce Executives. He was also a past president of the New York-Penn Tier Association of Chambers of Commerce, and served as a director of the American Retail Association Executives. Al's community service included many yeas an energetic Monsey Rotarian, an active officer in the Reserve Officers Association of the United States and an energetic member of several veterans organizations.

Al was married to the lovely June Brooks and they enjoyed a long, fruitful, and happy life together. When June became terminally ill with cancer, Al was a devoted helpmate throughout her long illness, and rarely left her side. The passing of his beloved wife in January 1994, was a deep loss to Al. He was never quite the same after her passing.

Al is survived by his sons, Albert II, David, and Frederick; and brother, John; and four grandchildren. Al will be afforded the honor, which he fully deserved, of a military burial in Arlington National Cemetery on October 16, 1998.

Mr. Speaker, I invite our colleagues to join with me in extending to Al's sons, his family, and his many friends, our deepest condolences.

AMERICA'S IMPACT AID ASSOCIATION: 25 YEARS OF WORK FOR OUR COUNTRY

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. CUNNINGHAM. Mr. Speaker, I rise today to make note that the National Association of Federally Impact Schools this year celebrates its 25th Anniversary.

The NAFIS represents school districts that are federally impacted—that is, their streams of state and local sales and property tax revenues are affected by the presence of military facilities of Indian lands. The federal presence in each American community represents a clear and convincing federal responsibility: that until the federal government pays local property and sales tax, it owes the schools a full and fair measure of impact aid, so that these schools may provide an excellent education to the children of military families and Native Americans, and to all children in affected communities. This association represents hundreds of American school districts, including the San Diego Unified Schools in my congressional district. It also plays a vital role in informing the bipartisan Congressional Impact

Aid Coalition, of which I am a member, so that we can keep current on issues with respect to this federal responsibility of impact aid.

I want to take note that NAFIS, on October 6, 1998, will honor the past presidents of the Association. Since 1973, these individuals have worked for fair treatment of our federally impacted schools, and for fair impact aid appropriations. In order of their service, these NAFIS presidents were: Lance Eldred, Dave Fish, June Quint, Thomas Bobo, Glenn Barnes, Don Bruno, Pat Hayden, Bob Thomas, Clarence Ham, Dave Kinkaid, Ed Hennessee, Ivan Small, Steve Pratt, and the current president, Lowell Draffen.

I also want to recognize NAFIS Executive Director John Forkenbrock and his staff, who work very hard to keep lawmakers, congressional staffs, and association members themselves well informed about impact aid.

In addition, at the same event where NAFIS honors its presidents, the association will pay a special honor to one of our colleagues: the distinguished chairman from Illinois and chairman of the House Appropriations Subcommittee on Labor, Health and Human Services and Education, the Honorable JOHN EDWARD PORTER. NAFIS will award him the Harry S. Truman Recognition Award for his vigorous advocacy in support of impact aid as a clear federal responsibility. Year after year, President Clinton's budgets have slashed and gutted impact aid, and year after year, Chairman PORTER has courageously and successfully fought to ensure that the federal government meets this fundamental responsibility to our schools, our communities, and our military and Native American families. It is worth noting that Chairman PORTER is only the second person ever to be recognized with this honor, the other being our late colleague, the gentleman from Kentucky, Representative Bill Natcher, a great and respected member of this House who earned and received the respect of us all.

Let the permanent RECORD of the Congress of the United States now note this tribute to the National Association of Federally Impacted Schools on its 25th anniversary, on its presidents and staff, and upon impact aid's great champion in Congress, the Honorable JOHN EDWARD PORTER, in appreciation for their service and dedication past, present and future.

TRIBUTE TO THE LIFE OF GENE McCABE, A TRUE HERO

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. RANGEL. Mr. Speaker, I rise to pay tribute to my dear friend, Eugene McCabe, who passed away September 29th at the age of 61.

Fulfilling his commitment to the health needs of his community, Mr. McCabe, against all odds, conceived and built a first-class hospital in Harlem, in the center of my Congressional District.

Friends have used words like "dogged persistence" to describe the passion that drove him. Above all, he was a man who loved his family, his people and his community, and was determined to do the best for them.

I am proud to honor Mr. McCabe who made a difference in his life and has left a precious legacy for future generations. I commend to my colleagues the following tribute by Jack Newfield which appeared in the New York Post.

[From the New York Post, Oct. 5, 1998]

CITY LOST TRUE HERO WITH HOSPITAL HEAD'S DEATH

(By Jack Newfield)

Mark McGwire and Sammy Sosa are great, but they are not the only heroes in the world.

There are quiet heroes on a smaller scale all over this city. It's just that their good works don't get on television and are not performed before 50,000 fans.

One such hero of the city died the other day. His name is Gene McCabe, and the whole city should know his name, and know his story.

I knew Gene McCabe for 15 years. He was a dignified healer in a vulgar time. He was a long-distance runner in a season of sprinters.

McCabe founded and ran a great hospital called North General in Harlem, an institution that saved lives, created 2,000 jobs, revived a whole neighborhood, built housing and survived constant fiscal crises.

In the plague years of AIDS, crack, and health-care budget cuts, McCabe's hospital provided the best possible care to the poor dependent on Medicare and Medicaid.

You should know three things about Gene McCabe that made him tick. He was a Marine. He was a climber of mountains. And his role model was his own father, a respected civic leader in New Haven.

Gene died at 61, in the hospital he created. When he was told his breast cancer was terminal, he asked to die in his own hospital, surrounded by his own employees.

Gene could have been anything in Harlem. He was smart, efficient, honest and wonderful with people.

Mayor Dinkins offered him a big job with a car and driver, but he said no, thanks.

The Clinton administration wanted him to run the Harlem Empowerment Zone, but North General was his mission.

He was the sort of inner-directed man who did not need the external validation of reading his name in the papers, or sitting on the dais of banquets honoring him.

Creating a first-rate hospital in Harlem was Gene's dream nobody could defer. It was his flower in the sun he did not let dry up.

A professionally managed, community-oriented hospital became Gene's dream in 1979, when the Hospital for Joint Diseases abandoned Harlem, and the city targeted Sydenham Hospital for closing.

The dream came true only after repeated brushes, with extinction. The hospital didn't make financial sense on paper. But you can't quantify determination and sacrifice on paper.

The hospital opened with no assets. It averted bankruptcy in 1988 with $150 million in state bonds, arranged by Mario Cuomo and the late David Axelrod.

At one point the hospital couldn't maintain a bank account because there was a lien by the IRS. Gene had spent his last dollar for medicine and gurneys.

At another point, Gene had to persuade Dennis Rivera, the militant leader of the hospital workers' union, to forgive a debt of $6 million to the union's pension fund, so the hospital could stay open.

"I loved Gene," Rivera said yesterday. "I would not have done this for any other hospital CEO. Gene was so honest. He had no patronage at that hospital. It wasn't like Lincoln or Kings County."

Recently, North General received a 98 percent rating for the quality of its care from the Joint Commission on Accreditation of Healthcare Organizations.

This put North General in the top 4 percent of 5,200 hospitals surveyed—amazing for an institution where 90 percent of patients are on Medicare or Medicaid.

"The morale of my members is so wonderful at North General," Rivera said. "That's why we forgave the debt."

Every day, Gene was the last person to leave the hospital. The women who changed the bedpans say Gene knew their names and asked about their family problems.

They saw him mop up spills and pick up pieces of paper.

North General had so many near-death experiences, the staff adopted the Motown song "Ain't No Stopping Us Now" as its theme song. The board of directors sang it after every rescue.

Basil Paterson, the former deputy mayor, was Gene's best friend, and the lawyer for the hospital.

"It was Gene's competitiveness that saved the hospital," Paterson said yesterday.

"Gene was normally gentle and diplomatic," Paterson recalled, "but I once saw him climb over a table to assault the executive of another hospital who was jeopardizing North General's chances for survival.

"He was so wise, and discreet, I told him all my secrets," the elder statesman of Harlem politics added, famous himself for secret-keeping and wisdom.

"Gene is irreplaceable," he added with a sad sigh.

Yesterday I visited the spotless hospital with artworks in the lobby, and spoke to Gene's widow, Elsie Crum.

She told me the story of how, years ago, Gene befriended a young woman he met bagging groceries at a local Harlem supermarket.

Gene became her mentor, and now this woman is about to graduate from Harvard Medical School.

She could work anywhere in the nation.

But she is coming back to Harlem, to work at North General.

That's the kind of hospital it is.

That's the kind of human being Gene McCabe was.

GILBERT LEAL

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. ORTIZ. Mr. Speaker, I hope my colleagues will join me today in recognizing Dr. J. Gilbert Leal, the president of Texas State Technical College (TSTC), where he has served for 20 years.

Dr. Leal has proven his leadership in our community and in higher education. During his 20-year tenure, Dr. Leal has seen an enormous amount of growth on the physical campus itself, in the student population, and in the university budget. In 1969, when Dr. Leal joined the staff of TSTC, he began teaching in the educational and development programs under the Manpower Development Training Act.

During his tenure as Migrant Counselor-Supervisor, his work with adult migrant education provided basic education to area migrant workers. It also shaped his thinking about the importance of adult education, particularly in the majority-Hispanic communities of South Texas.

He was soon chosen to direct the Admissions and Records Department, a position he held for six years, until he was selected as campus president in 1978.

Maintaining a positive working relationship with community business and industry is only one way Dr. Leal has followed the philosophy of TSTC to respond to the local unique educational and training needs. By capitalizing on education partnerships through a coordinated effort to utilize local, state, federal and private funds for continued growth at TSTC during the difficult years, Dr. Leal made it possible for the college to grow without creating an undue tax burden for area residents or students.

In addition to his commitment to education and improving the standards by which we educate young people, he has shown his commitment to the community by chairing the Rural Health Scholarship Committee, serves on the Lower Rio Grande Valley Development Council Board of Directors and the Cameron County Workforce Council. He chaired the Valley Workforce Alliance, served on Task Force for Improving Quality Education in the Rio Grande Valley, as well as the Harlingen School Board of Trustees.

I ask my colleagues today to join me in commending Dr. J. Gilbert Leal for the outstanding service he has given the South Texas community, educationally and otherwise. Also, I would like to thank Norma Leal, and their sons, Gilbert D. Michael, and Ricardo, for their generosity in sharing their husband and father with the community for so many years.

TRIBUTE TO THE BEAUMONT POLICE ACTIVITIES LEAGUE BOXING TEAM

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. LAMPSON. Mr. Speaker, I rise before you today to recognize the achievements of six young men who exemplify the Olympic spirit in both physical endurance and strength of character. They are models for their peers and a source of pride for their community, the City of Beaumont in the Ninth Congressional District of Texas.

Chris Henry, age 17, has won two outstanding boxer awards. In 1997, Mr. Henry was the Gulf Association Junior Olympic Champion, the Texas State Junior Olympic Champion and the National Junior Olympic Silver medalist. He won the gold medal in the light-heavyweight division of the U.S. 19-and-Under Championships and is automatically placed on the U.S. National team to represent his country in the World Championships in Buenos Aires, Argentina.

Quinton Sells, age 14, has won an Outstanding Boxer Award, was Gulf Association Silver Glove Champion, Texas State Silver Glove Champion, Regional Silver Glove Champion and National Silver Glove Champion all in one year, 1998. In addition to his physical prowess, Mr. Sells has been recognized by his peers for his intellect, having been voted Outstanding Student at Martin Luther King Middle School.

K'lon Spencer, age 13, has won 9 Outstanding Boxer awards. In 1997, Mr. Spencer was Gulf Association Silver Glove, Golden Glove and Junior Olympic Champion. The next year he was Texas State Silver Glove, Golden Glove and Junior Olympic Champion. That same year he also won the Junior National Golden Glove Championship.

Jordan Burton III, age 13, has won two Outstanding Boxer Awards. He was the Gulf Association Silver Glove, Golden Glove and Junior Olympic Champion in 1997. He is the Texas State Silver Glove, Golden Glove and Junior Olympic Champion for 1998.

Cymone Kearney, age 12, was Gulf Association Silver Glove Champion, Texas State Silver Glove Champion, Regional Silver Glove Champion and National Silver Glove Champion in 1998. Mr. Kearney is also the Junior National Olympic Champion.

Bryant Thomas, age 12, is the Gulf Association Golden Glove, Silver Glove and Junior Olympic Champion of 1998, the Texas State Golden Glove Champion and the runner-up National Silver Glove Champion of the same year.

These young men, whom we praise for their individual prowess, are also part of a team. The Beaumont Police Activities League provides a safe, supportive environment in which all young people are encouraged to succeed. The boxing team was started in September 1996. Since then, they have competed in more than 300 bouts with a team record of 176 wins and 142 losses. They are sanctioned by USA Boxing and have won 8 team championships. This gym alone has produced 5 National Champions, a credit to their coaching as much as individual talent. The coaches have volunteered their time and invested themselves wholeheartedly in the program. Coach Lee Wheeler went so far as to trade his Harley-Davidson motorcycle in order to purchase a van to transport the team across the country.

I applaud these six young men for their dedication, fortitude and spirit. I thank them for showing us the courage that exists within us all. And I wish them luck in all of their future endeavors both inside and outside the ring.

PERSONAL EXPLANATION

HON. VINCE SNOWBARGER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. SNOWBARGER. Mr. Speaker, I was unavoidably detained on Friday October 2, and missed Roll Call votes number 477, 478, and 479. Had I been present, I would have voted Yes on Roll Call 477, to approve the Journal of the previous day; I would have voted No on Roll Call 478 to recommit the Conference Report on H.R. 4101; and I would have voted Yes on Roll Call 479 to agree to the Conference Report on H.R. 4101. I ask unanimous consent that my positions on these votes be so noted.

CONGRATULATIONS TO HARRY AND NANCY E. ROTHROCK, JR., FOR THEIR GOLDEN WEDDING ANNIVERSARY

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. PICKERING. Mr. Speaker, on September 5, 1998, Harry and Nancy E. Rothrock, Jr., of High Point, North Carolina celebrated a special day in their lives—their Golden Wedding Anniversary. It is with great pride and personal interest that I congratulate them on this special occasion.

In this day and age when fewer couples can claim fifty years of marriage, Harry and Nancy Rothrock are the exception to the rule. For they have based their long lasting relationship on open communications, a personal commitment to one another, and genuine love. From 1948 to 1998, they experienced many ups and downs, and many trials and tribulations, but I know they would both say it has been well worth it.

Harry and Nancy met at High Point College in 1946 where they were active in many campus activities. Harry was a baseball and basketball star, while Nancy was the "May Day Queen" and a cheerleader, Rumor has it that it took Harry three attempts before Nancy would go out on a date with him, but, in the end, it was "love at first sight."

Their marriage has been complemented with four children—Nancy, Jr., Alan, John and Doug—and three grandchildren—Abbey, Darus, and Elizabeth. The family celebrated the anniversary with a private dinner and were joined by Nancy's sister, Mrs. Betsy (George S.) Bouldin.

Again, I want to send my sincerest congratulations and heart felt wishes to Harry and Nancy Rothrock on celebrating their 50th Wedding Anniversary.

DR. JON LARSON INAUGURATED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to Dr. Jon H. Larson, a distinguished educator who is joining our community in Northeastern Pennsylvania. On October 10, 1998, Dr. Larson will be inaugurated as the fifth president of the Luzerne County Community College, located in my hometown of Nanticoke.

Dr. Larson was most recently Vice-President for Administration and Dean of Institutional Services of the Frederick Community College in Frederick, Maryland. During his tenure at Frederick, he was also a research associate at

the University of Maryland. Prior to that experience, Dr. Larson served in several administrative and teaching positions at Berkshire Community College in Massachusetts.

Dr. Larson had numerous successes in Maryland, having served as the founding co-chair of the Maryland Community College Technology Council and the founding chair of the Maryland Community College Facilities Planners Council. He chaired a campaign that quadrupled capital funding for 18 colleges and was instrumental in the resource development and grant funding aspects of a $34 million capital improvements program.

Always active in the community, Dr. Larson served in leadership capacity of the Kiwanis, Norwich University Club, and the Frederick County Chamber of Commerce. He also served as community representative for the Bio Whittaker Animal Care and Use Committee, chair of the Frederick County CETA Planning Council, and chair of the Lee, Massachusetts Planning Board.

Dr. Larson has been a member of the Society for College and University Planning, the AACC National Council for Research and Planning, and several other professional organizations. Since moving to Northeastern Pennsylvania, Dr. Larson has continued his community involvement by joining the Kirby Center Board of Directors and co-chairing the education committee of the United Way of Wyoming Valley.

Mr. Speaker, I am pleased to have the opportunity to join with the community in welcoming Dr. Larson and his wife, Judy, to Northeastern Pennsylvania. Since his recent arrival, Dr. Larson has already provided a clear vision for the mission of the Luzerne County Community College in the new millennium.

AFRICA SEEDS OF HOPE ACT OF 1998

SPEECH OF

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mrs. MEEK of Florida. Mrs. Speaker, I rise in strong support of H.R. 4283, the Africa Seeds of Hope Act of 1998.

There are important signs of human progress in Africa. Life expectancy has increased, the infant mortality rate decreased by nearly 50%, we have seen sharp increases in educational advancement. Despite these advances, however, hunger and poverty still remain worse in Africa than on any other continent in the world.

The Africa Seeds of Hope Act promotes sustainable growth and development in Sub-Saharan Africa while at the same time helping the agriculture community. This bill would also improve food security for children, women and needy households, and improve the agricultural productivity and incomes of the rural poor. Agriculture is the largest source of revenue in most Sub-Saharan African economies. It is safe to say, that unless the agricultural industries improve, many Sub-Saharan African countries will continue to economically deteriorate.

The Africa Seeds of Hope Act has been endorsed by over two-hundred agricultural and humanitarian organizations with experiences in Africa.

By dedicating resources aimed at agricultural research, financing rural area farms and food security, this bi-partisan legislation would work in tandem with our new trade initiatives with Africa. The long-term partnerships that will be created because of this legislation will better enable the U.S. to evaluate the effectiveness of programs and allow us to design cost-effective techniques that can be used throughout our foreign aid programs.

Mr. Speaker, the Africa Seeds of Hope Act of 1998 provides substantial economic benefits to Sub-Saharan Africa and promotes American foreign interests. This bill has received bipartisan support in this Congress and is consistent with our current African foreign policy. I strongly urge my colleagues to support it.

HONORING THE STUDENTS OF COLD SPRING HARBOR JUNIOR HIGH SCHOOL

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. ACKERMAN. Mr. Speaker, I rise to honor and congratulate Rachel Friedstein, Jessica Berenblum, Lauren Schulz, and Raina Tripp who placed second in their quest for the Bayer/National Science Foundation (NSF) Award for Community Innovation. Each of these students has received a $3,000 savings bond and will be honored at a Capitol Hill Ceremony. We should also recognize the outstanding work of their coach, Mr. Jim Frank, whose leadership and guidance was instrumental to the students' success.

These Cold Spring Harbor Junior High School students conducted a comprehensive study of the long term damage caused by wearing backpacks that were excessively heavy. They concluded that 25–33 percent of adolescents already experience lower back pain and that overweight backpacks can exacerbate these problems leading to even more serious back conditions later in life. The students worked with physicians and chiropractors to identify risk factors and prevention methods.

In the fall, these four students began a program entitled "Light is Right" which seeks to inform their peers about the dangers associated with backpack misuse and strategies to avoid this problem. They will hold an assembly for new junior high school students and distribute brochures and stickers describing the problem. Moreover, they will work to create an Internet survey to conduct further research.

The creativity and ingenuity of these students should serve as a model to all of our schools and communities. It also shows that students can really make a difference in the lives of their peers by working with their school and the private sector. The award program, which is jointly run by the National Science Foundation and the Bayer Corporation, has adhered to this model of public-private interdependence. It is my hope that other schools throughout the New York area will look to this example and create similar programs. Most importantly, their work will enable other teenagers to lead healthier lives.

Mr. Speaker, I ask all of my colleagues join me in rising to honor these extraordinary students and their coach.

IN RECOGNITION OF THE HELLING STADIUM RENOVATION PROJECT

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. KLINK. Mr. Speaker, it is with great pride I rise and give recognition to the people of Ellwood City on the occasion of the rededication of Helling Stadium. Under construction for the past year and a half, the new stadium will provide a state-of-the-art facility for the students who attend Lincoln High School. It will also provide a first class venue for the Western Pennsylvania Interscholastic Athletic League to use for playoff games in baseball, football, and track and field bringing more and more people from outside Lawrence County into Ellwood City.

In addition to having one of the premier football stadiums in western Pennsylvania the complex has added a six-lane regulation polyurethane running track as well as a new baseball field and concession stands. As a result of this renovation, Lincoln High School will finally be able to host track and field events. It is interesting to note that prior to the renovation the baseball stadium's lighting was passed down from storied Forbes Field in Pittsburgh.

The Fourth Congressional District has been home to many great professional athletes. Tony Dorsett, Joe Namath, Ty Law, and George Blanda to name a few. It is my belief that with a first-class facility like this, it may not be long before a new crop of future NFL stars come from Ellwood City.

Mr. Speaker, it is once again with great pride that I rise and urge my colleagues to join me in congratulating the people of Ellwood City on this fabulous evening. Additionally, I would like to take this opportunity to extend my most sincere thanks to Brad Ovial and the entire school board for the work they have done to guarantee the completion of this project. Good luck for the future and go Wolverines.

A TRIBUTE TO THE REVEREND BERNARD C. POITIER

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mrs. MEEK of Florida. Mr. Speaker, I am proud to salute Reverend Bernard C. Poitier for his many years of service to our community and to his church as an educator, family counselor, and community leader.

Rev. Poitier has been the owner and director of Poitier Funeral Home for the past 30 years and the Pastor of Saint Luke Cousin Memorial A.M.E. church for 18 years.

Pastor Poitier began his ministerial training at Mount Herman A.M.E. church under the guidance of Reverend C.E. Jenkins. He received his primary and secondary education from Dade County public schools, then went on to earn his Bachelor of Science degree from Bethune-Cookman College in 1963.

As pastor of Saint Luke Cousin Memorial A.M.E. Church, Rev. Poitier has inspired many to become personally involved in doing God's work. Guided by his commitment to inner city youth, Rev. Poitier has organized numerous athletic events, fund raisers, and recreational activities designed to benefit those who are less fortunate.

Pastor Poitier is married to the former Barbara Riley and is the father of two sons, and two daughters. He is also the grandfather of two.

In honoring Rev. Poitier today, we honor the virtue, moral courage, and sacrifice which he has exhibited throughout his life. As an inspiration, strength, and a blessing to those whose lives are touched by his, he helps others understand the place of faith in their lives.

I know that my colleagues join with me and our entire commuity in extending our highest praise and congratulations to Rev. Bernard C. Poitier for his lifetime of service.

HONORING THE VERY REVEREND FATHER STEVAN STEPANOV FOR TWENTY-FIVE YEARS OF SERVICE TO ST. ELIJAH SERBIAN CHURCH IN ALIQUIPPA, PENNSYLVANIA

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. KLINK. Mr. Speaker, I rise today to honor an exceptional individual, the Very Reverend Father Stevan Stepanov of Aliquippa, PA.

This year, Father Stevan celebrates the twenty-fifth anniversary of serving the Aliquippa parish and the thirty-fifth anniversary of his ordination into the Orthodox priesthood.

Born and educated in Yugoslavia, Father Stevan moved to this country with his family to begin his career as a Deacon to the Serbian Orthodox Diocese in America. He became a United States citizen, earned a Master's Degree at the University of Pittsburgh, and strove to be a good husband and father.

As the parish priest in Aliquippa, he quickly established himself as an outstanding priest and helped to build the reputation of Aliquippa as one of the finest, most active Serbian Orthodox communities in America. Father Stevan has maintained the spiritual vitality of the Orthodox church service. He has rejuvenated holiday traditions that are centuries old. He has served as teacher to generations of young and old parishioners. He founded the summer camp and served as advisor and supporter for its Sunday School, Youth Group, KCC, Church Choir, Junior Choir, Mother's Club, Men's Club, and other organizations.

Through these many years, Father Stevan has enjoyed the support and good counsel of his wife, Ana. Her strength, humor, and patience have allowed Father Stevan to devote the many hours and much energy to his work in the parish.

Mr. Speaker, once again I want to commend Father Stevan for his service to the St. Elijah Serbian Church and the greater Aliquippa community and wish him many more years of good health and good work. He is a credit to his people and his vocation and an inspiration to all citizens of the Fourth Congressional District of Pennsylvania.

I hope that all of my colleagues will join me in recognizing the exemplary work of a truly extraordinary man.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, October 6, 1998, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 7

9:30 a.m.

Environment and Public Works

To hold hearings on the nominations of Isadore Rosenthal, of Pennsylvania, to be a Member of the Chemical Safety and Hazard Investigation Board, and William Clifford Smith, of Louisiana, to be a Member of the Mississippi River Commission.

SD–406

Judiciary

Business meeting, to consider pending calendar business.

SD–226

Indian Affairs

To hold hearings on H.R. 1833, to amend the Indian Self-Determination and Education Assistance Act to provide for further Self-Governance by Indian tribes.

SR–485

Special on SPECIAL COMMITTEE ON THE YEAR 2000 TECHNOLOGY PROBLEM

To hold hearings to examine information technology readiness of general business services for the Year 2000.

SD–192

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the nomination of Ira G. Peppercorn, of Indiana, to be Director of the Office of Multifamily Housing Assistance Restructuring.

SD–538

Foreign Relations

To hold hearings on the nominations of William B. Bader, of New Jersey, to be Associate Director for Educational and Cultural Affairs of the United States Information Agency, Harold Hongju Koh, of Connecticut, to be Assistant Secretary of State for Democracy, Human Rights, and Labor, and C. David Welch, of Virginia, to be Assistant Secretary of State for International Organization Affairs.

SD–419

Governmental Affairs

To hold hearings on the nominations of Dana Bruce Covington, Sr., of Mississippi, and Edward Jay Gleiman, of Maryland, each to be a Commissioner of the Postal Rate Commission, and David M. Walker, of Georgia, to be Comptroller General of the United States, General Accounting Office.

SD–342

Joint Economic

To hold hearings on proposals to stabilize the international economy. 311 Cannon Building

2:00 p.m.

Governmental Affairs

Oversight of Government Management, Restructuring and the District of Columbia Subcommittee

To hold hearings to examine the implications of military adultery standards.

SD–342

Judiciary

To hold hearings on the implementation of the Radiation Exposure Compensation Act.

SD–226

OCTOBER 8

9:00 a.m.

Judiciary

Technology, Terrorism, and Government Information Subcommittee

To hold hearings to examine national security considerations in asylum applications, focusing on a case study involving six Iraqis.

SD–226

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Ashish Sen, of Illinois, to be Director of the Bureau of Transportation Statistics, and Albert S. Jacquez, of California, to be Administrator of the Saint Lawrence Seaway Development Corporation, both of the Department of Transportation.

SR–253

Environment and Public Works
Drinking Water, Fisheries, and Wildlife Subcommittee
To hold oversight hearings on scientific and engineering issues relating to Columbia/Snake River system salmon recovery.
SD–406

10:00 a.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To hold hearings to examine recent events in Afghanistan.
SD–419

2:30 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH–219

CANCELLATIONS

OCTOBER 8

9:30 a.m.
Select on Intelligence
To hold hearings to examine the scope of national security threats.
SH–216

2:30 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH–219